RIGHT OF FIRST SELECTION (ROFS):

Background:

The **original Right of First Selection** issued by the Department received negative reactions from counties. (**See packet of information and letters of correspondence between the Counties and the Department sent to Sen. Moore and Rep. Young**; although not forwarded to the Committee by Sec. Stewart's office in response to the Committee's recent request.) In response, the Department did change the Criteria in follow-up administrative memos (please note, that at no time did this Criteria come before any legislative committee).

There is a **belief that the ROFS Selection Criteria were skewed to prove that privatization had worked (skewed against smaller agencies/counties; favoring the larger private agencies with large caseloads)**. Counties who had followed the Department's urging to reduce caseloads and were pressured to declare everybody "job-ready" were being punished now, by the Department issuing this new Criteria by which they would be judged (a year after the program had been implemented).

- As J. Jean Rogers states in the November 13, 1999, memo, "The criteria for Right of First Selection are defined by the Department of Workforce Development (DWD) separate from the performance standards incorporated in Appendix D to the current Wisconsin Works Implementation Contract ("W-2 Contract") and separate from monitoring measures for the current W-2 Contracts." (**One might say that the Department changed the Rules Late in the Game**.)

Moreover, **if Counties failed to meet the ROFS, private companies, such as MAXIMUS, would be eligible to compete in the RFP process. Perhaps being able to takeover the administration of the W-2 program in a number of Counties outside of Milwaukee**.

The Department is expected to **announce this week what Counties met the ROFS Criteria**.

- (Counties who were in danger of not meeting the Criteria received a letter from the Department "bringing to the county's attention areas where they may not be meeting the ROFS." According the Department's chief legal counsel, they do not have to share this correspondence with us. **WHY?; it is taxpayer/public money?**

- **The Committee could request the letter of correspondence**.

Possible Questions:

- For the **ROFS "best practices" criteria**: **what constitutes faith based** ? What are the **criteria used by the Department to determine "what is faith-based"**? **Reverend Sue Larson** may testify on this issue; she is particularly concerned that anyone could say they are "faith-based" and receive this money.

- Does this **"best practices" criteria violate separation of church and state**, by basing who is awarded a state contract on whether or not they have contracted with "faith-based" providers?

- Is this just an **attempt by the Governor to buy off some of the more vocal critics** of his welfare reform initiative?

<u>THE RFPs</u>

The Committee requested the Department give to the Committee copies of the draft RFPs.

The Department did not submit any drafts to the Committee. (I know that AFSCME and the MJS have both requested this material as well, and the Department has not, and/or does not have intentions, of making these documents part of public record.)

<u>Possible Questions:</u>

- What has been the process of developing the RFPs? I.e., has there been public input; has there been input from past providers, etc.?

- Considering the large sum of public money funding this program (**the Governor has proposed that the second round of contracts be funded with <u>$121.7 million</u> in Fiscal Year 00 and <u>$229 million</u> in FY 2001. In addition, he provides <u>$122.8 million to support the remainder of the current W-2 contract</u>. Stating that "these expenditures will be partially offset by an estimated $90 million of the state's share of the profits**.") **<u>the Legislature, as well as the public should have input into the RFP process.</u>**

- If the RFPs are to be released at the end of March, they must be close to completion. Therefore**, why is the Department not complying with the Committee's request to review the RFPs**?

- The Department estimated in their Agency Request to DOA that one agency in Milwaukee and 25% of the agencies outside of Milwaukee currently administering the W-2 program would no longer be administering the program in the next round of contracts (i.e., would not meet the ROFS and would not win the competitive RFP bidding process). (Therefore, requested $6 million in start-up funds for new W-2 Agencies.) **<u>Does the Department still estimate a minimum of 25% of the current contracts will not be renewed?</u>**

- **How will the Department determine how much funding each region of the state will receive to administer their W-2 program?** During the last contract, Milwaukee area agencies only received about 50% of the contracted money, but now have approximately 90% of the Caseload. Moreover, as the Audit Bureau points out, the Milwaukee County Agencies spent more of their money (80%) than any other region. It will take more money/more investment in the people remaining on the caseload to move them into employment (we have reached the hard to serve population that has extreme barriers to employment. I.e., AODA issues, lack of education (no GEDs), etc.)

Possible Recommendations:

- **The Human Services should have the opportunity to review the RFPs before the Department issues them at the end of March.** (Currently, the RFPs do not have to go before any legislative standing committee; the last round of RFPs did not go before the legislature either.)

Performance Based Criteria:

The Department has sent to the Committee their budget request to DOA outlining the performance criteria the Department is currently considering.

Possible Questions:

- What has been the process for determining what Performance Based Criteria should be included? Who has been involved?

- Are these Performance Criteria final?

- How will the Performance Criteria be tied to the profits?

- Will the profit calculation formula be in the RFPs again this time?

Recommendation:

- The Committee may want to make recommendations as a collective to the Department on what types of Performance Criteria should be part of the RFPs (perhaps including public testimony heard at this meeting or future hearings).

- **Suggest that profit calculation formula along with the performance criteria be outlined in the statutes rather than only in the RFPs. This option gives the Legislature more control over the W-2 Agency contracts, and the profits they reap, than they had during the last round.**

Other Recommendations the Committee may want to consider:

- **Providing in Statutes some sort of sanction to the W-2 Agency if it "fails to serve." (Rationale: we have stiff sanctions for clients who fail to comply with the W-2 program; therefore, why shouldn't we have stiff fines for W-2 Agencies who fail to comply.)**

- In the current W-2 contracts, there is a provision allowing the Department to levy a $5,000 fine against an Agency that has failed to serve a client. However, I do not believe that the Department has never leveled this fine at any W-2 Agency (you may want to ask). **If such a penalty were in statutes, it would be more enforceable**.

Moreover, in Secretary Stewart's response to the LAB's evaluation she writer, **"The W-2 contracts required agencies to provide services to all eligible persons within the limited funds provided."**

- <u>I would argue that this statement is completely and utterly false</u>. If it were true, W-2 would be an entitlement (which it is NOT. We are told this repeatedly by the Department!!)

  <u>Even if an individual meets all eligible W-2 requirements, both financial and non-financial, he/she is NOT entitled to placement in a W-2 employment position</u>.

  The Department has continued to allow eligible recipients to be declared "job-ready," denying them access to cash benefits even though the individual is unemployed.

- Please note, that although **we did <u>not fund</u> the W-2 program with a sum sufficient appropriation,** there was obviously enough money in the program considering the profits reaped by the agencies (see attached chart of profits and Community Reinvestment funds taken by the each Agency at the end of December as preliminary profit calculation).

- People are being denied benefits although there is sufficient money available to provide them with services.

<u>Recommendation of the Committee:</u>

Eliminate statutorily the "job-ready" category. (A bi-partisan group of legislators, including Sen. Farrow, Sen. Plache, Sen. Moore, and Sen. Darling, previously asked the Department to eliminate the category through an operations memo. The Job-Ready category still exists.)

<u>Put more requirements into statutes:</u>

For example, various groups have made the following recommendations:

- In Milwaukee, each W-2 agency should be required to have on staff a certified AODA counselor who does any drug assessment that may be necessary.

- In Milwaukee, each W-2 agency should be required to have on staff a person trained (and certified?) in treating Domestic Violence issues.

MILWAUKEE COUNTY BOARD'S RESOLUTION
Re: The Emergency Rent Payment Plan and Voucher System (Distributed to members and public)

Their suggestion: "To address this growing concern (the increase of homelessness and the increase in sheriff assisted evictions), the County proposes that all W-2 Agencies, prior to the total sanctioning of W2 clients, work with local agencies to develop an emergency rent payment plan and a voluntary rent voucher system. An emergency rent payment plan would provide temporary assistance to those facing eviction. In addition, a voucher system would ensure that landlords receive timely and direct rent payments thereby avoiding costly evictions which would result in stabilizing the housing and living conditions of families with children.

PLEASE NOTE:
According to the Legislative Fiscal Bureau, the W-2 Agencies have the ability to spend their contract dollars in a "broad manner." They could not think of anything that prohibits W-2 Agencies from using their contract funds to help someone pay the rent (a rent voucher of sorts) so they are not evicted.

The last contract cycle provided monies for "Emergency situations" (in addition to the Emergency Assistance pot of funds!) **These funds were called Ancillary funds/ for emergency types of assistance.** Projections by the Legislative Fiscal Bureau during the 97-99 budget cycle: In **97-98** projected for all W-2 Agencies in state: $47.1 million. Out of that sum, LFB estimated that W-2 Agencies would have to spend $10.25 million on Worker Compensation premiums, **leaving $36.8 million**.

In **98-99** there was $40.4 million allocated for ancillary funds statewide for W-2 Agencies, out of this LFB estimated that $8.1 million would have to be spent on Worker Compensation premiums, **leaving a total of $32.3 million**

<u>**Questions to consider**</u>:

- How much of this money was used? (If this money was not used, did it go toward the W-2 Agencies profit calculation?)

- Are W-2 Agencies aware they have this discretionary spending/flexibility? (We are hearing anecdotally that they are not.)

- If they are unaware, isn't it the Department's responsibility to ensure that the contracted funds are being spent correctly?

Recommendation: Instruct the Department to issue a BWI operations memo clarifying the ability of W-2 Agencies to spend their contract funds for the purposes suggested by Milwaukee County.

CWAG

Thomas L. Frazier, *Executive Director*

Coalition of Wisconsin Aging Groups

Testimony Before the Senate Committee on Human Services and Aging

March 9, 1999

By

Thomas L. Frazier

My name is Tom Frazier, Executive Director of the Coalition of Wisconsin Aging Groups (CWAG) a grassroots coalition of over 630 member organizations in Wisconsin. Thank you for the opportunity to provide this written testimony in support of the proposals set forth by the SSI Parents Coalition.

In November 1998, our organization joined a broad-based coalition of organizations concerned with the affects of the Caretaker Supplement Program on families headed by a parent with a disability. Since January 1, 1998, parents who receive Supplemental Security Income (SSI) have had support for their children significantly reduced. The result of this cut has been devastating to many of these families resulting in lost housing, frequent moves, disruption to the education of their children and an overall decline in the standard of living and quality of life for both parent and child.

Wisconsin is one of only three states who chose to reduce support for families headed by a severely disabled parent through our welfare reform efforts. Forty-seven other states recognized that families headed by parents with disabilities are not like other families, the "bread winner" is often too disabled to work and therefore should not be included in programs designed to move people into the workforce. In Wisconsin these families are in a double bind because those parents who might otherwise be able to find part-time employment are not eligible for W-2 services because they receive SSI. The result is support for their children is cut and they are ineligible for the very services that might allow them to obtain part-time employment to help support their family.

Currently families headed by a parent with severe disabilities receive $100 per month per child through the Caretaker Supplement. As any parent or grandparent can tell you, $100 per month is not enough to raise a child. The Governor's Budget includes an increase in the Caretaker Supplement to $150 per month per dependent child. While CWAG believes this is a promising start it still does not go far enough to address the financial needs of these children.

We would like to express our support for the following recommendations:

1) Increase the Caretaker Supplement above the Governor's recommendation of $150 per month per dependent child to $250 per month for the first child and $150 per month for each additional child. The additional $100 per month addresses the increased housing costs associated with having a

family. The additional $100 per month per family would result in a cost of approximately $6.65 million of the estimated $33 million in surplus federal Temporary Aid to Needy Families (TANF) dollars.

2) Fund the Caretaker Supplement Program with TANF dollars rather than through GPR SSI Maintenance of Effort funds. TANF dollars are most appropriately used to fund the Caretaker Supplement Program since the money supports non-disabled children. Use of the GPR SSI MOE funds has a potential negative impact on people with disabilities and older persons who are eligible for SSI MOE funds.

3) Remove barriers to employment for disabled parents who may be able to work. This would include expansion of the eligibility for W-2 childcare assistance to parents on SSI while there are either looking for employment or participating in education or training.

4) Provide W-2 services (except the cash grant) to families who receive the Caretaker Supplement. Currently these families are excluded from benefits like service coordination, transportation assistance, life skills training, and job search assistance. Allowing these families to receive such services would ultimately remove employment barriers and improve the economic status of the family.

5) In some cases teenage children of parents with disabilities have their own children. In such cases, both the dependent child and grandchild reside with the disabled parent/grandparent. However, the Caretaker Supplement is provided only for the dependent child, leaving the disabled grandparent responsible for supporting the grandchild with no additional support. We recommend that in such cases the child of a minor child residing with a grandparent also be eligible to receive the Caretaker Supplement.

In conclusion, we believe that these recommendations are feasible given the fact that there is a surplus in TANF funds estimated to be at $33 million dollars. We also believe that for the sake of children and families these recommendations are crucial. The CWAG has adopted these issues as part of its Intergenerational Platform. We feel very strongly that parents with disabilities and their children should not be punished because of the parents disability. In addition, for the sake of our future we believe that we should be supporting the efforts of individuals who would like to obtain employment by removing barriers to employment. We are also concerned about the potential impact on seniors of using GPR SSI Maintenance of Effort funds to support children who are not disabled but are most appropriately supported through the use of federal TANF monies.

State of Wisconsin
WCDD
Council on Developmental Disabilities

600 Williamson Street
P.O. Box 7851
Madison, WI 53707-7851

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March 9, 1999

TO: Members of the Senate Committee on Health and Aging

FROM: Judith Fell, Chairperson
Wisconsin Council on Developmental Disabilities

Judith A. Fell

RE: The Caretaker Supplement Program for Parents with Severe Disabilities on SSI

Since the beginning of the Caretaker Supplement Program, the Wisconsin Council on Developmental Disabilities (WCDD) has been highly concerned for the health and well being of the approximately 5,500 Wisconsin families with over 10,000 dependent children who have faced severe reductions in their monthly income. (See attached map of the distribution of Caretaker Supplement families)

Families have told the WCDD that they are in crisis and report that they are unable to pay their rent, feed their family or pay basic living expenses. Parents state that they are unable to provide the basic necessities for their children, that they feel they are being punished for their disabilities, and that the constant worry is affecting their health. The severe disability of the parent limits their ability to bring in extra earnings for their family.

The Wisconsin Council on Developmental Disabilities has compiled information on the families from 2,242 surveys and 374 phone interviews. Additionally, over 300 families have written letters talking about their financial crisis. The attached booklet entitled, *Families in Poverty,* provides you with them results of the WCDD study on the families.

In addition, the attached publication, *Fragile Families*, provides a photoessay of sixteen families affected by the change to the Caretaker Supplement Program. Sadly, after the publication was sent to the printer, one of the parents, Tyonna Wilkerson, was killed in a house fire. Tyonna used a wheelchair due to severe arthritis. Her 18-month-old twins were not with her and are unharmed. We do not know the circumstances of the fire, nor if her lack of mobility may have contributed to her inability to escape the smoke and fire. We do know that in her August interview she described her housing as unsafe, but costly. She paid $400/month for rent not including heat and electricity. She said of her housing, "It's kinda bad. I want to move into an apartment where it's a two bedroom and it's spacious where I can move around in. This is so small I can't move around and I can't do as much... I'm scared every day in here with my kids...The danger-people fight, break into your places, most of them are on drugs. I really don't talk to anybody. This entire apartment...is a messed up place. It's kinda sad that people have to live like this and live in here." Her sentiments about unsafe housing that is inappropriate for her disability was echoed by many parents who wrote the Wisconsin Council on Developmental Disabilities.

The Wisconsin Council on Developmental Disabilities is working with 47 other agencies in the SSI Parents Coalition to develop recommendations to improve the Caretaker Supplement Program. The full recommendations are attached along with a list of the other agencies. To summarize, the recommendations are:

1. Provide the families with a stable, livable income by increasing the Caretaker Supplement above the Governor's recommendation of $150/month per dependent child to $250/month for the first child and $150/month for each additional child. The cost of the additional $100/month per family would be approximately $6.65 million of federal TANF dollars. Since the families . Since the families are in financial crisis, the implementation date should be moved to July 1, 1999.

2. Use 100% TANF (federal Temporary Aid to Needy Families) dollars instead of a portion of the GPR SSI Maintenance of Effort to pay for the Caretaker Supplement.

3. Ensure that families living at the SSI benefit level receive monthly cash assistance for the care of their dependent children in order to protect families when their income rises slightly above the federal ssi level.

4. Expand the eligibility for W-2 child care assistance to parents on SSI while they are looking for work or participating in education or training

5. Provide all W-2 services (except a cash grant) to Caretaker Supplement families including service coordination, life skills training, transportation assistance, and job search assistance.

6. Include in the Caretaker Supplement program, the child of a minor child when both are living with a grandparent on SSI.

Thank you for your consideration of these recommendations. If you would like more information, please contact, Jennifer Ondrejka, the Executive Director of the Wisconsin Council on Developmental Disabilities.

Attachments:

- Recommendations on Improving the Caretaker Supplement Program endorsed by the SSI Parents Coalition
- *Fragile Families: Personal Stories about the Impact of Welfare Reform in Wisconsin on Families headed by Parents with Severe Disabilities*
- *Families in Poverty: Parents with Disabilities and their Children, A Report on the Effect of Wisconsin's Welfare Reform Program on Families headed by a Parent who receives SSI because of a disability*

DISTRIBUTION BY COUNTY OF CARETAKER SUPPLEMENT FAMILIES AND CHILDREN

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

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

Member agencies of the SSI Parents Coalition:

(Steering Committee Members are in bold type)

March 1, 1999

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

DANE COUNTY

Kathleen M. Falk
County Executive

Legislative Lobbyist

Charity Eleson

March 9, 1999

To: Members of the Senate Committee on Human Services and Aging,
Senator Judy Robson, Chair
From: Charity Eleson Charity Eleson
Re: Increases in the Caretaker Supplement

Dane County has gone on record supporting restoration of the reduction in the Caretaker Supplement (SSI) that benefits children who live with a parent or parents who cannot work because of a disability and receive Supplemental Security Income. We are appreciative of the $50 a month increase in the supplement the Governor proposes in his budget, but strongly encourage legislative support for going further.

Dane County took the unique step of surveying families whose children receive the Caretaker Supplement in the first year the change went into effect. The county found that 94 percent of the families surveyed last year had experienced a reduced standard of living after the assistance their children received declined under state law. Twenty percent of the families surveyed had been evicted or notified of eviction because they were no longer able to pay their rent. Thirty-six percent experienced major problems of survival. Eighteen percent had had their phones disconnected because they were unable to pay their phone bills, which is a particular hardship for parents with a disability who have small children and emergency medical care needs.

The hardships these families have experienced are made even more difficult by fact that in all cases the parents have a severe disability that makes it impossible for them to become gainfully employed. Unlike the W-2 population, these adults are unable to obtain jobs that allow them to fully support their families because of a terminal illness, a physical or developmental disability or serious and persistent mental illness.

There are over 300 families in Dane County who receive this benefit. The county's ability to help these families address basic needs is limited to referrals to existing community resources that are already over-burdened. For example, half of the families we interviewed were not in low-income Section 8 housing. However, there is a two-year waiting list for low-income Section 8 housing in our county so they must search for housing in a market where the average rent for a two-bedroom apartment is over $627 a month (this is the most recent figure available from the Madison Area Apartment Association).

It is for those reasons that the Dane County Executive and the Dane County Board of Supervisors have supported restoration of this important benefit to children and ask for your leadership to increase it in the 1999-2001 biennial budget bill.

Thank you.

cc. Dane County Legislative Delegation

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Legislative Fiscal Bureau
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October 23, 1998

TO: Senator Gwendolynne Moore
Room 321 Northeast, State Capitol

FROM: Rachel Carabell and Joanne Simpson

SUBJECT: Supplemental Security Income (SSI) Caretaker Supplement

At your request, we are providing the following information relating to the caretaker supplement benefit for supplemental security income (SSI) recipients with dependent children: (a) background information regarding the SSI caretaker supplement and the aid for families with dependent children (AFDC) benefit for children of SSI recipients; (b) a discussion and update to the status of funding sources for the caretaker supplement; (c) a discussion of the amount of the supplement, including information regarding other states' benefits for SSI caretakers with dependent children; and (d) several estimates of the cost of increasing the caretaker supplement benefit.

Since its creation, two issues have been a source of discussion relating to the SSI caretaker supplement. The first relates to the appropriate funding source for the caretaker supplement and whether the state can use both general purpose revenue (GPR) funds and federal temporary assistance to needy families (TANF) block grant funds to support the cost of the supplement. The second issue relates to the benefit level. In order to understand these issues, the following background information is provided.

BACKGROUND

Under current law, SSI recipients with dependent children are eligible for a monthly caretaker supplement benefit of $100 per dependent child if the following apply:

• The custodial parent receives state or federal SSI benefits and is ineligible for a W-2 employment position solely because he or she receives state or federal SSI benefits;

• If the dependent child has two custodial parents, each custodial parent receives state or federal SSI benefits;

• The custodial parent assigns to the state any right of the custodial parent or of the dependent child to support from any other person;

• The dependent child meets the eligibility criteria, or would meet the eligibility criteria for AFDC if AFDC continued to exist; and

• The dependent child does not receive federal SSI benefits.

The benefit was initially established at $77 per month in 1997 Wisconsin Act 27 (the 1997-99 biennial budget act), and the first payment was made in December 1997 to some of the beneficiaries. The rest of the beneficiaries received their first caretaker supplement in January, 1998. Effective July 1, 1998, the caretaker supplement was increased to $100 per month under provisions in 1997 Act 237.

SSI Program. The SSI program is a federal program that provides cash assistance to low-income elderly, blind and disabled persons. The Social Security Administration (SSA) administers the program at the federal level and establishes uniform eligibility standards, federal benefit levels and program policies. Wisconsin, as well as many other states, chooses to supplement the federal benefit with a state SSI benefit.

Benefit Levels. The following table identifies the monthly federal and state SSI maximum benefit levels effective January 1, 1998, for individuals and couples who live in their own households.

Maximum SSI Benefit Levels

	Federal	State	Total
Individual	$494.00	$83.78	$577.78
Couple	741.00	132.05	873.05

The actual SSI payment amount an individual receives depends on what other income is available to the recipient, including the income of a spouse if that spouse is not eligible for SSI. Income for a recipient's dependent children, such as child-only AFDC benefits or child support payments, is not considered income available to the eligible individual. Maximum benefit levels are less for recipients who receive institutional care and recipients who live in the household of another individual.

Maintenance of Effort Requirement. Federal law requires that states maintain their effort to provide state supplemental SSI benefits to ensure that cost of living increases provided for the federal benefit are not offset by reductions in state supplement payments. Wisconsin's current MOE requirement is approximately $128.3 million annually. States may only count state supplemental SSI payments made to SSI recipients toward meeting the SSI MOE requirement.

Federal regulations define a state SSI payment as a cash payment made at least quarterly to an eligible SSI recipient to meet his or her needs.

State payments made to SSI recipients in order to meet the SSI MOE requirement cannot also be used to meet MOE or matching requirements for other federal programs, including the TANF program.

AFDC Benefits for Dependent Children of SSI Recipients. Under the AFDC program, dependent children of SSI recipients were eligible for AFDC payments on a child-only basis. As a child-only benefit, the parents receiving SSI were not included in the size of the family, nor was any of their income included in determining the AFDC benefit amount. The following table identifies the maximum AFDC benefit a family could have received for their dependent children if the parents had been SSI recipients.

Number of Children	Maximum AFDC Payment
1	$249
2	440
3	517
4	617
5	709
6	766

Under 1995 Wisconsin Act 289, the AFDC program was replaced with the Wisconsin Works (W-2) program, which was implemented statewide beginning on September 1, 1997. Under the W-2 program, cash assistance may only be provided to a family in which an adult participates in a W-2 employment position. Adults who receive SSI are prohibited from participating in a W-2 employment position. Therefore, under Act 289, cash assistance for children of SSI recipients would no longer have been available once W-2 replaced the AFDC program. The caretaker supplement was created in 1997 Act 27 in order to partially replace the AFDC benefit for these families.

FUNDING SOURCE FOR THE CARETAKER SUPPLEMENT

Uncertainty has surrounded the issue of funding the caretaker supplement since it was initially created in Act 27. Act 27 provided approximately $8.3 million (all funds) in 1997-98 and $9.9 million (all funds) in 1998-99 to fund the supplement. Of these amounts, approximately 80% in 1997-98 and 95% in 1998-99 were GPR funds budgeted for state supplemental SSI benefits. The remainder was to be funded with federal TANF block grant funds

The use of TANF funds for the caretaker supplement was determined appropriate if the state defined the payment as a child-only payment. If the payment were, instead, provided for the adult in the family, federal law would allow cash assistance only for five years and would require that the adult participate in work activities.

It was intended that the GPR approved for the caretaker supplement be used to meet the MOE requirement for the SSI program. In order to count toward the SSI MOE, the payment must meet the definition of an SSI payment (a payment to an eligible SSI recipient to meet ***his or her*** needs).

During the budget deliberations, a concern was raised that the federal government would not recognize the caretaker supplement as an SSI payment and therefore would not count the state GPR funds used to fund the supplement towards the state's MOE requirement because the supplement was paid for the support of the SSI recipient's dependent children, rather than to address the needs of the SSI recipient. Further, the use of TANF funds to support the costs of the supplement as a child-only payment supported the argument that the benefit was intended to address the needs of the children. Although the benefit would likely be used to support the needs of the entire family, federal law specifies certain requirements for both the SSI and the TANF program and the application of these requirements depends on whether the benefit is to be used to support the needs of the parent or the child. Concerns were later raised that if the supplement were funded with both GPR and TANF funds, the TANF portion of the supplement would be considered income for the SSI recipient, thereby, reducing the federal SSI benefit.

Since the passage of Act 27, the federal government, DHFS and the Legislature have gone back and forth regarding these issues. On several occasions, additional TANF funds have been provided to DHFS or TANF funds budgeted in DHFS have been reduced based on whether or not the supplement should be funded entirely with TANF funds or with both TANF funds and GPR funds budgeted for state supplemental SSI benefits.

Current Status. In a letter dated July 10, 1998, the SSA notified DHFS Secretary Leean that SSA had reversed an earlier decision and it now considered the portion of the caretaker supplement funded with the state's GPR funds as an SSI payment and would therefore count payments funded with GPR towards the state's MOE requirement. Further, the letter indicated that SSA would consider any payments funded with TANF funds as income for the SSI recipient's dependent children and not income for the SSI recipient. Therefore, the recipients' federal SSI benefit would not be affected by the TANF-funded portion of the caretaker supplement.

Based on this determination by SSA, DHFS is currently funding the caretaker supplement with a combination of GPR and federal TANF funds. It is expected that expenditures for the caretaker supplement will total approximately $13.2 million in 1998-99. However, DHFS is budgeted approximately $20.3 million ($6.8 million GPR and $13.5 million TANF) in 1998-99 for caretaker supplement payments. The additional funding, (approximately $7.1 million) is available based on the most recent Joint Committee on Finance action on the supplement in July, 1998. Under a passive-approval process, additional TANF funds were transferred from the Department of

Workforce Development to DHFS to fund the caretaker supplement entirely with TANF funds. This action was taken prior to the July 10, 1998 notification from SSA.

AMOUNT OF CARETAKER SUPPLEMENT

Since the creation of the caretaker supplement was proposed in the Governor's 1997-99 budget recommendations, there has been debate regarding the appropriate benefit level of the caretaker supplement and the effect of any changes to the supplement on the amount of assistance a family would receive from other income-dependent benefits, such as food stamps. The Governor recommended that the supplement be established at $77 per child per month. The Governor's recommendations, which were adopted in Act 27, were based on the increment between the AFDC benefit levels for a family of two ($440) and a family of three ($517). This $77 increment was interpreted as the incremental monthly cost of raising a child. The supplement was increased to $100 per month under provisions in 1997 Wisconsin Act 237.

Other States' Provisions for SSI Recipients with Dependent Children. This office contacted staff in surrounding states regarding benefits to SSI recipients with dependent children. All of these states provide benefits to SSI recipients with dependent children. Staff from each state indicated that these benefits are funded entirely with TANF block grant allocations. In each state, the benefit levels paid to the SSI caretakers were equivalent to the maximum benefit levels that were available to these families under the former AFDC program.

The following table provides the monthly benefit levels among these states for SSI recipients with one dependent child.

SSI Caretaker Benefits Levels For One Child
Upper Midwestern States

Illinois*	$102
Indiana	139
Michigan**	276
Minnesota	250
Ohio	215

* Represents the benefit level for families in the greater Chicago area. The benefit level for families in central and northwestern counties is $97. The benefit level for families in southern counties is $94.

** Represents the payment level for families living in the Detroit area. For families living in the rest of the state, the benefit level is lower.

Options for Increasing the Supplement. Several options for increasing the caretaker supplement benefit level are presented for your review. The fiscal effect for each option assumes an average of 11,000 children in 5,717 families would be eligible for the caretaker supplement per month. It is further assumed that the current annual cost of the supplement totals $13.2 million. It is expected that any increase in the supplement would be supported with federal TANF funds. GPR funds available in the appropriation for SSI benefits for the caretaker supplement (approximately $6.8 million in 1998-99, $9.0 million in 1999-00 and $10.3 million in 2000-01) are expected to be used to fund the supplement at its current level and therefore would be unavailable to fund an increase in the benefit level.

The following table identifies current benefit levels based on the number of children in the family and benefit levels and estimated costs for seven options that you may wish to consider.

Caretaker Supplement
Alternative Monthly Benefit Levels and Estimated Annual Costs

		Alternative Options						
Number of Children	**Current Level**	**Former AFDC Level**	**$150 Per Child**	**$215 Per Child**	**$150 for First Five Children**	**$215 for First Five Children**	**$150 for First Child**	**$215 for First Child**
One	$100	$249	$150	$215	$150	$215	$150	$215
Two	200	440	300	430	300	430	250	315
Three	300	517	450	645	450	645	350	415
Four	400	617	600	860	600	860	450	515
Five	500	709	750	1075	750	1075	550	615
Six	600	766	900	1290	850	1175	650	715
Seven	700	830	1050	1505	950	1275	750	815
Eight	800	879	1200	1720	1050	1375	850	915
Total Annual Cost	$13,200,000	$26,275,400	$19,800,000	$28,380,000	$19,706,300	$28,164,500	$16,629,900	$21,088,900
Annual Increase In Costs	$0	$13,075,400	$6,600,000	$15,180,000	$6,506,300	$14,964,500	$3,429,900	$7,888,900

Option 1. Under the first option, the supplement would be restored to the maximum level for which these families would have been eligible under the AFDC program. This option would increase costs, compared to the current benefit level, by an estimated $13.1 million annually.

Option 2. The second option would increase the monthly supplement from $100 per child to $150 per child and would increase costs by approximately $6.6 million annually.

Option 3. Under the third option, the monthly supplement would increase from $100 per child to $215 per child. This benefit level is consistent with the kinship care payment available to noncustodial caretakers of related children. This option would increase costs by an estimated $15.2 million annually.

Option 4. Under the fourth option, the monthly supplement would increase from $100 per child to $150 per child for the first five children in the family. The family would receive $100 per child for each additional child. Under this option, the increased cost would total approximately $6.5

million annually. This option recognizes that some costs of raising children, such as housing and clothing costs, are subject to economies of scale. Approximately 98% of the families receiving the caretaker supplement have five or fewer children.

Option 5. The fifth option would increase the monthly supplement from $100 per child to $215 per child for the first five children in the family. As under the fourth option, the family would receive $100 for each additional child. Under this option, costs would increase by an estimated $15.0 million.

Option 6. Under the sixth option, the monthly supplement would increase from $100 per child to $150 for the first child. The family would receive $100 for each additional child. The estimated annual cost of this option would be approximately $3.4 million. Under this option, each family would receive a $50 monthly increase, since the change in the payment per child would only affect the payment for the first child. Payments for all other children would remain the same.

Option 7. The seventh option would increase the monthly supplement from $100 per child to $215 for the first child. The family would receive $100 per month for each additional child. This option would increase annual costs by approximately $7.9 million. Each family would receive a $115 monthly increase, since the change in each family's payment only affects the payment for the first child.

While this memorandum does not discuss the effects any changes in the supplement benefit level would have on other benefits a family may receive, a change in the caretaker supplement could affect the level of benefits received from sources that are income-dependent, such as food stamps.

On September 28, 1998, the Joint Committee on Finance approved a modification to expenditures of federal and state funds for the W-2 program for 1997-98 and 1998-99. After the Committee's action, the net ending TANF balance at the end of the biennium based on budgeted expenditures is estimated at $7.1 million. In addition, $71.0 million in TANF funds is also available due to lower than anticipated spending in the child care program. Finally, due to unexpended funding under the W-2 agency contracts, it is estimated that up to $35.1 million may be returned to the state in 1998-99 under the agencies' preliminary profit calculation. Therefore, it appears that sufficient TANF funding is currently available to fund the proposed modifications to the caretaker supplement.

We hope this information is helpful.

RC/JS/all

Title: The shifting terrain of welfare reform.

Subject(s): WELFARE recipients -- Education -- United States; COMMUNITY colleges -- Law & legislation -- United States

Source: Black Issues in Higher Education, 12/11/97, Vol. 14 Issue 21, p30, 2p, 2bw

Author(s): Manzo, Kathleen Kennedy

Abstract: Provides information on the implications of the federal legislation which limits the educational options of welfare recipients and community colleges in the United States. Enrollments status of low ***income*** students; Provisions of the welfare reform approved by Congress.

AN: 15995

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HIGHER EDUCATION, DECEMBER 11, 1997

THE SHIFTING TERRAIN OF WELFARE REFORM

Educational Advocates for Low-*Income* Student Looking for Solid Ground

For hundreds of thousands of the nation's poor adults, community colleges have long delivered their best chance for gaining sufficient ***education*** and training to land a job that could break their dependence on welfare.

Literacy and technical programs, and those that lead to various certificates and degrees, have given many on public assistance the extra oomph they need to become self-supporting.

But a year after passage of federal legislation limiting the educational options of welfare recipients, community colleges throughout the country are scrambling to ease the impact on current and potential students.

Employment now takes priority over ***education*** and training, meaning many will languish in dead-end and low-paying jobs, never to break the cycle of poverty, observers say. And early indications from several states reveal a steep enrollment drop for students on welfare.

"We firmly believe that educating for high-skilled, high-wage jobs is the way to keep people off welfare and help them have a more productive life," says Dr. Deborah L. Floyd, president of Prestonsburg Community College in the heart of Kentucky's Appalachian region. "We feel that while they are students, they should be allowed to have sufficient time to finish college."

Prestonsburg and other community colleges in the state already have witnessed a drop in enrollments among low-***income*** students. Last year, the college enrolled 353 students who also received public assistance. This year, the number has plunged to 147.

Officials say the decline is an early sign that welfare reform will come at a heavy price for residents of the poor Appalachian communities.

It's the same story in Wyoming, where educators worry that the state's get-tough stance on welfare is driving the neediest residents out of college and into the kind of low-paying jobs they went to school to avoid.

Grants managers and placement specialists at three of the state's seven community colleges say about 25 percent fewer low-***income*** students took advantage of assistance programs this fall. Officials at the other colleges either reported a slight decrease, no change, or had no comparable figures.

"The big push here is not to get off welfare with ***education*** and training. It's to get off welfare by going to work," says grants manager Bonnie Fiedor at the Northern Wyoming Community College District in Sheridan.

One of the state's top welfare officials concedes that new state and federal policies have something to do with the drop from 367 college students receiving welfare benefits to eighty-two.

But Wyoming Department of Family Services Programs and Policy Division Chief Marianne Lee said the rules changes alone are not necessarily driving low-***income*** students away from ***education***.

"It's not black and white," Lee says. "The changes are not the only factor involved in any human circumstance. If we've learned anything out of welfare reform, it's that."

The welfare reform legislation approved by Congress last year set strict limits on eligibility for public funds. Able-bodied recipients now have a sixty-month lifetime limit on receiving benefits, and they must find work or enroll in programs that are preparing them for employment within a year.

The new law gives states flexibility to design their own welfare programs and many are still developing guidelines. Some allow or encourage job training and ***education*** programs and allow participants to meet work requirements by a variety of means. Others are far less favorable toward students.

Fighting the Fear

Regardless of the details, the new rules could force many community college students to drop out of school. Others who wish to pursue more ***education*** may be discouraged for fear the time restrictions will prevent them from completing the programs.

The issue is foremost on the minds of community college educators throughout the country, according to officials at the American Association of Community Colleges (AACC). Association officials have taken their concerns to Capitol Hill, advocating for the inclusion of work study, vocational ***education***, and other programs as acceptable work options.

Last month, the association started publishing Welfare Watch, a monthly newsletter for college presidents that provides information on welfare-to-work grants, presents implementation strategies, and profiles model welfare-to-work programs around the country.

Dr. Brice Harris, who chairs a joint commission on federal relations for the association and the Association for Community College Trustees, led a workshop on the topic earlier this year. He says welfare reform has become one the greatest concerns of community college presidents in every state because the colleges are seen as primary providers of such services.

"We are noticing an increasing fear on the part of students because they don't know how the [state] regulations are going to shake out," says Harris, chancellor of the Los Rios Community College District in Sacramento.

"They think their only alternative is to go to work" and that ***education*** is no longer an option, Harris says. "A lot of students don't wait to have someone officially tell them what the policy will be."

That reality has put the onus on community colleges to act quickly and aggressively. At Los Rios colleges and other institutions, staff members are getting the word out that they are finding ways to accommodate all students who want to pursue ***higher education***.

Working with local social services agencies, colleges are trying to get as many of their programs as possible onto approved lists. And they are squeezing programs into shorter time periods to allow students to meet time restrictions.

Additionally, they are applying for grants to fund scholarships, child care, and expenses for students who are otherwise motivated to complete their ***education***.

In California, the challenge is great. Some 140,000 students, or 10 percent of all those who attend the state's 106 community colleges, are dependent on welfare benefits. Earlier this year, the state legislature awarded the community college system $65 million in extra funding to assist welfare recipients in the transition to employment.

However, officials say the money is inadequate for the task. They also complain that some degree programs -- and those that prepare students to transfer to four-year institutions -- may not qualify, according to Connie Anderson, the California Community Colleges' coordinator for CalWORKS, the state's welfare-to-work program.

"We're going to have to try real hard to package together programs with work study and work experience that will allow students to complete programs and meet work requirements," Anderson says. "Just how many students we're going to lose is hard to tell, but we're going to lose a lot."

Developing Viable Options

Elsewhere, officials in Kentucky already are tallying losses. In the eastern part of the state, isolated by poverty and the Appalachian mountains, several community colleges have witnessed enrollment declines of students on public aid.

For students who often have to start college in remedial or basic literacy courses, meeting the new time requirements and federal financial aid regulations that prohibit funding for the preparatory classes often pose insurmountable obstacles to their educational futures.

"We see ourselves as the educational advocate for these students. But when you can't tell a student that their aid will be available to them for a two- or three-year period, they cannot continue," says Dr. G. Edward Hughes, president of Kentucky's Hazard Community College. "We know that there is no way they can complete a nursing program and work twenty to thirty hours a week."

The new welfare requirements are even more onerous in Wyoming. The changes, which took effect duly 1, are twice as stringent as the federal requirements. Wyoming residents receiving living assistance benefits must work forty hours per week, or spend that time looking for work or performing community service.

Wyoming is the only state, college officials say, that continued providing benefits to needy college students. However in order to qualify students must work at least thirty-two hours per week for ten of the sixteen weeks prior to the start of benefits.

The new summer work requirement appears to have kept some students on the job and away from college career exploration programs, says Kathleen Higgins of Western Wyoming College in Rock Springs.

Barbara Ochiltree at Casper College says of the eighty-one students she helped obtain federal grant assistance last spring, thirty-five did not return this fall.

Officials in Sheridan and Cheyenne, however, say the number of students taking advantage of federal funds available to low-***income*** students and people entering fields traditionally dominated by the opposite gender has held steady.

Many who stayed in school are still getting food stamps and medical aid, Fiedor says. But she adds that few of them now qualify for Temporary Assistance to Needy Families, the program that replaced Assistance to Families with Dependent Children.

At Eastern Wyoming College in Torrington, Dean of Students Billy Bates says he doesn't have conclusive figures but believes the school has lost several low-***income*** students.

"I think they're just grabbing whatever job comes available," he says.

And because of the sluggishness of the Wyoming economy, Bates says he expects students that haven't acquired the training and ***education*** they need to land better jobs will end up back on the welfare rolls.

In Kentucky, Hazard hopes to create a family life transition center to act as the ***education*** broker for the area's neediest residents. The one-stop center would provide information on academic options, local social services and transportation agencies to make school more feasible for residents in the isolated mountain community.

That kind of response, and the malleable nature that has become the trademark of community colleges nationwide, should help ease the difficult transition from welfare to work, Harris says.

"If we are going to have a global economy and be a competitive workforce, we cannot leave people behind," he says.

Instead of losing potential students to welfare reform, his district aims to increase the number of welfare recipients who turn to the community college for help by as much as 50 percent.

"We're the only real edge these people have. I've never seen such a willingness on the part of a variety of agencies to cooperate for the benefit of the client," says Harris. "We're seeing people pull out all the stops to come up with viable solutions."

PHOTO (BLACK & WHITE): Job training, once an avenue out of welfare, may fair poorly under new laws.

PHOTO (BLACK & WHITE): Community college officials say job training should be part of welfare programs.

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BY KATHLEEN KENNEDY MANZO

Source: Black Issues in Higher Education, 12/11/97, Vol. 14 Issue 21, p30, 2p, 2bw.
Item Number: 15995
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Title: `Frontloading': Help for low-***income*** students?

Subject(s): COLLEGE students -- United States; HIGHER education & state -- United States; UNITED States. -- General Accounting Office

Source: Black Issues in Higher Education, 04/17/97, Vol. 14 Issue 4, p5, 1/2p

Author(s): Dervarics, Charles

Abstract: Cites US General Accounting Office's recommendation of a `frontloading plan' to Congress by allowing the federal government to award financial-aid grants in early college career to promote retention of low-***income*** college students. Importance of grants in reducing the number of college dropouts.

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Higher Education; April 17, 1997

Section: Washington UPDATE

'FRONTLEADING': HELP FOR LOW-*INCOME* STUDENTS?

If it wants to promote retention of low-***income*** students, the federal government should award most financial-aid grants early in a college career, the U.S. General Accounting Office (GAO) told Congress late last month.

Such a plan, called "frontloading," would have students primarily receive grants in the first year of college and then substitute loans for grants in future years.

"Restructuring federal grant programs to feature frontloading could improve low-***income*** students' dropout rates with little or no change in each student's overall five-year allocation of grants and loans," said Cornelia Blanchette, associate director of ***education*** at GAO.

GAO studies found grants were most effective in reducing the number of college dropouts when such aid came during the first year. An extra $1,000 grant reduced dropout rates by 23 percent, according to Blanchette. The same additional grant in a second year cut dropout rates by 8 percent, while the extra funds made no difference in retention for third-and fourth-year students.

"If the Congress were interested in increasing the number of low-***income*** students who stay in college, it could direct the department to conduct a pilot program for frontloading federal grants," Blanchette said. "The Congress has yet to act on this suggestion."

Frontloading proposals remain controversial among college and university leaders who also spoke about the option during the last ***Higher Education*** Act reauthorization in 1992. A recent report from the federal Advisory Committee on Student Financial Assistance listed a variety of concerns, including ***higher*** costs to the federal government.

More students are enrolled as freshmen and sophomores than as juniors and seniors, which means the government would need to cover more students, the report said. Also, some students "drop out for reasons other than financial concerns," the report said. "Frontloading would not necessarily impact these students and promote retention."

But GAO maintains that the fast-rising tuitions in many sectors, including public ***higher education***, make it difficult for low-***income*** students to consider college.

"The sooner low-***income*** students receive grant assistance, the more likely they are to stay in college," Blanchette said.

During the past fifteen years, tuition for full-time, in-state students in public ***higher education*** has more than tripled, rising far ahead of average family ***income***. The average annual student loan at a four-year public institution was $2,417 in 1995, up dramatically from $518 back in 1980.

"If this trend continues, rising tuition levels may deter many students from attending college," she said.

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By Charles Dervarics

Source: Black Issues in Higher Education, 04/17/97, Vol. 14 Issue 4, p5, 1/2p.
Item Number: 9708143419
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Higher Education and National Affairs
American Council on Education

Facts In Brief: Percentage of College Cost Covered by Financial Aid Varies Among Students

3/29/99 • Vol. 48, No. 6

Half of all full- and part-time undergraduate students enrolled in postsecondary institutions during the 1995-96 academic year received some type of financial aid, states a report from the National Center for Education Statistics. The percentage of college cost covered by financial aid differs significantly between students of various income levels and those attending various types of institutions.

• Full-time, full-year students are much more likely to receive financial aid than those who attend on a part-time basis. Seven out of ten full-time, full-year undergraduates received financial aid; 54 percent were awarded grants and 44 percent secured loans. In contrast, 25 percent of part-time, part-year students received aid.

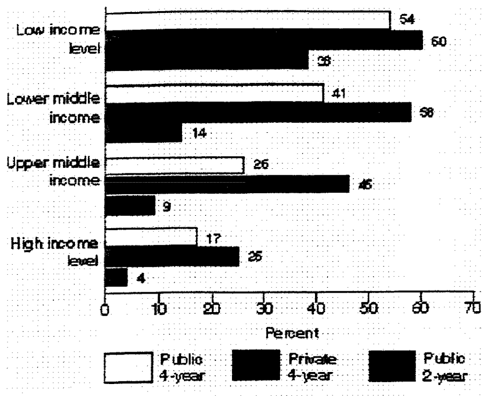
• The average cost of attending a public, four-year institution in 1995-96 was $10,800, including tuition, fees, and living expenses. Financial aid covered about 33 percent of these costs. Financial aid covered 45 percent of the total cost ($20,000) of attending a private, four-year insti-tution in 1995-96.

• The average total cost of attending a public two-year school, including tuition, fees, and living expenses, was $6,800. Financial aid covered about 17 percent of these costs.

• For low-income students, financial aid covered 54 percent of the cost of attending a four-year public institution, 60 percent of the cost of attending a four-year private institution, and 38 percent of the cost of attending a public, two-year school.

• Financial aid covered only 17 percent of the total cost of attending a four-year institution for students in the high-income quartile, 25 percent of the cost of attending a private, four-year institution, and 4 percent of the cost of attending a public two-year school.

Total Aid As a Percentage of Total College Cost for Dependent, Full-time Students, By Family Income and Institution Type, 1995-96



Source: National Center for Education Statistics, *College Access and Affordability,* January 1999. Data contained in the report appears in *The Condition of Education 1998,* which can be purchased by contacting the Department of Education Publications Center, (877) 433-7827 or by e-mail, *edpubs@inet.ed.gov.*

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Higher Education and National Affairs
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April 9, 1999

Judith B. Robson
Wisconsin State Senator
P. O. Box 7882
Madison, WI 53707

Dear Judy:

Thank you for the invitation to give testimony at the state budget hearing to be held on Wednesday, April 14. I consider it a privilege to be included, because I do have several areas of concern regarding the Wisconsin Works program and elderly care in the community. My good friend, Gwen Daluge, will be testifying on long term care for the elderly, and specifically on the COPS program. I do not think it necessary to take up hearing time for my testimony, but I do wish to add my voice to Gwen's that serious consideration be given to adequately funding COPS. This program is extremely important to those not needing nursing home care to have whatever assistance they need so can stay in their home and in the community.

My other great concern is the inadequate funding that is being provided for young women with children to receive a college education. I am recommending that you invite Julie Elliott-Gable to testify on this important need. She is eminently qualified to speak on this subject, because she was once a welfare recipient with young children. She is now Adult Education Coordinator at University Rock County, Rock County where she continually deals with the lack of financial assistance for young women returning to school. It is a proven fact that women with a college education return to the community and the state a greater amount with their tax dollars than they ever received in grants and financial aid.

Thank you again for considering these important concerns.

Sincerely,

Rosalyn R. Dahlke

Rosalyn R. Dahlke

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Rosalyn R. Dahlke
2005 W. Avalon Rd.
Janesville, WI 53546

D

April 14, 1999

Joanne Vittone
612 Milwaukee Rd
Clinton WI 53525

Committee Hearings
Committee on Human Services and Aging
Rock County Courthouse
Janesville WI

To Whom it may concern:

I would like to respond to the committee as a resident of Rock County, and also as a parent of a multi-disabled daughter. I would simply like to voice my concern over budget issues as related to services for the disabled. My role as a caretaker has now passed the nineteenth year, I believe I should now title myself as an advocate for my disabled adult daughter. I do not believe that I must continue for the duration of my lifetime to care for my daughter without assistance. Respite care has never been used by my family, because UCP of Rock County would never return my calls. My family certainly would have used this service had we been able to. We have had to use Family Support funding or had to pay privately for service. Most frequently, the most simple thing to do, is not to leave home. I write this not only for my family but for the many others who just stay at home and miss out. Please do not eliminate or reduce funding for Respite Care, or Long- term Family Care in Rock County.

Thank You,

Joanne Vittone

C

Kelly House

Residential Care Apartment Complex *Community Based Residential Facility* *Adult Day Care Center*

121 South Fifth Street **Evansville, Wisconsin 53536** **608-882-4191**

My name is Diane Skinner. I am an owner of an 18 unit assisted living facility in Evansville. I am a board member of the Council on Aging. I serve on the Rock Long Term Support committee and I am a Board member of the Wisconsin Association of Residential Facilities. I am a registered nurse who has worked with the elderly for over 15 years and I love being a caregiver. I did my homework before I built my group home. I became active in the system and I am able to find my way around it so I can help my friends and clients. But I know I am not the norm. I think most people don't have a clue about how to enter the system. I think Family Care will help, but who knows when (or if) that system will help the people who need it. And if we improve access to the system so that more people know about it, will we be able to meet their needs. I am very worried about the cut in community aids. I know that this funding source was more flexible and was used to fill many unmet needs. I think that this cut along with the fact that COP funding was not increased could have a terrible impact on Rock County.

It seems as though we are doing a good job in keeping nursing home costs down. so why hasn't the COP program expanded. I am very proud of the assisted living apartments that I recently built for the elderly in Evansville. I feel I am affordable and am able to meet my residents needs in a home environment. The community option program is the funding source that my residents can turn to when their funds run out. I am less than 1/2 the cost of a nursing home. I have been around for 10 years this August. I have never had to send someone to a nursing home, their only other option, because their funds have run out. I hope I can say that next year.

Politics involved with long term care between the county, the state, the regulators, and the booming elderly housing industry seems to incredibly complicated. The different meetings that I attend each month expose me to many unanswered questions. I am impressed with the expertise of the people who attend these meetings. I think our current system of providing long term care in Wisconsin has many good parts to it and I think Rock County could be an important player in the redesign process. We all have ideas on how we can improve the system or make it more cost effective. I hope you actively involve our county providers and institute changes that make sense.

Another worry that I have is as an Employer in a field that is known to be low-paying caregiving that is, I see single parents-women, who are barely making it. It is very alarming to see families struggling to avoid losing their homes. Families who have no assets and very few supports. I wonder if the cut in community aids will impact on them. I am worried that we are losing a safety net.

B

Senate Human Services and Aging Committee
April 14, 1999

My name is Christine Schlichting. I am the Executive Director of the Retired & Senior Volunteer Program of Rock County. Thank you for the opportunity to speak to you this afternoon.

RSVP is a program that **provides meaningful volunteer opportunities for people age 55 and older**. We do that by matching the skills and abilities of potential volunteers to the needs of 1,760 public and private non-profit agencies in Wisconsin. There are 17 RSVP programs in Wisconsin that currently serve 29 counties. In 1998, 12, 833 RSVP volunteers provided 1, 280, 222 hours of volunteer service in Wisconsin.

That means:

- 12,833 people age 55 and older became, or stayed, healthy mentally and physically because they volunteered
- cost effective services like tutoring elementary students, and providing hot meals to homebound elderly were provided
- public safety and crime prevention programs were provided for senior citizens and juveniles

The demand for volunteers is increasing. Future demographics indicate the number of potential RSVP volunteers is also going to increase significantly as baby boomers age.

Existing RSVP projects need increased funding from the state to be able to answer the demands for the kinds of services they can provide.

Counties that do not have RSVP programs need to have the opportunity to offer senior citizens a chance to serve, and the opportunity to meet community needs through volunteerism.

Thank you very much for your support of the Retired & Senior Volunteer Program. We are asking for increased funding as explained in the fact sheet you have. I will be happy to answer any questions.

Retired and Senior Volunteer Program of Wisconsin

Introduction:

The Retired and Senior Volunteer Program is part of a national program which involves people age 55 and over in providing volunteer service to community agencies, utilizing their many skills and talents to positively impact their communities.

Current Status of Projects

Currently, there are:

17 projects serving 29 counties

12,833 RSVP Volunteers
1,280,222 Hours of Service (1998)
1,760 Volunteer Stations

The value of volunteer service is reported by the National Independent Sector to be $14 an hour.

RSVP volunteers in Wisconsin generated $17,923,108 worth of service to their communities in 1998.

Current Funding:

Corporation for National Service (Federal)	$ 739,795	32%
State Department of Health and Family Services	502,654	22%
Other: (includes local funding, grants, in-kind, and fundraising)	1,048,955	46%
Total	$2,291,404	100%

RSVP needs increased financial support from the state to:
- Maintain volunteer services - especially in rural areas
- Respond to increased requests for volunteer services from nonprofit and public agencies
- Expand projects into additional counties.

✦✦✦

Request for increased state funding:
(Contracts are awarded on a calendar year basis.)

	1st year	2nd year	1st Year (6 mos.)	2nd Year (12 mos.)	Total
1. Current Projects					
16 projects @	$7,500	$15,000	$123,750	$247,500	$371,250
1 project* @	$3,750	$ 7,500			
Additional funding for 4 multi-county projects serving rural areas	$11,250	$22,500	$ 45,000	$ 90,000	$135,000
2. Expansion of current projects into contiguous counties. 10 counties @	$10,000	$20,000	$100,000	$200,000	$300,000
3. Expansion - Addition of 1 new project @	$25,000	$50,000	$ 25,000	$ 50,000	$ 75,000
			$293,750	$587,500	$881,250

* (A new Federally funded project in Appleton is requesting ½ of the amount requested by the other 16 projects this budget year.)

RSVP projects have an impact on the communities they serve:

- In the Western Dairyland project, 40 volunteers provided 20,385 trips to medical and social appointments for human service clients, elderly and disabled.
- In July, 1997, ADVOCAP's RSVP was awarded the first "America Reads" Programs of National Significance grant in the state. Teachers reported students involved had an increased desire to read and had a better attitude toward school in general.
- In Brown County, 900 students in 16 elementary schools received training through BABES presentations (Beginning Alcohol/Addictions Basic Education Studies).
- The Racine project connects senior volunteers with at-risk youth as tutors and mentors.
- The Director of Volunteer Services, Franciscan Skemp Healthcare in La Crosse, states: "The Doll Project involves seniors making and donating cloth dolls for pediatric patients. I recognize that this program serves not only children, but seniors as well by giving them a sense of community with the doll maker groups and pride in the joy they give others through their craft."
- In Kenosha, RSVP volunteers prepare thousands of sandwiches each summer at the Salvation Army so that children get at least one decent meal.
- The Rhinelander Logging Museum is staffed by 84 RSVP volunteers who save the city $28,413 per year (based on $6.15 per hour).
- An RSVP volunteer assigned to the Head Start Program on the Red Cliff Indian Reservation not only read to children but spent 60 hours sewing traditional costumes for the children.
- In Walworth County, many seniors needing/receiving Long Term Care could not remain at home without RSVP volunteers visiting and shopping for them. Grocery stores in the county do not, for the most part, deliver; and the few that do, charge $10.00, plus the order must be $30.00 or more. Few seniors can afford that.
- Because 5 Portage County RSVP volunteers spent 670 hours taking photos for driver licenses at the Department of Motor Vehicles, the office was more efficient, and customer waiting time was decreased. Staff were freed up to spend time with more complicated requests.
- Fourteen volunteers staff the Madison Police Department Information Desk and work on crime prevention projects. Police Chief Williams states: "Burglary rates in Madison have decreased, and improvements are being made in other areas. This is due, in part, to the fact that the RSVP volunteers have freed my officers to focus on more pressing matters."
- In Rock County, volunteers serve affordable, hot nutritious meals and deliver meals to homebound seniors that keep seniors able to live in their homes.
- In Waukesha County, 600 seniors learned how to prevent scams from 8 volunteers in the TRIAD Program.
- In Douglas and Milwaukee Counties, RSVP volunteers provide telephone reassurance to seniors who live alone.

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ADVOCAP/RSVP
Service Area: Winnebago County
Phone: (920) 725-2791
Fax: (920) 725-6337

Coulee Region RSVP
Service Area: LaCrosse, Monroe, Crawford, Vernon Counties
Phone: (608) 785-0500
Fax: (608) 785-2573

Interfaith RSVP
Service Area: Milwaukee County
Phone: (414) 931-9777
Fax: (414) 933-0419

Kenosha Center RSVP
Service Area: Kenosha County
Phone: (414) 658-3508
Fax: (414) 658-2263

Northeast RSVP
Service Area: Forest, Lincoln, Vilas, Oneida Counties
Phone: (715) 369-1919
Fax: (715) 369-3686

Northwest RSVP
Service Area: Ashland, Bayfield, Iron, Price, Counties
Phone: (715) 682-6502
Fax: (715) 682-2062

Portage County RSVP
Service Area: Portage County
Phone: (715) 346-1401
Fax: (715) 346-1418

RSVP of Brown County
Service Area: Brown County
Phone: (920) 429-9445
Fax: (920) 429-9449

RSVP of East Central Wisconsin
Service Area: Outagamie County
Phone: (920) 832-9360
Fax: (920) 832-9317

RSVP of Dane County
Service Area: Dane County
Phone: (608) 238-7787
Fax: (608) 238-7931

RSVP of Manitowoc
Service Area: Manitowoc County
Phone: (920) 683-9922
Fax: (920) 682-6621

RSVP of Racine County
Service Area: Racine County
Phone: (414) 637-7575
Fax: (414) 637-9265

RSVP of Rock County, Inc.
Service Area: Rock County and 3 towns in Illinois
Phone: (608) 362-9593
Fax: (608) 362-9820

RSVP Superior/Douglas Counties
Service Area: Douglas County
Phone: (715) 394-4425
Fax: (715) 394-5775

RSVP of Walworth County
Service Area: Walworth County
Phone: (414) 741-3159
Fax: (414) 741-3217

RSVP of Waukesha County, Inc.
Service Area: Waukesha County
Phone: (414) 544-9559
Fax: (414) 544-5307

Western Dairyland RSVP
Service Area: Buffalo, Eau Claire, Jackson, Trempeleau Counties
Phone: (715) 985-2391
Fax: (715) 985-3239

NATIONAL SENIOR SERVICE CORPS

For more information, contact:
Corporation for National Service
National Senior Service Corps
Wisconsin Office:
Phone: (414) 297-1118
Fax: (414) 297-1863

Contact the RSVP office nearest you.

Wisconsin Retired and Senior Volunteer Programs

RSVP positively impacts communities by recruiting volunteers age 55 and over to help non-profit and public agencies deliver priority services to people of all ages.

You can see us working!

MCH Memorial Community Hospital
313 Stoughton Road, Edgerton, Wisconsin 53534 608 884-3441

April 14,1999

Dear Senator Robson and Committee,

I've been involved in long term care for over 20 years. The last eight years I've had the privilege of serving the elderly as a Director of Nursing in three fine facilities. I'm currently serving as Director of Nursing at Memorial Community Hospital/Long Term Care with a staff of 60 nurses and certified nursing assistants. The two areas of concern I wish to bring to the committee's attention at this time are: Nursing home wage pass through in the nursing home formula and Family Care which was formerly called Long Term Care Redesign.

The concern that Directors of Nursing in Long Term Care are facing is lack of qualified staff. The reasons for this staff crisis are two fold: pay and regulatory changes with criminal background checks that penalize someone times two. The staff that have committed a crime in the early adult years; served their sentence; are working in a facility with a good work record are now finding they must do rehab before they work if it falls in the right criminal code number. It is a double jeopardy situation for those staff who are sent home pending the rehab process.
The second area is wages: our staff who take care of human lives are paid less than fast food workers or other service areas. Our largest single expense for our budget is wages. I did a survey of ten homes in this area the starting wage for new CNA's ranged $7.40-$8.50. This wage is hardly attractive when other workers can achieve a higher wage scale. We need to be able to attract new workers with a wage that is comparable to the work. The CNAS are taking on the care of the most frail and accutely ill elderly.
The Govenor's biennial budget does not allow us to meet the budgetary needs of caring for a majority of Medicaid residents.

We have had to use pool over the last year. This increases the cost of our care and consistency in staffing does not occur. Lack of consistency has decreased the continuity of care in some cases.
We have worked on the increase of benefits, working conditions (increasing the use of lifts) and retention of staff. The punitive regulatory nature of our business is not always seen as an incentive to stay in the business. The salaries we are able to pay our staff with the current Medicaid formula does not allow us to retain some staff whom money is a necessity (single mothers).
I'm requesting the wage pass through as one of the ways to retain good staff and attract good staff to serve the needs our precious aging population.

The second area of concern I would like to address is the Family Care/Long Term Care Redesign. This program needs to be piloted with the following considerations:
1. How will quality of care be measured?

2. Is acuity addressed across the spectrum?

3. Will staff be available to care for the broad spectrum with the current crisis in staffing?

4. Who will monitor for biases and maintain a consistency in the services offered to the elderly?

5. Who will monitor the cost of the program and will the program create another layered of regulations in which providers and the consumer need to wade through?

I wish to thank the committee for taking the time to hear my concerns. I wish to invite to any of the committee members to visit our nursing facility and discuss concerns with our staff. If you have any further questions or concerns please call me at 608-884-1332.

Sincerely,

Debra S. Shanley RN, BSN, DON

Debra S. Shanley RN, BSN, DON

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Testimony for the Senate Human Services and Aging Committee
Wednesday, April 14, 1999
Submitted by Mat Haeger, RN
Nursing Director
Rock County Health Department

CHILDREN WITH SPECIAL HEALTH CARE NEEDS

Senator Robson and members of the Senate Human Service and Aging Committee. The Wisconsin State Division of Public Health is proposing for the next Maternal and Child Health and Prevention block grant funding cycle (which begins October 1, 1999) to consolidate up to seven federal funding sources and distribute these dollars by formula to local public health agencies. The local public health agency could then decide to provide the needed services in the community or contract out for those services. A contract and set of objectives would be part of this contracting process. One of the federal funding sources being considered is the Maternal Child Health block grant, which includes dollars specifically for services related to children with special health care needs and their families.

Prior to this proposed consolidated contract funding, the State Division of Public Health provided these service dollars to agencies in the State via a competitive grant process. A total of 9 or 10 grants were awarded from across the State of Wisconsin. Many of the funded grants were multicounty in scope.

The Rock County Health Department, along with the Beloit City Health Department, Green County Health Department, Jefferson County Health Department, and Watertown City Health Department formed a consortium and were successful in receiving on to the children with special health care need grants. We hired an individual to provide a variety of services that were identified by families as high needs areas based on a community needs assessment. These services included case management services, a parent mentor program, a parent packet of resources and planning tools, a video tape directed to service providers about the special challenges families face when they have a child with special health care needs. A final part of the grant started in the last two years was to develop a respitality program for families in each county. This project included working with area businesses (hotels/motels/bed and breakfast/restaurants/theaters) to offer packages to parents giving them a break from every day care to their child with special health care needs and helping to normalize the family. Businesses have responded by offering a free night stay in a hotel, free meals at an area restaurant, and free passes to a movie. The family identifies a person to care for their child who has a special health care need and the service is not paid for by the parents.

With the new proposed contract consolidation this grant and the other 8 to 9 projects will be eliminated. The proposed change will be to hire a professional or parent in each Division of Public Health region. This person would staff a resource and referral telephone line and direct families who need services to local public health agencies. Local public health agencies would then be able to bill medical assistance for case management services to support the case management services.

There are several concerns I have with this approach. First, not all families who have a child with special health care needs (who need case management services) is receiving medical assistance. Who will pay for necessary case management services to this group? Second, the State currently has a public health nurse consultant in each region of the State. There are several specialists in the State Division of Public Health whose main focus is working with families who have a child with special health care needs. The State is currently funding the Gunderson Clinic in LaCrosse to staff an MCH hotline for people in the State to call with questions on service needs in their area of the State. MUMs is a statewide network of parents who have children with special health care needs who assist parents in locating resources in the community. I do not believe we need another resource and referral service in Wisconsin for families who have a child with special health care needs. I believe this is adding another level of bureaucracy to the system.

What families need are people at the local level who can provide them with direct services and work with local communities to develop and sustain needed resources. The program this five health department consortium has provided is based on the input of parents and they have worked with us hand-in-hand to keep the program on track. How many respitality programs will a regional position be able to develop in a 13 or 14 county area? How many parent mentor services will one regional person be able to develop in a 13 or 14 county area? What will be the accountability of the new system?

These Maternal Child Health block grant dollars need to be used at the local level for services to families who have a child with special health care needs. The State Division of Public Health should not be allowed to siphon these dollars out of service delivery for more bureaucracy. Thank you.

SENATE HUMAN SERVICES AND AGING COMMITTEE
TESTIMONY
April 14, 1999
Robert Kellerman
AgeAdvantAge, Area Agency on Aging

My name is Robert Kellerman. I am the Director of the Area Agency on Aging for twenty-five counties in Southern and Western Wisconsin.

I thank the Committee for this opportunity to speak on behalf of the long term care and aging programs in the proposed State budget. I have worked with older persons for over twenty years and never before have I felt it more important to testify personally on their behalf.

First and foremost I would like to comment on the Family Care Proposal.
I have had the opportunity to be involved in some of the planning for Family Care. I spent many hours on work groups, and talking to groups of older persons about it in order to understand its elements.

Long term care resource centers are a very good idea. During my many years working on a county level, older persons and their families consistently rated information on long term care services in the community as the number one or number two need. A one-stop-shop makes perfect sense for persons looking for reliable information and advice when they need it. The five Resource Center pilot counties are already beginning to blossom under this opportunity.

There is no denying that Wisconsin has an institutional bias in long term support despite the existence of the Community Options Program. Henry Ford said that people could buy his car in any color they wanted as long as it was black. Well that sounds alot like the long term care choices that older persons have in Wisconsin. If you are on the COP waiting list you are entitled to receive payment for any service you want as long as it is provided in a nursing home. If Ford continued to offer only black colored cars, he would be out of business today, but if we continue to offer only institutional choices for older persons they will have no real choice. Yet, the almost 12,000 persons on the Community Options Program waiting lists around our state are proof that people, when given even a possibility of choice, will take it. We all want choice in our lives and for the most part we have it, why not for long term care?

For me, the Family Care legislation boils down to three things; entitlement for home care services, consumer choice, and resources centers. I believe that these three elements in one proposal makes Family Care a most important piece of legislation. Lets not throw the baby out with the bath water by not giving the nine pilot counties an opportunity to see if this works.

Elderly Nutrition Programs

I started my work with older persons operating an Elderly Nutrition Program. I have had the opportunity to develop an estimated twenty meal sites and meet many, many persons who attend Nutrition Sites and receive home Delivered Meals. These programs work! And we all hear about research that is showing how basic nutrition is a first line of defense in our old age. These programs operate cheaply and have not seen additional dollars since 1994. Wisconsin's Elderly Nutrition Program is already known as the best in the country and that is in large part due to your past support. They should not be allowed to deteriorate in these times when the frail population is increasing.

Specialized Transportation

Simply put, another service that works! Another service that runs cheaply! And another service that could use a larger share than the three-tenths of 1% of the overall increase of the $388 million being proposed for the Department of Transportation in this budget.

When considering long term care programs in the community setting we need only think of our relatives, parents, and our future selves. How will we get around after we no longer drive a car? How will we maintain our stamina and our socialization skills after we find ourselves alone? And how will we figure out our long term care plans when there is no time?

Remember When...

On, Wisconsin

An Editorial

A way to help aged live at home

With Medicaid threatening to drain $2 billion from Wisconsin's next two-year budget, it's high time society stops sending people unnecessarily into costly nursing homes.

How many people do you know who moved into a nursing home because the government would pay the bill for that, but would not provide the extra help that might have allowed those people to say at home? We know plenty. And we know that it can be not only a waste of taxpayers money but also a tragic waste of long-time taxpayers. Wisconsin's citizens with seniority deserve better.

And they'll have a good chance of getting better alternatives soon if the lobbyists for county governments don't jam up the works in Madison. The Wisconsin County Boards Association has been relentlessly picking away at the state's innovative proposal to change Medicaid so that nursing homes become the last, not the first, resort.

Under the proposal, called the Community Options Program, eventually 11% of the state's 30,000 nursing home residents would be offered the alternative of staying home and getting some help, such as a visiting nurse, a homemaker, or meals.

Counties would administer the program—and that makes some county officials nervous. Thus, their opposition. Citizens who want to have more options available when they grow older should demand that their elected county officials support the proposal (and, in fairness, also demand that the State Legislature pay for it).

After all, this proposal is, as the state's top health official says, "our best chance to reverse the bias and trend toward fiscal and human bankruptcy."

Milwaukee Journal, April 28, 1981

Front Page Editorial

The attached article was researched to share with advocates, older people and others to remind them that originally our now very popular Community Options Program met with some very strong opposition from local governments. It appears that the long term care proposal known as Family Care is meeting with some of that same opposition. Family Care is a good proposal. It grew out of a grassroots network of aging advocates who made their voices heard to the governor that COP just was not enough. It is time that the citizens of this state be offered a long term care entitlement and real choices about services they may need to remain in their own home. It is not anti-nursing home...but rather would mandate that community options be on a level playing field with institutions. For further information please contact your local county or tribal aging office or Jayne Mullins at AgeAdvantAge Area Agency on Aging at 608-243-2463.

researched by jfm 3/99 with thanks to MJS

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Senator Robson, other members of the Senate Human Services and Aging Committee, Assemblyman _______________, and other individuals who are here today because of an interest in this public hearing:

I am speaking today on behalf of the State Legislative Committee of AARP And the many AARP members of Wisconsin . Although there are a number of items in the Governor's budget pertaining to human services and aging in which AARP has an interest, today, I am going to limit my comments to the area of Family Care.

In many ways, we are very fortunate in Wisconsin as Wisconsin currently spends 150% of the national average for long term care. We also have an excellent program which can help people stay in their own homes and receive help called COP or Community Options Program. We have many other programs such as Senior Services, Independent Living…in fact right now there are 40 different funding sources which make up a very confusing, and inefficient array of programs in our state.

If the Family Care program is implemented in the state, the funds would follow the consumer rather than making this elderly or disabled person go shopping for help.

Resource Centers , located in each county, would provide a financial and physical assessment of individuals and would have all the resources necessary for an older person to make a wise decision about the care he/she needs all in one place. Today, finding one's way through the chaotic, non-system can be very frustrating and often the individual makes wrong choices because of the confusion of all the agencies.

I can give you an example of this. I have a friend who has macular degeneration and she is dealing with 5 or 6 agencies to get transportation , help in managing her home, some one to help her with shopping, writing check, etc…….and she has money to pay for these services…..think how much more difficult it would be if she were also searching for financial help, too!

The Governor , in his budget, has supported the concept of Family Care. He has suggested money for 9 pilot studies and we feel that it is very important

Our suggestions as you do your budget deliberations. Thank you for spending time at these hearings so that we may tell you how we feel about these issues…….this is the democratic process at its best.

Gwen Dalrge

that all of these studies go forward as planned. Perhaps 2 more might be added . A great many people over the past years have devoted much time and study to help design Family Care but the pilot programs will offer a good opportunity for fine tuning of the program and comparing data from the different programs.

Long Term Care Councils were left out of the Governor's budget and we would like to see them restored.....this is one way that policy making can be moved down to the local level and give the consumers a major voice in decision-making.

We feel that counties are best equipped to administer the program rather than private companies.......because they are public agencies, consumers can influence they're behavior with our votes.......Counties must be given more than 2 years after the start up year........four or five years would be more realistic, to get the programs up and running.

Is Family Care going to be too expensive to operate? We don't think so. At present, 65 % of the long term care monies is spent to keep individuals in nursing homes which is the most expensive option. Virtually all older persons would rather stay at home or in the community as long as possible rather than being put in a institution. Older people tend to choose the least services rather than the most. Family Care will encourage consumers to make their own choices,and we feel that most of them will choose less expensive options .Home and community care is much less expensive than institutional care. Since this will save money, more people can be served at No additional cost.

Data collection and analysis from the pilots will not be completed by the end of the biennium so the earliest possible start of the Care Management Organizations is probably about 3 years away. In meanwhile, 63 counties will be operating in the same inefficient that we have today. Because of this, we would hope that the State would be able to put some new money into the Community Options Program to try to keep the waiting lists from growing or perhaps even reduce the waiting lists. At present there are nearly 9000 people waiting for COP services......many of these people do not need a lot of expensive services but some of them will be forced into the most expensive option for long term care....a nursing home.

AARP feels very strongly about these issues and we hope you will consider

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AFSCME

COUNCIL 40

Wisconsin Council 40

AFSCME, AFL-CIO

8033 Excelsior Drive, Suite B
Madison, Wisconsin 53717-1903
Phone: 608 836-4040
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Michael Murphy
President
Robert W. Lyons
Executive Director

Testimony of Tom Larsen, Staff Representative
AFSCME Council 40
Senate Human Services & Aging Committee
Wednesday, April 14, 1999

Hello. My name is Tom Larsen, and I represent AFSCME Council 40 members who work for local units of government in Rock, Green, and Lafayette counties. I'm here to urge your support for an increase in two very important appropriations that provide critical services to the most vulnerable citizens in our communities: Youth Aids and Basic Community Aids. I would also like to address our concerns with the Governor's Family Care proposal.

Many of the programs funded by Youth Aids and Community Aids are mandated by the state. The shortage of funds has caused the costs for these mandated services to be shifted to the local county tax levy. This pressure on the levy results in waiting lists for non-mandated programs as well as cuts in other important services that counties provide.

The shift from state to county funding of Youth Aids services has been quite dramatic. In 1982, the Youth Aids appropriation funded 92 percent of all county costs for serving juveniles. By 1997, it only paid for 45 percent of the costs, $82.3 million. Counties now contribute more than the state--around $100 million per year, primarily from property taxes to fund the other 55 percent of costs associated with the services.

We would urge this committee to consider the following measures to rectify the Youth Aids funding dilemma:

1. Increase the Youth Aids appropriation over the 1998-99 base by 5 percent in each year of the biennium. The Governor's budget provides a 2% increase in the appropriation each year of the biennium.

2. In the statutes, re-link juvenile corrections rate increases with the requirement that the state increase the Youth Aids appropriation to cover the rate increases.

3. Update the current formula and hold harmless those counties that lose funding under the update.

We are equally concerned with the pressures present in our programs that are funded by the Basic Community Aids allocation. Community Aids provides counties with funding to partially pay for mandated services to abused and neglected children and their families, adults with serious and persistent mental illness, older adults, and adults and children with developmental disabilities.

The funds for Community Aids have been frozen or decreased the past two budget biennia. Increased client populations and increasing costs for services have pressured counties to provide significant "overmatch" to the funding pot. In 1997, 252.6 million county tax dollars matched and overmatched the Community Aids allocation from the state. That amount is greater than the $175 million state GPR appropriation.

The Governor's budget reduces the Community Aids appropriation by 2.5% and 1.8%, respectively, in each year of the biennium. It also transfers $14.3 million over the biennium into Family Care and proposes withholding $9 million over the biennium to distribute to counties based on performance requirements. It also proposes to reduce each county's appropriation by an amount to be determined by the Department of Health & Family Services when a county is providing services funded by Community Aids to a consumer with a disability who will received services under the proposed MA purchase plan.

These recommendations will seriously undermine the services counties are providing to their citizens. We urge this committee to halt the continual degradation of the Community Aids appropriation by supporting the following:

1. Increase the Community Aids appropriation by at least 3% in each year of the biennium.

2. Delete the statutory requirement for withholding $9 million of the Community Aids allocation and the performance measures.

3. Delete the statutory authority to transfer Community Aids into Family Care based on a flat percentage. A fairer measure to place Community Aids funds into Family Care would be for the department to negotiate with each individual pilot county to determine the proportion of Community Aids currently funding the types of services to be offered in Family Care.

4. Delete the statutory requirement to reduce a county's Community Aids allocation if a former recipient of services funded by the allocation is a participant in a MA purchase plan.

Many counties are reaching or have reached the tax levy limit ceiling, and with little or no property growth cannot continue to levy additional taxes to cover these increased costs. Yet the demand to provide services continues to grow.

Finally, while AFSCME has generally supported the concept of Family Care, we would recommend several changes to the program as proposed in the Governor's budget:

1. We would recommend that more than one model be piloted. Testing only the model in the Governor's proposal assumes this to be the only model that may meet the goals that you, and the Governor, have for this system of care. A non-risk based model, which would be based upon what the counties are currently doing that works, would not require the creation of duplicative bureaucracies such as the Family Care Districts.

2. We strongly oppose the statutory changes being proposed. These are not necessary for the pilot proposals to operate. Making the significant statutory changes the Department is proposing seems to be saying that it does not matter what information the pilots produce—we know what we want.

Thank you for allowing me to appear before your committee.

Questions regarding this testimony should be directed to:
Jennifer Grondin
AFSCME Legislative Council
(608) 836-6666