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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Children & Families & Workforce Development (SC-CFWD)

COMMITTEE NOTICES ...

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... CRule (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)

(ab = Assembly Bill)

(ar = Assembly Resolution)

(ajr = Assembly Joint Resolution)

(sb = Senate Bill)

(**sr** = Senate Resolution)

(**sir** = Senate Joint Resolution)

Miscellaneous ... Misc

Senate

Record of Committee Proceedings

Committee on Children and Families and Workforce Development

Senate Bill 257

Relating to: emergency assistance grants.

By Senator Jauch; cosponsored by Representative Grigsby.

August 11, 2009

Referred to Committee on Children and Families and Workforce Development.

August 19, 2009

PUBLIC HEARING HELD

Present:

(4) Senators Jauch, Vinehout, Kedzie and Hopper.

Absent:

(1) Senator Lassa.

Appearances For

- Bob Jauch Senator
- Julie Kerksick Department of Children and Families
- Bob Anderson, Madison Legal Action of WI

Appearances Against

• None.

Appearances for Information Only

• None.

Registrations For

- Tamara Grigsby Representative
- Sabrina Gentile, Madison WI Council on Children and Families

Registrations Against

• None.

Registrations for Information Only

None.

September 9, 2009

EXECUTIVE SESSION HELD

Present:

(5) Senators Jauch, Lassa, Vinehout, Kedzie and

Hopper.

Absent: (0) None.

Moved by Senator Lassa, seconded by Senator Vinehout that **Senate Bill 257** be recommended for passage.

Ayes: (5

(5) Senators Jauch, Lassa, Vinehout, Kedzie and

Hopper.

Noes:

(0) None.

PASSAGE RECOMMENDED, Ayes 5, Noes 0

Carrie Kahn

Committee Clerk

Vote Record Committee on Children and Families and Workforce Development

Date: 9/9/01		14. 1	_	
Moved by: <u>LaSSa</u>	Seconded t	oy: Vmehoc		
AB SB	257	Clearinghouse	Rule	
AJRSJR_		Appointment		
AR SR		Other	· · · · · · · · · · · · · · · · · · ·	
A/S Amdt				
A/S Amdt	to A/S Amdt			
A/S Sub Amdt				
A/S Amdt	to A/S Sub Amdt		adminis	
A/S Amdt	to A/S Amdt	to	o A/S Sub Amdt	
Be recommended for: Passage	☐ Confirmation☐ Tabling	☐ Concurrence ☐ Nonconcurrence		Postponement
Committee Member		<u>Aye</u> No	<u>Absent</u>	Not Voting
Senator Robert Jauch, Cl	nair			
Senator Julie Lassa		X C		
Senator Kathleen Vineho	ut			
Senator Neal Kedzie				
Senator Randy Hopper				
	Totals	s: 5		

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 Motion	1 '0	rried
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Children and Families Committee Public Hearing Wednesday, August 19th

- Senate Bill 30 (Robson/Hixson)
 - Repeals current law that allows people under 18 to drink in taverns when accompanied by a parent, guardian or spouse.
 - o Testifying for:
 - Judy Robson
 - John Vander Meer from Hixson's office
 - Lisa Maroney from UW Hospital
 - Testifying on behalf of AWARE program. Supportive of legislation, but some members do want age moved to 21 from 18
 - Lisa will also bring with her pediatric professor at UW medical school Dr. Paul Grossberg 7 Dr. Miller
 - Joseph Collins: Two Rivers Police Chief
- Senate Bill 257 (Jauch/Grigsby)
 - Removing limitations on emergency assistance grants through TANF to make grant amounts fair for families of varying sizes. In addition, removes limitation that a maximum cannot be established for energy crisis.
 - o Testifying for:
 - Bob Jauch
 - Julie Kerksick, Administrator, DCF Division of Family and Economic Security
 - Bob Anderson, Legal Action, WI.
- Community Services Development Block Grant Plan
 - o Greg Markle, DCF Grant Specialist
 - o Millie Rounsville—Northwest Community Action Program

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Connette meeting

244-4418

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Melissa Hugirs.
345-09916

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 - Lisa Maroney from UW Hospital
 - Testifying on behalf of AWARE program. Supportive of legislation, but some members do want age moved to 21 from 18
 - Lisa will also bring with her pediatric professor at UW medical school Dr. Paul Grossberg
 - Dr. Miller from Meriter—runs clinic for drug and alcohol abuse and has been involved with AWARE program
 - Joseph Collins: Two Rivers Police Chief. He is leaving Fond du Lac at noon, so may be a little late
- Senate Bill 257 (Jauch/Grigsby)
 - O Removing limitations on emergency assistance grants through TANF to make grant amounts fair for families of varying sizes. In addition, removes limitation that a maximum cannot be established for energy crisis.
 - Testifying for:
 - Bob Jauch
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 - Bob Anderson, Legal Action, WI.
- Community Services Development Block Grant Plan
 - o Greg Markle, DCF Grant Specialist
 - o Millie Rounsville Northwest Community Action Program

Mike Borertz Pres. of WisCAP Mary Potoka - Stevens Point CAP Services

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40 Years of Justice

TO:

Senator Bob Jauch

Chair, Senate Committee on Children and Families and Workforce Development

FROM:

Bob Andersen

lersen BobAndersen

RE:

Revision of Emergency Assistance Grants

DATE:

July 20, 2009

The recent biennial budget bill included a very important provision that was not adopted. It is a provision that would allow for more flexibility in making grants to needy persons who are facing serious financial crises. I have spoken to Cindy McGinnis, aid to Rep. Tamara Grigsby, and she has submitted this proposal for drafting to the LRB. It is the same as the proposal that was in the budget bill. It appears on page two of this memo. We would be very appreciative if you might consider introducing this bill in the Senate, as well. There is an emergency rule relating to this which expires on September 18 (see discussion below)

Under current law, the statute allocates emergency assistance *per family member*. The trouble with this is that this results in a smaller grant for smaller families that is inadequate to cover the costs of housing that these families face, to pay for rent and security deposits. This formula also does not take into account the great differences that exist in housing costs among the various regions of the state.

Secondly, the current statute does not place the same limit on *energy crises*. This has placed a disproportionate drain on the funds for the payment of energy costs, much to the detriment of the many needy people who have other needs. This is particularly problematic because there are other funding sources (e.g., LIHEAP) that are available to pay for energy costs.

Consequently, the governor's budget bill proposed to revise the emergency assistance statute to allow for flexibility in making emergency assistance grants. The proposed revision of the statute simply removed the limitation that grants be allocated <u>per family member</u> and removed the limitation that a maximum could not be established for <u>energy crisis</u>.

Below is a copy of the proposed legislative revision as it appeared in the governor's budget bill. This is the legislation that would solve the problems that exist with the current statute. After that are excerpts copied from the paper of the Legislative Fiscal Bureau, explaining the problems posed by the current statute and explaining that the Department of Children and Families conducted meetings among program administrators and advocates from around the state. The meetings resulted in the recommendations that were made to revise the statute. I was a

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Racine Office Kenosha, Bacine and Bahvorth Counties | tel 202-035-8830 | toll-free 8cc-242-584c | fax 202-035-8838

participant in those meetings that were conducted. I have also attached a copy of the Legislative Fiscal Bureau paper that was prepared for emergency assistance.

As the Legislative Fiscal Bureau excerpts below indicate, an Emergency Rule was adopted on April 9 as an interim measure to allow for some improvement in grant amounts, pending the adoption of the budget bill. Unfortunately, the Emergency Rule expires on September 18, 2009.

I am not sure what can be done about the expiration of the emergency rule, but we would greatly appreciate it if you would consider introducing legislation that would create this flexibility in the emergency assistance program.

Below is the legislation that was proposed by the governor that would resolve the problems posed by the current statute:

SECTION 1140. 49.138 (1m) (intro.) of the statutes is amended to read: 49.138 (1m) (intro.) The department shall implement a program of emergency assistance to needy persons in cases of fire, flood, natural disaster, homelessness or impending homelessness, or energy crisis. The department shall establish the maximum amount of aid to be granted, except for cases of energy crisis, per family member based on the funding available under s. 20.437 (2) (dz) and (md). The department need not establish the maximum amount by rule under ch. 227. The department shall publish the maximum amount and annual changes to it amounts in the Wisconsin administrative register if the department does not establish the amounts by rule. Emergency assistance provided to needy persons under this section may only be provided to a needy person once in a 12-month period. Emergency assistance provided to needy persons under this section in cases of homelessness or impending homelessness may be used only to obtain or retain a permanent living accommodation. For the purposes of this section, a family is considered to be homeless, or to be facing impending homelessness, if any of the following applies:

Below are excerpts taken from Legislative Fiscal Bureau Paper #237 - Children and Families - Economic Support and Child Care

Prior to implementation of an emergency rule, effective April 22, 2009, a permanent rule specified that the actual payment amount was calculated as the lowest of the following three amounts: (a) the maximum payment per group member multiplied by the number of members in the group; (b) the amount requested by the group; or (c) the costs due to an emergency less available income and resources. The maximum benefit amount had been \$150 per eligible family member since September 1, 1995. There was no maximum amount in cases of need due to an energy crisis. The emergency rule is discussed in more detail below.

12. As noted above, the maximum payment per group member of \$150 had been the same since September 1, 1995, for payments made in cases of fire, flood, natural disaster,

homelessness, or impending homelessness. There was no maximum payment when the need was due to an energy crisis. DCF determined this maximum amount and published any changes to it in the Wisconsin Administrative Register.

- 13. DCF holds monthly W-2 Contracts and Implementation (C&I) Committee meetings for representatives from W-2 agencies across the state. The C&I meetings provide an opportunity to explain new W-2 policies, address current issues and/or concerns in the W-2 program, and examine how to improve the W-2 program. As a subgroup to the C&I Committee, an emergency assistance workgroup was established to develop program changes to improve the program and better meet the needs of the applicants. In addition to representatives of W-2 agencies, this subgroup included advocacy groups representing families who could be affected by changes to the emergency assistance program.
- 14. The emergency assistance workgroup examined the previous maximum benefit of \$150 per group member. It was determined that this maximum benefit amount was inadequate to prevent homelessness or impending homelessness for small families. For example, a family with three members would receive \$450, while a family of six would receive \$900. The family of three most likely would not have a sufficient payment amount for a security deposit for new housing or to pay an owed amount to retain current housing. On the other hand, the family of six may have more than needed to obtain housing. In addition, the maximum payment did not take into account that rental rates vary across the state. The workgroup recommended the ability to develop a benefit structure that would assist families to obtain or retain housing based on family size, rental rates, and what would be needed for that family.
- 15. The emergency assistance workgroup also examined payments for energy crisis. The maximum payment did not apply to cases of need due to energy crisis. The workgroup recommended that an energy payment cap be implemented in order to avoid large energy payments that would drain the emergency assistance allocation amount. DCF indicates that, at times, thousands of dollars can be paid to a single family due to energy payments. The workgroup reasoned that emergency assistance primarily serves families to avoid homelessness and that other programs, such as the low-income home energy assistance program, existed for on-going energy needs such as weatherization services, energy crisis intervention, and energy payments.
- 16. The efforts of the emergency assistance workgroup have resulted in an emergency rule that makes several changes to the emergency assistance program effective April 22, 2009. . . .
- 17. Second, the emergency rule changes the maximum payment amounts for types of need other than energy crisis. The \$150 maximum payment per group member was changed to the following: (a) for a group of two members, \$258 per group member; (b) for a group of three members, \$172 per group member; (c) for a group of four or five members, \$129 per group member; and (d) for a group of six or more members, \$110 per group member. The following table shows this information as the maximum payment

amount per family for the different sizes of the family.

Emergency Assistance Maximum Payment per Family by Family Size Under the Emergency Rule in Effect April 22, 2009

Number of	Maximum	JOU all
Members in Group	Payment Amount	lea
2 to 4 members	\$516	mi)
5 members	\$645	T/ ron
6 members	660	19000
7+ members	660 plus 110 for each additional n	nember A
18. Finally, the emergency ruassistance based on need due	le set a maximum payment amount for em to an energy crisis at \$500. In addition, the	ergency rule

1,901/1

18. Finally, the emergency rule set a maximum payment amount for emergency assistance based on need due to an energy crisis at \$500. In addition, the emergency rule requires that in order to receive an emergency assistance grant based on energy crisis the family must have exhausted resources available through WHEAP and assistance available through local utility companies as required by the Public Service Commission.

[The attached Legislative Fiscal Bureau Paper shows how much has been spent on energy crises, as well as other crises]

- 21. The bill would eliminate the requirement that DCF establish the maximum amount of aid to be granted, except for cases of energy crises, per family member based on funding available under TANF and TANF maintenance-of-effort. Instead, DCF would be required to establish the amount of aid to be granted. In addition, DCF would be required to publish maximum amounts in the Wisconsin Administrative Register, as it currently publishes the maximum amount along with any changes to the maximum amount, if DCF does not establish the maximum amounts by rule.
- 22. Under the bill, DCF would have to determine the amount of aid to be granted for each family. There is no requirement that DCF establish a maximum amount, but if DCF does establish maximum amounts, it could do so for cases of energy crisis as well as cases of fire, flood, natural disaster, homelessness, or impending homelessness. If maximum amounts are established, they would have to be published in the Wisconsin Administrative Register, if they are not established by rule. These changes are consistent with the emergency rule in effect on April 22, 2009, and would not substantially change administration of the emergency assistance program.

The provision in the proposed legislation that DCF may choose to establish maximum amounts either by administrative rule or by publication in the Wisconsin Administrative Register is not new. This is the way the statute has always been written.

Thank you for your consideration of this important legislation. If there is any further information you would like from us, please feel free to contact me.





Senator Jauch Testimony on Senate Bill 257 Emergency Assistance August 19, 2009

I have co-authored this bill with Representative Grigsby to ensure fairness for all families who are eligible for emergency assistance grants through the Temporary Assistance for Needy Families (TANF) program.

This assistance provides meaningful relief to needy families who are experiencing hardship such as impending or actual homelessness, flood, fire, natural disaster or energy crisis that threatens their living situation. The state provides \$6 million per year from the TANF block grant to help families in need bridge a temporary but potentially devastating financial gap that could result in homelessness. The budget temporarily increased this amount by \$500,000 to better assist families during the economic downturn. Over 10,000 families benefit from this program each year.

The bill does two things, as a result of extensive meetings the Department of Children and Families (DCF) conducted with stakeholders around the state. First, it provides DCF more flexibility in setting the maximum amounts for families so that money is more evenly distributed. Prior to an emergency rule in place since April, the maximum grant amounts were calculated at \$150 per family member. This resulted in wide variations of assistance for families of different sizes. While larger families had more assistance than necessary to prevent homelessness, smaller families often received inadequate funding.

This bill and the emergency rule also establish a maximum level of assistance due to an energy crisis. Prior to this change, funding to assist with energy costs was creating a drain on the resources for the Emergency Assistance Grants. Because there are other programs available for families in need of energy assistance such as LIHEAP, it makes sense to allow DCF to cap this amount to assure families with different needs will receive adequate help.

During a difficult time for many families in this state, it is critical that taxpayer dollars work effectively for those in need. This bill allows the program to work more efficiently, and serve families the way it was intended.



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40 Years of Justice

TO:

Senate Committee on Children and Families and Workforce Development

FROM:

Bob Andersen Bob Andersen

RE:

SB 257, Relating to Emergency Assistance Grants

DATE:

August 19, 2009

Legal Action of Wisconsin, Inc. (LAW) is a nonprofit organization funded by the federal Legal Services Corporation, Inc., to provide legal services for low income people in 39 counties in Wisconsin. LAW provides representation for low income people across a territory that extends from the very populous southeastern corner of the state up through Brown County in the east and La Crosse County in the west. Public Benefits law is one of the priorities of the organization.

I would like to thank Sen. Jauch and Rep. Grigsby for introducing this very important legislation. This is a small and simple bill but it will have a huge effect on the lives of people who are in the most desperate of circumstances.

I. Emergency Assistance Program

The emergency assistance program provides financial assistance to needy families in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. The program is funded entirely with TANF funds. Funding is \$6,500,000 for 2009-10 and \$6,000,000 in 2010-11. The program is administered by the W-2 agencies at the local level. This bill has no effect on funding for the program, nor will it have any effect on the future funding of the program. The bill simply changes the way in which maximum grants are to be determined. At the end of this memo is a description of the eligibility criteria for emergency assistance. Families are eligible for only one grant of emergency assistance per year.

II. Change Needed for Calculation of Maximum Grants

Under current law, the emergency assistance statute requires the Department of Children and Families (DCF) to establish maximum grant amounts "per family member." The trouble with this is that this results in a smaller grant for smaller families that is inadequate to cover the costs of housing that these families face, to pay for rent and security deposits. Under this system, a family of three would receive \$450, while a family of six would receive \$900. The family of three would likely not have a sufficient amount to pay for the first month's rent plus security deposit to find a place to live, while the \$900 may be more than enough to cover the needs of a

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family of six. The department's analysis of housing costs for low income families found that the average rental cost is \$550 for households of 2 to 4 members in the counties where a majority of Emergency Assistance grants are issued. In FY 08, Emergency Assistance grants issued to families of 2 to 3 members constituted 57% of the grants. The average family size for recipients of emergency assistance is 3.1 to 3.2 family members. So, it is readily apparent that the current formula for determining maximum grant size is inefficient in achieving stability for the most families. This formula also does not take into account the great differences that exist in housing costs among the various regions of the state.

Much of the problem that exists is due to the fact that the statutory system for determining maximum grants is antiquated. The system was originally enacted in 1973 when fire, flood, and natural disasters were the categories for assistance. Since then, energy crisis, homelessness and impending homelessness have been added. Now, impending homelessness and homelessness account for the vast majority of cases. Housing costs which are involved in these kinds of cases do not match up with a system that pays an amount per family member.

III. A Maximum Amount is Needed for Energy Crises

Secondly, the current statute does not place the same limit on *energy crises*. This has placed a disproportionate drain on the funds for the payment of energy costs, much to the detriment of the many needy people who have other needs. This is particularly problematic because there are other funding sources (e.g., LIHEAP) that are available to pay for energy costs. An emergency rule (discussed below) caps payments for energy crises at \$500.

IV. Proposed Revision of the Statute

The bill: (1) deletes the statutory requirement that maximum grants be calculated per family member and (2) provides that the department shall establish maximum grants for all grants of emergency assistance. W-2 agencies continue to be allowed to grant aid to families for amounts that are less than the maximums, where the family's need is less. This is the policy under the current statute.

The current statute also provides that "the department need not establish the maximum amount by rule" but that the department shall publish the maximum amount in the Wisconsin administrative register, if it does not establish the amount by rule. *This bill does not change that at all.*

V. Current Emergency Rule Temporarily Revising Maximum Amounts

An emergency rule was adopted by the department that took effect on April 22, 2009 and which expires on September 18, 2009. The \$150 maximum payment per group member was changed to the following: (a) for a group of two members, \$258 per group member; (b) for a group of three members, \$172 per group member; (c) for a group of four or five members, \$129 per group member; and (d) for a group of six or more members, \$110 per group member. The following table shows this information as the maximum payment amount per family for the

different sizes of the family:

Number of Members in Group Maximum Payment Amount

 2 to 4 members
 \$516

 5 members
 \$645

 6 members
 660

7+ members 660 plus 110 for each additional member

The department is expected to ask for an extension of the emergency rule with the introduction of this legislation.

VI. Background for Recommendations

The recommendations that led to the adoption of this emergency rule and the proposed legislation came from an emergency assistance workgroup that was established by the department to develop program changes to improve the program and better meet the needs of the applicants. The work group consisted of representatives of W-2 agencies which were both public and private agencies from around the state. The work group also included advocacy groups representing families who could be affected by changes to the emergency assistance program. The work group unanimously supported the recommendations.

I was a member of that workgroup that met for two years to examine the emergency assistance program. In the past, I was also centrally involved in the expansion of emergency assistance to cover homelessness, impending homelessness, the allowance of homelessness and impending homelessness benefits every year instead of every 3 years, and, most recently, coverage for tenants in mortgage foreclosure. The inclusion of homelessness as a category of emergency assistance began with the enactment of legislation in 1989 that was offered by a Legislative Council Committee on Homelessness chaired by former Assembly Representative Harvey Stower. The inclusion of impending homelessness in 1999 was supported by DWD Economic Support Administrator Jean Rogers, who felt that adequate housing was important for people to participate in the workforce.

The emergency assistance workgroup also examined payments for energy crisis. The workgroup recommended that an energy payment cap be implemented in order to avoid large energy payments that would drain the emergency assistance allocation amount. DCF indicates that, at times, thousands of dollars can be paid to a single family due to energy payments. The workgroup reasoned that emergency assistance primarily serves families to avoid homelessness and that other programs, such as the low-income home energy assistance program, existed for on-going energy needs such as weatherization services, energy crisis intervention, and energy payments. As a result, the emergency rule set a cap of \$500 for emergency assistance. The maximum is consistent with the provision of the bill, requiring DCF to set maximums on aid to be paid under the program. In addition, the emergency rule requires that in order to receive an emergency assistance grant based on energy crisis the family must have exhausted resources available through LHEAP and assistance through local utility companies under PSC rules.

VII. Eligibility Criteria

Recipients of emergency assistance must meet nonfinancial and financial eligibility requirements to be considered a needy person. The financial eligibility criteria include: (a) the amount of unpaid expenses and cost of needs due to an emergency exceed available income and resources; (b) the group has physical needs such as food, clothing, temporary housing, security deposit, home energy, household items, home repairs and appliances, transportation, and medical care; and (c) assets cannot exceed \$2,500 in combined equity value, excluding vehicles with an equity value of up to \$10,000, one home, assets with a fair market value of less than \$3,000 that would require liquidation at a loss, assets unavailable within 30 days, and available real property. Gross income is measured similar to W-2, but excludes W-2 benefits, kinship care, supplemental security income (SSI), and SSI caretaker supplement income. In addition, any income received in the month of the emergency, but before the date of the emergency, that was used to meet the group's needs is excluded.

The nonfinancial eligibility criteria include: (a) the emergency resulted from a fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness; (b) the family must be living and intending to reside in Wisconsin; (c) the family must be U.S. citizens or qualifying aliens; (d) the child involved was living with a qualified caretaker within six months prior to the application; and (e) assistance is needed to avoid destitution of the child or to provide living arrangements and the need is not due to the caretaker refusing to accept employment or training without good cause.

Where the need for emergency assistance arises out of a fire, flood, or natural disaster, payments can only be used for temporary or transitional shelter. Recipients who are homeless or facing impending homelessness may only use assistance to obtain or retain permanent living accommodations. W-2 agencies are also required to determine the emergency assistance group's social services needs and make appropriate referrals for services such as counseling, family shelter, and child care funding.

A family is considered homeless or facing impending homelessness if: (a) the family has left or must leave the current housing because it is uninhabitable; (b) the family is experiencing a financial crisis that makes it very difficult to make a rent, mortgage, or property tax payment and the family has been notified that it will be required to leave if the payment is not made immediately; (c) the family has a current shelter that is designed for temporary accommodations, such as a motel, hotel, or other shelter facility; (d) a member of the family was a victim of domestic abuse; (e) the family is without a fixed, regular, and adequate night-time residence; or (f) the family is living in a place that is not designed for, or ordinarily used as, a regular sleeping accommodation. Payments made for emergency assistance applicants facing impending homelessness are contingent on confirmation that the landlord, bank, or local government issuing the notice to terminate tenancy agrees not to proceed with the eviction or foreclosure action if they accept the emergency assistance payment on behalf of the recipient.

An eligible family or group for Emergency Assistance includes only caretaker relatives and dependent children. No person who is not a caretaker relative or dependent child is eligible.





Tamara GRIGSBY

Wisconsin State Representative 18th Assembly District

Testimony Before the
Assembly Committee on Children and Families
August 19, 2009
Assembly Bill 374

Companion to SB257.

I would like to thank Committee members for hearing my testimony today on Assembly Bill 374.

AB 374 is an effort to allow the Department of Children and Families (DCF) greater flexibility in making emergency assistance grants to needy persons who are facing serious financial crises. These grants are used to provide assistance to needy persons in cases of fire, flood, natural disaster, homelessness or impending homelessness, or energy crisis.

Under current law, emergency assistance grants are allocated on a per family member basis, an amount that has remained at \$150 per member since 1995. This formula results in smaller grants for smaller families which are inadequate to cover to the cost of housing. Furthermore, it does not take into account the differences in housing costs around the state.

In addition, current law does not place this same limit on the amount of energy crisis assistance that is available to needy families. This has placed a drain on the funds for payment of energy costs leaving much less for those families who have other needs, such as housing assistance. Moreover, there are other funds that families are able to access for energy assistance needs such as the low-income home energy assistance program (LIHEAP) that exist for on-going energy.

The Department of Children and Families established an emergency assistance workgroup to develop program changes to improve the program and better meet the needs of the applicants. The workgroup consisted of several representatives of W-2 providers from around the state, as well as representatives of advocacy groups. W-2 providers administer this program. The workgroup recommended the ability to develop a benefit structure that would assist families to obtain or retain housing based on family size, rental rates, and what would be needed for that family. They also recommended that energy payments be capped in order to avoid large energy payments that would drain the emergency assistance allocation amount. The workgroup unanimously supported this recommendation.

The recommendations of the workgroup resulted in an emergency rule that has been in effect since April. Under the emergency rule, the maximum payment for types of need other than energy crisis are: (a) \$258 per family member for a 2 person household; (b) \$172 per person for a 3 person household; (c) \$129 per person for a 4 or 5 person household; and (d) \$110 per person for a family size of 6 or more.

The emergency rule also sets a maximum amount for emergency energy assistance at \$500. The emergency rule further states that in order to be eligible for this funding, the family must have exhausted funding available through LIHEAP as well as assistance available through local utility companies as required by the PSC.

The emergency rule was effective April 22, 2009 and expires September 18, 2009. With the introduction of this legislation, DCF is expected to ask for an extension of the emergency rule.

This bill makes the statutory changes necessary to codify the existing emergency rule. It eliminates the requirement that DCF establish the maximum amount of aid to be granted per family member, except in cases of energy crisis. Instead, DCF would simply be required to establish the maximum amounts of aid to be granted under the program, without reference to the number of members in a family. This would apply to energy crisis as well. The W-2 providers have discretion to make grants that are less than those maximums, based on the actual need that a family has. The current statute provides that DCF need not establish those maximums by administrative rule, but that DCF must publish the maximums in the Wisconsin administrative register, if it does not establish the maximums by administrative rule. This bill does not change this provision at all.

I thank the committee for your time and consideration of this matter. I am happy to answer any questions Committee members may have.



.

Jim Doyle Governor

Reggie Bicha Secretary



State of WisconsinDepartment of Children and Families

Ote?

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I would like to thank Senator Jauch and members for allowing me to testify on behalf of the Department of Children and Families today in favor SB 257/ AB 374

My name is Julie Kerksick and I am the Division Administrator for the Division of Family and Economic Security at the Department of Children and Families. The division houses the W-2 and Child Support programs.

We also administer the Emergency Assistance Program. Needy families that meet the EA requirements can receive assistance for a current emergency of impending homelessness, energy crisis, fire, flood or natural disaster.

Housing remains a major issue for Wisconsin for families living at and below the federal poverty level. Each month 568 families receive Emergency Assistance to avoid eviction for non-payment of rent. In the first 7 months of 2009, 5,379 families across Wisconsin received Emergency Assistance grants.

In 2006, a workgroup of W-2 agency representatives and advocates was formed to look at the EA program. It identified the need to change the maximum payment amount as one of the priorities for improving the EA program.

Tying the maximum payment amount to a per family member calculation means that small families do not get enough money to cover their rent and larger families are eligible for significantly more money. Analysis by our Department (of rent expenses for low-income families with FoodShare benefits) has found that housing costs do not increase at the same rate for each new family member.

At \$150 per person the maximum EA payment amount would be \$300 for a family of 2, \$450 for a family of 3; but the current housing costs of similar low income families is much higher, especially in certain parts of the state. The average cost of rent for Wisconsin families receiving FoodShare is \$430 per month. The current grant amount does not meet the intended purposes of the program, which is to avoid destitution of a child by providing a living arrangement for the child in a home.

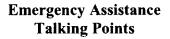
Eliminating the requirement of tying payment amounts to the individual family member will allow the department to better use limited resources and better meet families' emergency housing needs.

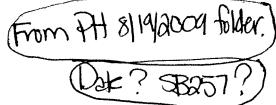
Through emergency rule in April, we adopted the following maximum EA payment amount for impending homelessness, homelessness, fire, flood and natural disaster:

o \$516 for families with 2 - 4 members

- o \$645 for families with 5 members
- o \$110 per family member for families of 6 or more
- Without the statute revision in this bill, the department will be required to revert back to Emergency Assistance payments on a per family member basis.
- DCF requests your support for this bill to allow the department to provide Emergency Assistance payments that prevent homelessness of families with children.







- This provision was removed from the budget bill due to a misunderstanding by Finance members of DCF'S intentions if given this flexibility to establish maximum amounts. JFC members interpreted the change as DCF's desire to withhold from families the maximum amount they would be eligible for, allowing DCF to underfund grants.
- DCF formed a group from W-2 agencies across the state to examine how the program can work to better to meet the needs of applicants. The work group came up with the recommendations that the maximum grant amounts be more flexible and that energy assistance be capped.
- The bill eliminates the requirement that DCF establish the maximum amount of aid to be granted, except for energy crises, per family member based on funding available under TANF and TANF maintenance-of-effort. DCF will be required to publish maximum amounts in the WI Administrative Register, a current requirement, if it does not establish maximum amounts by rule.
- The \$150 maximum payment per family member had not changed since 1995
- Where the emergency assistance need arises out of a fire, flood or natural disaster, payments can only be used for temporary or transitional shelter. Recipients who are homeless or facing impending homelessness may only use assistance to obtain or retain permanent living accommodations.
- The emergency rule went into effect on April 22nd, and expires September 18th. DCF has requested an extension of the emergency rule this week.





Legislative Fiscal Bureau

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May 27, 2009

Joint Committee on Finance

Paper #237

Emergency Assistance (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 167, #21]

CURRENT LAW

The emergency assistance program provides assistance to needy families in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Natural disasters include tornadoes, earthquakes, electrical or wind storms, hail, sleet, mud or rock slides, or explosions. The Wisconsin Works (W-2) agencies administer the emergency assistance program at the local level. Recipients must meet nonfinancial and financial eligibility requirements to be considered a needy person. Emergency assistance may be provided once in a 12-month period. The program is administered by the Department of Children and Families (DCF) at the state level.

Prior to implementation of an emergency rule, effective April 22, 2009, a permanent rule specified that the actual payment amount was calculated as the lowest of the following three amounts: (a) the maximum payment per group member multiplied by the number of members in the group; (b) the amount requested by the group; or (c) the costs due to an emergency less available income and resources. The maximum benefit amount had been \$150 per eligible family member since September 1, 1995. There was no maximum amount in cases of need due to an energy crisis. The emergency rule is discussed in more detail below.

Payments may be made for one 30-day period within any 12 consecutive months. The 30-day period begins on the date of the first payment and ends 30 days after the initial payment, whether or not additional requests for payments for the same emergency are made.

Base level funding for the program is \$6,000,000 annually, but an additional \$1,000,000 was provided in 2008-09 under 2009 Wisconsin Act 2 (the budget adjustment legislation), for a total of \$7,000,000.

GOVERNOR

Provide \$1,000,000 FED in 2009-10 to increase funding for the emergency assistance program to reflect potential increased demand for the program due to current economic conditions. Funding for the program would total \$7,000,000 in 2009-10 and \$6,000,000 in 2010-11. These funds are provided by the temporary assistance for needy families (TANF) block grant.

The bill would require DCF to establish the amount of aid to be granted and to publish the maximum amounts in the Wisconsin Administrative Register if DCF does not establish the amounts by rule. This requirement would take effect on January 1, 2010, and would first apply to determinations of emergency assistance aid payment amounts that are made on that date.

DISCUSSION POINTS

Funding for the Emergency Assistance Program

- 1. As noted above, recipients of emergency assistance must meet nonfinancial and financial eligibility requirements to be considered a needy person. The financial eligibility criteria include: (a) the amount of unpaid expenses and cost of needs due to an emergency exceed available income and resources; (b) the group has physical needs such as food, clothing, temporary housing, security deposit, home energy, household items, home repairs and appliances, transportation, and medical care; and (c) assets cannot exceed \$2,500 in combined equity value, excluding vehicles with an equity value of up to \$10,000, one home, assets with a fair market value of less than \$3,000 that would require liquidation at a loss, assets unavailable within 30 days, and available real property. Gross income is measured similar to W-2, but excludes W-2 benefits, kinship care, supplemental security income (SSI), and SSI caretaker supplement income. In addition, any income received in the month of the emergency, but before the date of the emergency, that was used to meet the group's needs is excluded.
- 2. The nonfinancial eligibility criteria include: (a) the emergency resulted from a fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness; (b) the family must be living and intending to reside in Wisconsin; (c) the family must be U.S. citizens or qualifying aliens; (d) the child involved was living with a qualified caretaker within six months prior to the application; and (e) assistance is needed to avoid destitution of the child or to provide living arrangements and the need is not due to the caretaker refusing to accept employment or training without good cause.
- 3. W-2 agencies must determine eligibility for emergency assistance within five working days. If the group is found eligible, assistance must be provided within the same five working days. Benefits are in the form of cash, voucher, or vendor payment. An individual may petition the W-2 agency for a review within 45 days of submitting an application for emergency assistance if: (a) the application for emergency assistance is not acted upon promptly; (b) assistance

is partially or wholly denied; (c) the award is modified or canceled; or (d) the award is insufficient. The person must be given reasonable notice and opportunity for a review, and a decision must be rendered as soon as possible. In addition, the individual may request that DCF review the agency's decision within 14 days of the decision.

- 4. Where the need for emergency assistance arises out of a fire, flood, or natural disaster, payments can only be used for temporary or transitional shelter. Recipients who are homeless or facing impending homelessness may only use assistance to obtain or retain permanent living accommodations. W-2 agencies are also required to determine the emergency assistance group's social services needs and make appropriate referrals for services such as counseling, family shelter, and child care funding.
- 5. A family is considered homeless or facing impending homelessness if: (a) the family has left or must leave the current housing because it is uninhabitable; (b) the family is experiencing a financial crisis that makes it very difficult to make a rent, mortgage, or property tax payment and the family has been notified that it will be required to leave if the payment is not made immediately; (c) the family has a current shelter that is designed for temporary accommodations, such as a motel, hotel, or other shelter facility; (d) a member of the family was a victim of domestic abuse; (e) the family is without a fixed, regular, and adequate night-time residence; or (f) the family is living in a place that is not designed for, or ordinarily used as, a regular sleeping accommodation. Payments made for emergency assistance applicants facing impending homelessness are contingent on confirmation that the landlord, bank, or local government issuing the notice to terminate tenancy agrees not to proceed with the eviction or foreclosure action if they accept the emergency assistance payment on behalf of the recipient.
- 6. The following table shows the amount budgeted, the amount actually spent, and the number of emergency assistance grants issued for 2002-03 through 2007-08, as well as estimates for 2008-09.

Emergency Assistance Funding and Grants 2002-03 through 2008-09

Year	Grants <u>Issued</u>	Amount Budgeted	Actual Amount Spent	Amount Spent Over Budget
2002-03	8,084	\$3,300,000	\$6,974,300	\$3,674,300
2003-04	8,408	4,500,000	6,622,600	2,122,600
2004-05	8,113	4,500,000	6,086,500	1,586,500
2005-06	11,766	4,500,000	7,881,800	3,381,800
2006-07	11,189	4,500,000	6,691,500	2,191,500
2007-08	10,878	6,000,000	7,125,000	1,125,000
2008-09*	10,623	7,000,000	5,505,800	- 1,494,200

^{*}Amounts estimated for 2008-09.

- 7. Although a set amount of funding has been budgeted for emergency assistance, DCF has indicated that all approved requests for assistance have been fully funded for many years. As a result, expenditures for the program have exceeded the amounts budgeted each year (prior to the current fiscal year) from \$1.1 million in 2007-08 to \$3.7 million in 2002-03. Generally, underspending that may occur in other TANF-related programs is applied to emergency assistance to cover overspending in this program.
- 8. However, estimated expenditures in 2008-09, based on actual expenditures through February 28, 2009, total \$5,505,800, which is \$1,494,200 less than what was budgeted for the emergency assistance program under 2007 Wisconsin Act 20 and 2009 Wisconsin Act 2. Underspending, if any, in the emergency assistance program in 2008-09 may be because the emergency assistance program will not be transferring funds to the Wisconsin home energy assistance program (WHEAP) in 2008-09. Typically, in addition to individual grants, DCF transfers emergency assistance funds to WHEAP annually in an amount that exceeds \$1 million. This transfer is not expected to occur, beginning in 2008-09, due to increases in federal funding under the federal low-income home energy assistance program. Although this increase in federal funds may occur only in 2008-09, DCF indicates that the decision to no longer transfer emergency assistance funding to WHEAP would be ongoing.
- 9. The bill would provide an additional \$1,000,000 FED in 2009-10. Funding for the program would total \$7,000,000 in 2009-10 and \$6,000,000 in 2010-11. Based on estimated expenditures in 2008-09 of \$5.5 million, the Committee could delete the provision in the bill, and provide \$6,000,000 annually for the emergency assistance program (Alternative A3).
- 10. On the other hand, prior to 2008-09, expenditures for the emergency assistance program have exceeded \$6,000,000 in each fiscal year since 2002-03. In addition, the administration indicates that the current state of the economy could increase the risk of homelessness and the number of applications for emergency assistance based on homelessness or impending homelessness. The administration anticipates a need to be ready for this situation.
- 11. Alternatively, the Committee could provide half of what the Governor recommended. Based on the number of grants issued, there has been no significant increase in applications for emergency assistance that was anticipated under 2009 Act 2. The Committee could reduce the Governor's recommendation by \$500,000 FED in 2009-10, which would provide funding of \$6.5 million in 2009-10 and \$6.0 million in 2010-11 for the emergency assistance program (Alternative A2).

Emergency Assistance Program Changes

12. As noted above, the maximum payment per group member of \$150 had been the same since September 1, 1995, for payments made in cases of fire, flood, natural disaster, homelessness, or impending homelessness. There was no maximum payment when the need was due to an energy crisis. DCF determined this maximum amount and published any changes to it in the Wisconsin Administrative Register.



- 13. DCF holds monthly W-2 Contracts and Implementation (C&I) Committee meetings for representatives from W-2 agencies across the state. The C&I meetings provide an opportunity to explain new W-2 policies, address current issues and/or concerns in the W-2 program, and examine how to improve the W-2 program. As a subgroup to the C&I Committee, an emergency assistance workgroup was established to develop program changes to improve the program and better meet the needs of the applicants. In addition to representatives of W-2 agencies, this subgroup included advocacy groups representing families who could be affected by changes to the emergency assistance program.
- \$150 per group member. It was determined that this maximum benefit amount was inadequate to prevent homelessness or impending homelessness for small families. For example, a family with three members would receive \$450, while a family of six would receive \$900. The family of three most likely would not have a sufficient payment amount for a security deposit for new housing or to pay an owed amount to retain current housing. On the other hand, the family of six may have more than needed to obtain housing. In addition, the maximum payment did not take into account that rental rates vary across the state. The workgroup recommended the ability to develop a benefit structure that would assist families to obtain or retain housing based on family size, rental rates, and what would be needed for that family.
- 15. The emergency assistance workgroup also examined payments for energy crisis. The maximum payment did not apply to cases of need due to energy crisis. The workgroup recommended that an energy payment cap be implemented in order to avoid large energy payments that would drain the emergency assistance allocation amount. DCF indicates that, at times, thousands of dollars can be paid to a single family due to energy payments. The workgroup reasoned that emergency assistance primarily serves families to avoid homelessness and that other programs, such as the low-income home energy assistance program, existed for on-going energy needs such as weatherization services, energy crisis intervention, and energy payments.
- 16. The efforts of the emergency assistance workgroup have resulted in an emergency rule that makes several changes to the emergency assistance program effective April 22, 2009. First, the rule specifies that families in rental units facing impending homelessness because of a foreclosure action against their landlord are eligible for emergency assistance. The permanent rule required that the family must have been notified that if they do not make their rental payment immediately, the family will be required to vacate the premises. This notification did not always occur before enactment of 2009 Wisconsin Act 2, which provided new protections for tenants in foreclosure actions that commence on or after March 5, 2009. The emergency rule will assist families who are affected by foreclosure actions that began before March 5, 2009, and do not meet the notification requirements under the permanent rule.
- 17. Second, the emergency rule changes the maximum payment amounts for types of need other than energy crisis. The \$150 maximum payment per group member was changed to the following: (a) for a group of two members, \$258 per group member; (b) for a group of three members, \$172 per group member; (c) for a group of four or five members, \$129 per group

member; and (d) for a group of six or more members, \$110 per group member. The following table shows this information as the maximum payment amount per family for the different sizes of the family.

Emergency Assistance Maximum Payment Per Family by Family Size Under the Emergency Rule in Effect April 22, 2009

Number of	Maximum
Members in Group	Payment Amount
2 to 4 members	\$516
5 members	645
6 members	660
7+ members	660 plus 110 for each additional member

- 18. Finally, the emergency rule set a maximum payment amount for emergency assistance based on need due to an energy crisis at \$500. In addition, the emergency rule requires that in order to receive an emergency assistance grant based on energy crisis the family must have exhausted resources available through WHEAP and assistance available through local utility companies as required by the Public Service Commission.
- 19. The following table shows emergency assistance expenditures and the number of grants issued from July 1, 2008, through February 28, 2009, for each emergency assistance type.

Emergency Assistance Grants by Type July 1, 2008, through February 28, 2009

Emergency Type	Grants Issued	Percent Of Total	Total <u>Payment</u>	Percent Of Total	Average Payment Per Grant
Energy Crisis	306	4.3%	\$177,200	4.8%	\$579
Fire	133	1.9	70,400	1.9	529
Flood	3	0.1	1,500	0.1	500
Homelessness	1,494	21.1	801,000	21.8	536
Impending Homelessness	5,144	72.6	2,619,700	71.4	509
Natural Disaster	2	0.0	<u>700</u>	0.0	<u>350</u>
Total	7,082	100.0%	\$3,670,500	100%	\$518

20. Grants for energy crises have the highest average payment per grant. Although, grants for energy crisis represent 4.3% of the total number of grants issued and 4.8% of the total amount of expenditures, the average energy crisis payment per grant is 11.8% more than the average payment for all grants. In addition, the average payment for an energy crisis grant is 8% more than the next highest average payment per grant for homelessness.

- 21. The bill would eliminate the requirement that DCF establish the maximum amount of aid to be granted, except for cases of energy crises, per family member based on funding available under TANF and TANF maintenance-of-effort. Instead, DCF would be required to establish the amount of aid to be granted. In addition, DCF would be required to publish maximum amounts in the Wisconsin Administrative Register, as it currently publishes the maximum amount along with any changes to the maximum amount, if DCF does not establish the maximum amounts by rule.
- 22. Under the bill, DCF would have to determine the amount of aid to be granted for each family. There is no requirement that DCF establish a maximum amount, but if DCF does establish maximum amounts, it could do so for cases of energy crisis as well as cases of fire, flood, natural disaster, homelessness, or impending homelessness. If maximum amounts are established, they would have to be published in the Wisconsin Administrative Register, if they are not established by rule. These changes are consistent with the emergency rule in effect on April 22, 2009, and would not substantially change administration of the emergency assistance program.

ALTERNATIVES

A. Funding for the Emergency Assistance Program

- 1. Approve the Governor's recommendation to provide \$1,000,000 FED in 2009-10 to increase funding for the emergency assistance program. Funding for the program would total \$7,000,000 FED in 2009-10 and \$6,000,000 FED in 2010-11.
- 2. Modify the Governor's recommendation to reduce funding by \$500,000 FED in 2009-10. Funding for the program would total \$6,500,000 FED in 2009-10 and \$6,000,000 FED in 2010-11.

ALT A2	Change to Bill Funding
FED	- \$500,000

3. Delete provision. Funding for the program would total \$6,000,000 FED annually.

ALT A3	Change to Bill Funding
FED	- \$1,000,000

B. Emergency Assistance Program Changes

1. Approve the Governor's recommendation to require DCF to establish the amount of aid to be granted, rather than the maximum amount of aid to be granted per family member for cases other than energy crisis, and to publish any maximum amounts in the Wisconsin

Administrative Register if DCF does not establish maximum amounts by rule beginning January 1, 2010.

2. Delete provision. As a result, DCF would continue to be required to establish the maximum amount of aid per family member for emergency assistance grants, except for cases of energy crisis, and to publish any changes to the maximum amount in the Wisconsin Administrative Register.

Prepared by: Kim Swissdorf