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Details: Joint Informational Hearing, 2/4/2009

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## 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)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

# Children's Trust Fund

Wisconsin's Resource for Preventing Child Abuse

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Child Abuse and Neglect Prevention Board  
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**Joint Informational Hearing**  
**Senate Committee on Children and Families and Workforce Development**  
**&**  
**Assembly Committee on Children and Families**

**Wednesday, February 4, 2009**

**10:00 AM**

**State Capitol, Room 413 North**

**Testimony**

**Mary Anne Snyder, Executive Director**  
**Children's Trust Fund**

Thank you Senator Jauch, Representative Grigsby and members of the Senate Committee on Children and Families and Workforce Development and the Assembly Committee on Children and Families for inviting the Children's Trust Fund to address this joint informational hearing on the needs and challenges of Wisconsin's children and families during this economic crisis. We are honored to be here amongst our highly esteemed colleagues to share our perspective.

I will focus my testimony on the interconnectedness between child maltreatment and poverty and the importance of prevention programs. You will hear from many others today about the myriad of additional challenges and needs of families involving various aspects of their lives.

Poverty is often times seen as the single best predictor of child abuse and neglect. Data compiled by the most recent *National Incidence Study of Child Abuse and Neglect*, conducted in the early 1990s, indicated that children from families with annual incomes below \$15,000 were over 22 times more likely to experience maltreatment than children from families whose incomes exceeded \$30,000. The results from the Fourth National Incidence Study, based on data collected over the last several years, are due out later this year. It is widely expected that the association between poverty and child maltreatment will be even stronger.

This does not imply that all or only low-income families abuse and neglect their children. Child abuse and neglect cuts across all income levels. What this does imply is that the stressors related to poverty combined with other risk factors, like mental health issues, substance abuse and domestic violence, can often times be so overwhelming and devastating that parents or caregivers resort to neglecting or abusing their children. Earlier this month, a Los Angeles father of 5 murdered his entire family and then took his own life in what authorities believed to be a “burst of anger after he and his wife lost their jobs.” According to the Los Angeles Deputy Police Chief, this was a financial and job-related issue that led to the slayings. This latest tragedy came months after a similar situation where another man killed his family after losing a significant amount of his funds in the stock market crash.

According to the Center on Budget and Policy Priorities (CBPP), our country’s current economic downturn is likely to cause significant increases in both the number of Americans who become poor and the number of families that descend into “deep poverty”—those with incomes below half of the federal poverty line<sup>1</sup>. In November 2008, the national unemployment rate was at 6.7%, up two percentage points from the same time last year; in Wisconsin, the unemployment rate was 5.6%, up .8 percentage points from the same time last year. By the fourth quarter of 2009, Goldman Sachs predicts that the unemployment rate will rise to as high as 9 percent.

During the last three recessions in the United States, increases in the unemployment rate have had a direct effect on increases in the number of people who fall into poverty. Consequently, as a result of the current recession, the CBPP estimates that the number of people in poverty will rise by 7.5 - 10.3 million; and the number of poor children will rise by 2.6 - 3.3 million.

According to Steinberg and Dooley in *Economic Antecedents of Child Abuse and Neglect*, increases in child abuse were preceded by periods of significant job losses. Additionally, a wealth of research has shown that within low-income populations, various indicators of economic hardship – such as job loss, utility shut-offs, and housing instability – substantially increase the odds of a child maltreatment report.

In Wisconsin, nearly 470,000 people, or about one in 12, are now enrolled in the FoodShare program; a 19% increase over last year. Research indicates that rising food stamp caseloads are often the best early warning sign of growing poverty.

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<sup>1</sup> 2008 Poverty Guidelines for a family of four is \$21,200, thus half of the poverty line for a family of four would be \$10,600.

Last month, a young mother contacted a Family Resource Center in Milwaukee regarding prenatal classes. When she showed up to attend the class, she cried and confided in the staff of the Family Resource Center about her situation. She was new to Wisconsin, 28 weeks pregnant, single, had a job making minimum wage and did not have anything for her baby. Her car had been repossessed earlier that month and she was behind on her rent with possible eviction. She told the staff that she wanted to do what was best for her baby, but she was stressed and had no idea what she was going to do. She stated that she had to make a decision between buying items for her baby and paying the rent. And when she goes on maternity leave, which is unpaid, she has no idea how she will pay for her most minimal expenses. The Family Resource Center is working very closely with this young mother to help her find the resources she needs so that she can care adequately for her baby.

According to the Family Resource Center in La Crosse County, several non-profits have either closed or have reduced programming. It's anticipated that this trend of diminishing community resources will put additional strains and stressors on both families who cannot access the services they need because they no longer exist, and on the remaining providers who are able to continue offering services. The Family Resource Center of La Crosse stated that they expect it to become increasingly difficult to connect families to resources that will help them overcome barriers and stressors so that they can focus on healthy parenting.

There are also signs that other risk factors associated with both poverty and child abuse and neglect are on the rise. The Family Resource Center at Lakeshore CAP has been receiving a record number of referrals from the domestic violence center.

Community-based child abuse prevention programs, like Family Resource Centers offer proven strategies for providing much needed services for families feeling the stressors of poverty and unemployment, thus decreasing the risk of child abuse and neglect.

In the 2007-2008 federal fiscal year, the Wisconsin Children's Trust Fund, as the state's lead agency on child abuse prevention, provided nearly \$730,000 in community-based prevention grants. This funding supports a number of important prevention programs such as our Community Response Model program that provides comprehensive services to families who have come to the attention of the local child protective service agency, yet have been screened out because


there is no immediate safety risk to the child. In addition, these grants provide parental education and individual support services to families: another vital tool for assisting parents in providing safe and nurturing homes for their children. By offering supportive services to vulnerable families in high-risk situations, the Wisconsin Children's Trust Fund through our community based prevention grants, is able to reduce the risk of future child abuse and neglect.

Since 2004, the Children's Trust Fund has nearly doubled the number of grants to a total of 10 to pilot the Community Response program. As I mentioned, these programs work directly with families who are reported to child protective services but screened out. The families are provided with voluntary services to address the issues that brought them to the attention of the child protective services agency. These programs are a partnership between the Family Resource Centers, Community Action Agencies, the county child protective services agency, United Ways and others in each community.

In Ashland, a young mother was recently referred to the Community Response program. She has three children ranging from 1 1/2 months old to 8 years. She has had some medical issues and was working part time at McDonalds. Her boyfriend, who was helping her support her children, lost his job when the paper mill closed down last month. They were in the process of moving out of the boyfriends' parent's house and she was about to go back to school to get her certified nursing assistant certificate. The Community Response program is helping this young mother pay rent while she applies for housing assistance. The program is also giving her gas vouchers so she can get back and forth to school. They are very grateful for the support they are receiving from the Community Response program as it has offered them a fresh start.

In Washburn County, the Community Response program is working with a family, in which the father was just laid off. They have two children, one is 4 and the other is 6 weeks old. Mom was recently diagnosed with cervical cancer and is unable to work. Her medication was covered by her husband's health insurance through work - which they no longer have. At the time they were referred to the Community Response program, they were one month behind in rent and the landlord had indicated that they would be evicted in two weeks. They had no diapers or soap for the baby. The Community Response program has been providing the family with rental assistance, paying a portion of their car payment, and gift certificates for laundry soap and diapers. They have also helped the family access a local food pantry.

The Children's Trust Fund has funded the Institute for Research on Poverty at the University of Wisconsin-Madison to evaluate the first year of implementation of the Community Response programs in all 10 counties. In their initial findings, two-thirds of the families referred to Community Response were referred because of income or basic needs, such as rental assistance, food, transportation, etc. In addition, 50% of the families were unemployed and 58% had less than a high school education. As a result of such a high percentage of families needing basic assistance, CTF has provided an additional \$20,000 dollars in flex funding to each Community Response program to meet the families' basic needs. CTF will continue to fund evaluation of this promising model, including looking at the effectiveness of preventing families from being re-referred to child protective services. Several of the programs have told us that they have had none or very few referrals back to child protective services on families that were involved in the Community Response program.



CTF recently awarded another Community Response grant to the United Way of Racine County and the Department of Children and Families will be issuing a Request for Proposals to initiate a Community Response pilot program in Milwaukee County. The Milwaukee program will focus solely on the basic needs of children and families coming to the attention of the Bureau of Milwaukee Child Welfare. The Children's Trust Fund is providing some financial resources for the Milwaukee pilot program.

There are a number of other effective strategies being employed in Wisconsin and across the country that are proven to prevent child maltreatment. We need to look across state and local agencies to determine if we are investing our limited resources in prevention programs in the most effective way. If not, we must make the commitment as state agencies, legislators, community leaders, business and philanthropic leaders to invest our resources in programs that indeed prevent children from coming into the child welfare system in the first place. We need to help our children and families with additional services and supports before their situation gets so dire that unthinkable things occur.

The Children's Trust Fund is working in partnership with the Departments of Children and Families, Justice, Corrections, Health Services and the Governor's Office on a prevention environmental scan. We are looking across state agencies, county human services and private foundations to get a better understanding of the programs that are being funded designed specifically to reduce child maltreatment.

At the same time we are identifying other programs that indirectly contribute to the reduction of child maltreatment – like anti-poverty strategies, and mental health and substance abuse services. This will provide Wisconsin with a more comprehensive picture of where we are investing our resources and whether or not we are investing in programs that are proven to reduce child abuse and neglect; and make the case for the need to reinvest our limited resources in proven strategies. Our ultimate goal is to create a shared state agency and community prevention plan that will move us towards a continuum of comprehensive prevention services in Wisconsin.

Now more than ever we must invest in prevention. We can't afford to continue only addressing deep end system flaws without looking at the real causes leading to why parents or caregivers abuse or neglect their children. We must do it together. Prevention is not the sole responsibility of some of us, but the collective responsibility of the entire state.

Thank you again for the opportunity to testify this morning. I'm happy to answer any questions that you have.

Adverse Child Experiences study  
- correlation to strong neg.  
adult experiences





# WISCONSIN HOSPITAL ASSOCIATION, INC.



Testimony Before the Joint Informational Hearing of the  
Senate Committee on Children, Families and Workforce Development  
and  
Assembly Committee on Children and Families  
February 4, 2009  
Eric Borgerding, Wisconsin Hospital Association

Good Morning Senator Jauch, Representative Grigsby and members. I am Eric Borgerding, Executive Vice President of the Wisconsin Hospital Association and while I wish I had better news, I appreciate the invitation to speak today and hope I can shed some light on what really are unprecedented economic challenges now rippling through the health care sector and their impact on the front lines of the health care safety net.

But before I delve into the bad news, and as a bit of context for the current economic situation, it is worth spending a few minutes summarizing the important societal and economic impacts Wisconsin hospitals have on their communities.

From a purely economic view, hospitals are among the states largest private sector employers. In addition to caring for the sick, hospitals provide jobs at all skill levels with opportunities for advancement and family sustaining wages and benefits. The impact on state and local economies is significant.

In March, WHA will release a comprehensive hospital economic impact study conducted by the UW-Extension, but here are just a few important highlights:

In 2006, Wisconsin hospitals:

- Employed nearly 113,000 people.
- Were among the top 10 employers in 44 counties, and among the top 5 employers in 20 counties.
- Provided \$4.5 billion in wages and salaries and another \$2 billion in benefits.
- Purchased over \$6.5 billion in goods and services.

But the impact of Wisconsin's non-profit hospitals is beyond economic, extending far outside their four walls and deep into their communities.

Hospitals provide important health services that become even more urgent and fulfill even greater needs in tough economic times. A few examples include:

- Financial and in-kind donations to indigent care clinics sponsored or managed by hospitals.
- Donations to community based programs and organizations that provide health services.
- Cash and in-kind contributions to Federally Qualified Health Clinics (FQHCs) to provide “medical homes” for the uninsured.
- Subsidized health services, including vaccinations, specialty medical care, and nursing home care.
- Financial support for county-operated behavioral health programs.
- School-based health and dental services.
- Health education and outreach, free screenings and literally hundreds of support groups.

Quantified community benefits, calculated using methodology developed by the Catholic Hospital Association, totaled \$1.14 billion in 2007 (dwarfing the estimated \$117 million hospitals would pay in property taxes if not tax-exempt).

While very day nearly 700 people receive free care inside Wisconsin hospitals, even more are served outside the hospital. They are virtual hubs of health care for many communities, providing services that otherwise would not exist, yet are in great need today. In so many ways, healthy hospitals equal healthy communities.

This brings me to the not so good news.

As we reported in December, the recession is now rippling into the so called “recession-proof” hospital sector. A survey of our members late last year illustrates a deteriorating financial picture. Those results coupled with our projections through 2008 indicate:

- Charity care and bad debt have increased by approximately 20% - or about \$85 million (at cost). Some hospitals are experience triple this increase.
- Operating margins have fallen 25% in 2008, total margins are much worse.
- Days cash on hand declined in 80% of hospitals
- Hospitals are finding it increasingly difficult to access capital.

- Nearly two-thirds say they are planning to cancel, delay or scale back capital projects.
- One-third are considering reducing or freezing staffing levels.

A more technical example of the situation came out Monday, when Moody's, a respected credit rating agency, reported that 4thQ credit downgrades for non-profit hospitals exceeded upgrades by nearly six to one. According to Moody's, "The primary factors included a combination of softer revenue due to volume declines in elective procedures, increased bad debt expense with rising unemployment levels and greater exposure to high co-pay and deductible health plans."

Here in Wisconsin, we are seeing all those factors combine to place unprecedented strain on hospitals.

Total uncompensated care (a combination of charity care and bad debt) at cost, has risen from \$367 million in 2005 to approximately \$518 million in 2008, an increase of roughly \$150 million in four years. ***Over half that increase, about \$85 million, came in 2008 alone.*** Indeed, uncompensated care was 20% higher in 2008 than it was in 2007, with most of that increase coming in the second half of the year. And we expect it to get worse before better.

And no hospitals are immune. Even in the suburbs hospitals are reporting up to 30% increases in charity care and bad debt. Many of these "profitable" hospitals are components of larger hospital systems whose revenue subsidize and maintain access to essential facilities and services that otherwise lose money.

Because hospitals treat everyone who comes to their door, rising charity care and bad debt confirms what we all already know — as the economy sheds jobs, people are also losing their health insurance and/or finding it increasingly difficult to pay their share of high-deductible health insurance plans.

In several other ways, hospitals are a type of bellwether, a gauge and indicator of the struggles families are facing in this economy. Increases in bad charity care and bad debt is the most visible measure, but there are others.

#### **Emergency Room Visits Up and Patients Are Arriving Sicker:**

Emergency room usage by patients (not admitted to the hospital) is rising, and has been for the past several quarters. However, our most recent data indicates that growth in ER visits is most severe among the uninsured. Between the Q1, 2007 and Q3 2008, ER visits by the uninsured increased 15.6%. However, the increase from Q2 to Q3 of 2008, the front end of the recession, was 10.6% -- nearly double the rate of increase for the same period in 2007.

The average charge for these patients (though it is rarely collected) has increased by 17.2%. While we can not be certain, our staff believes this indicates patients are arriving with more complex and severe conditions, in part the result of lost health insurance, delayed preventive care or diagnostic procedures and reduced access to primary care.

### **People May Be Delaying Care**

And while non-admission visits to the ER are increasing, volumes in other areas appear to be decreasing. According to a November survey by the American Hospital Association, 30% of 736 responding hospitals have seen declines in patients seeking elective procedures, and 40% reported declines in overall admissions. While complete 2008 Wisconsin data is not yet available, we know from speaking with our members that many are experiencing decreasing volumes and falling revenues. This is most notable in elective/non-emergency surgeries and important diagnostic procedures, such as colonoscopies, that, at least anecdotally, are being delayed due to loss of insurance or difficulty paying high insurance deductibles. It is important to note that “elective surgery” does not mean unnecessary surgery. It can be a knee or hip replacement, or some other procedure that has a direct impact on productivity or quality of life.

**Payment Shortfalls Getting Worse and Increasing Prices:** As you know, Medicaid pays hospitals roughly half of what it costs to provide the care. In 2007, this resulted in \$635 million in unpaid Medicaid costs being shifted to those with insurance, meaning higher health care costs for Wisconsin families.

While most of us focus on Medicaid cost shifting, the impact from charity care (patients who are unable to pay any of their bill) and bad debt (patients who can only pay a portion of their bill) is essentially the same – both must be eventually be recouped from other payers through higher costs.

Increases in both, Medicaid and uncompensated care tend to run together, and thus fall harder in areas where the economy is worst—a damaging one-two punch to hospitals located where the needs are greatest. As bad as it sounds, the de facto “solution” to this dilemma has been cost-shifting – that is, increasing the price of health care for everyone else. But for some hospitals, cost-shifting is becoming increasingly difficult as the economy worsens and a growing portion of their patients are covered by Medicare, Medicaid or have no insurance at all.

The proposed hospital assessment will alleviate a good portion of Medicaid cost shifting and bring the most relief to hospitals that care for large numbers of Medicaid patients and the uninsured, but only restoring/expanding insurance coverage can minimize the effects of cost shifting from charity care and bad debt.

### **Public Health Care Program Enrollment Will Grow:**

Medicaid, and the health care providers who accept these patients, is the foundation of the health care safety net and as more people lose their jobs the rolls of Medicaid will eventually, and we hope temporarily, grow. This poses a dilemma for policymakers and hospitals alike. On the one hand, more people are going into the Medicaid program, some of whom have lost jobs that came with health insurance. This means families will still have the health care coverage they need. It also means more hospital patients will pay less than half of what it costs hospitals to provide care, thus exacerbating the cycle of cost-shifting.

On the other hand, if the Medicaid safety net was not there, or eligibility is cut due to the state's budget problems, or if the expansion of Medicaid coverage to low-income, uninsured childless adults does not go forward, more families will be *without* health care coverage, health status will decline, charity care and bad debt will climb, and hospitals will be reimbursed little or nothing for the care provided – leading to even worse cost-shifting and even *higher* health care costs.

Rebuilding our economy and getting people back to work in good paying jobs with affordable health insurance for their families should be our top priority going forward. In the mean time, we must preserve and strengthen safety net programs such as Medicaid, BadgerCare and expansion of coverage to low-income, childless adults. These programs have served, or will serve, the state well, providing health coverage for those in greatest need and helping maintain Wisconsin's low uninsured rate, which we all tout. However, these programs should not be viewed as a permanent solution, but in fact as a safety net, intended for times just like these.

As I said earlier, the impact of the recession is indeed being felt in health care. While the degree of impact varies, hospitals across the state are striving to manage the situation in ways that shield their patients to the greatest extent possible. They are continuing to provide, by many measures, some of the highest quality health care in the country, while maintaining commitments to their communities and remaining an integral, front line component of the health care safety net.

Thank you again Senator Jauch, Representative Grigsby and members of the committee for inviting me to speak today. I am happy to try and answer any questions.



February 4, 2009



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## HUNGER TASK FORCE

The Honorable Robert Jauch, Chair, Senate Committee on Children and Families  
The Honorable Tamara Grigsby, Chair, Assembly Committee on Children and Families  
State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Chairman Jauch and Chairwoman Grigsby:

I appreciate the opportunity to present our perspective on hunger issues in Wisconsin.

Hunger Task Force was founded in 1974 when a group of Milwaukee parents banded together to advocate for school breakfasts. By the late 1970's our organization added food banking to its operations. In 1980 we were officially incorporated as a 501(c)(3) non-profit organization. Locally founded, locally funded and locally run, our agency has combined hunger-relief advocacy with feeding the poor, completely free of charge, for 35 years.

There is no question that demand for emergency food has increased dramatically in Milwaukee and throughout Wisconsin. In 2008, we distributed over six million pounds of food to our network of 80 food pantries and soup kitchens in Milwaukee County. We have seen a 25% increase in the number of people using our food pantries between the fall of 2007 and the fall of 2008. Since 2003, the number one reason people contact Milwaukee County's 211 emergency hotline system is because they need food. More than 25,000 people called the 211 emergency hotline in 2008 to request emergency food – the highest number of food-related calls the system has ever received.

A random survey we conducted within our food pantry network in October 2008 found that:

- 73% of food pantry users were unemployed
- 52% of food pantry users were not receiving Food Share
- 75% of food pantry users lived in households that brought in less than \$1,100 in income each month
- 48% of food pantry users visit a food pantry between 6-12 times per year
- 34% of food pantry users reported that they have decreased the amount of food served to their children within the last month
- 66% of food pantry users have decreased the amount of food they ate in the last month

Another random survey we conducted at the Milwaukee County Department of Health and Human Services office (often referred to as the "Coggs Center") in November 2008 found that 67% of the customers experienced food shortages within the past year; 64% of customers also reported skipping meals in the last year.



## HUNGER TASK FORCE

Hunger is not just an issue in Milwaukee. In Waukesha County, the Waukesha County Food Pantry (the largest food pantry in the county) served over 6,700 families in September 2008 – a 20% increase over the previous month alone. In fact, to meet this food pantry's growing need in one of the wealthiest counties in the state, we have shipped 76,000 pounds of food to them since September 2008.

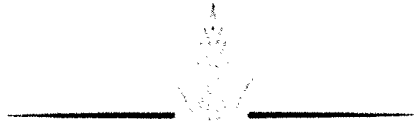
The Wisconsin Food Security Consortium reports that statewide about two-thirds of food pantry clients report four or more visits to a pantry each year – and 27% of users report ten or more visits to a pantry each year. Overall, the number of Wisconsin households receiving emergency food has increased by 57% since 2001. The emergency food pantry system now helps over a quarter of a million people each month in our state.

The need for food is also reflected in record usage of federal nutrition programs that are administered by state agencies. For example, the Wisconsin FoodShare Program is now serving over 491,000 people – a 22% increase over one year ago. In Milwaukee County, over 162,000 people are now receiving FoodShare. The huge surge in demand for Food Share and other public benefit programs has created a situation in Milwaukee County where few people can get services in a timely manner. The county's call center, which is basically a customer assistance hotline for program beneficiaries, has been swamped with up to one million calls per month. Customers routinely wait two, three, or more hours to talk to a county worker face-to-face. Milwaukee County has nowhere near enough staff to handle this demand for services. Food Share case "churning", where customers routinely cycle on and off the program because they cannot receive enough help to maintain their benefits, is a consistent problem. In fact, Hunger Task Force has set up a food pantry in the basement of the county's human services building so that people can leave the building with a few bags of groceries that will help sustain them for a 2-3 day period.

Our state's Women, Infants, and Children (WIC) Program is also experiencing record demand. In October 2008 the WIC Program was servicing a caseload of over 127,000, by far the highest number of people they have ever helped.

Our school nutrition programs are also seeing increased need in cafeterias all over the state. Many communities around the state are reporting that more families are filling out school meal applications and qualifying for free or reduced-price meals. The latest numbers from the Department of Public Instruction reveal that 39% of our state's schoolchildren are eligible for free and reduced-price meals. (NOTE: A child who lives in a household with an annual income of \$28,665 or less is eligible to receive free lunch and breakfast. A child from a household with an annual income of \$40,793 is eligible to receive a reduced-price breakfast or lunch). In southeastern Wisconsin, it is striking that school districts like Waukesha, Cudahy, and West Allis/West Milwaukee all have free and reduced-price eligibility rates around 50%. Overall, Wisconsin's school breakfast participation has increased over 30% in the last two school years, but we still rank near





## HUNGER TASK FORCE

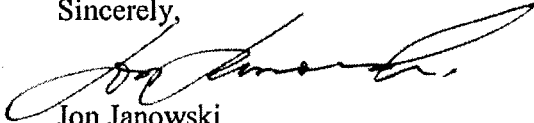
the bottom nationally in terms of the number of low-income children who participate in the School Breakfast Program.

In terms of summer nutrition programs for children, since 2003 Hunger Task Force has coordinated a nationally-recognized model called "Fueling Young Minds." Funded by the Harley-Davidson Foundation and supported by organizations like the Milwaukee Public Schools, 211@Impact, and many other community-based groups, the Fueling Young Minds campaign aims to ensure that all children in Milwaukee have access to nutritious meals and snacks during the summertime. In 2004, the campaign helped coordinate the serving of 382,000 meals for Milwaukee's children. This past summer over one million summer meals were served – a 162% increase. We have particularly noted an increase in the number of children and parents who want a late-afternoon supper at summer meal sites.

Hunger Task Force is committed to continuing its work on behalf of the hungry in Milwaukee County and throughout Wisconsin. Through our advocacy work, we pledge to work with you to ensure that state public policy addresses the needs of our state's most vulnerable citizens. Please contact me at 414-238-6475 or [jon@hungertaskforce.org](mailto:jon@hungertaskforce.org) if you have any questions.

Thank you again for the opportunity to share this information with you.

Sincerely,



Jon Janowski  
Director of Advocacy





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children  
& families

Raising Voices to Make Every Kid Count

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February 4, 2009

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**To: Members of the Senate Children and Families and Workforce Development Committee and the Assembly Children and Families Committee**

**From: Charity Eleson, Executive Director**

**Re: Testimony on The State of Wisconsin Children and Families: Needs and Challenges in an Economic Crisis**

Thank you for the opportunity to participate in this important public discussion on the needs and challenges children and families face in our state as a result of this economic crisis. My name is Charity Eleson, and I am the executive director for the Wisconsin Council on Children and Families. For those of you not familiar with us, we are a private, non-profit, non-partisan organization focused on bringing about improvements in the lives of children and families through state and federal public policy change.

I've been asked to address the question of the challenges families face obtaining affordable child care in times of economic crisis. Before I share some specifics about that topic, however, I want to provide a framework on what we know about the families in economic stress in Wisconsin.

Every year, the Council examines household income trends for families with children. While it is rare to open a newspaper now without reading about another casualty of the economic crisis, our research over the course of the past 7 years has shown that the number of poor children and the number of poor families had been growing at a steady pace before the more dramatic turn down in the state's economy. Put another way, the poor and near poor in our state did not benefit from the relative prosperity we saw here between 2000 and 2007. This followed a downward trend in poverty from the previous decade.

By 2007, the percentage of Wisconsin children living in poverty had reached 18 percent. The number of families with dependent children living in poverty grew from 8.8 percent to 12 percent in the same period. While there has been a particular emphasis on the growing poverty in Milwaukee County, we know that the rest of the state has not been immune. Some of the sharpest growth in childhood poverty in the period we've examined occurred in Kenosha, Dane, Brown, LaCrosse and Manitowoc counties.

Children are more likely to be poor than are adults. Young children, those birth to five, are also more likely to live in poor families, which, from a developmental perspective, puts them at greater risk for poor outcomes in health, development, safety and education. These factors affect children over a life time, and reduce their chances of longer-term economic security as they move into adulthood.

In Wisconsin, we are fortunate to have a number of economic assistance programs that are responsive to the growing economic struggles that families have. These programs are important because they can mitigate some of the more damaging effects of poverty on children. Our Medicaid, BadgerCare, foodshare and Wisconsin child care tuition assistance programs have all grown as greater economic displacement has occurred. The one program that did not grow at a pace that reflects the growing economic needs families face is the Wisconsin Works program. I understand you're going to hear more about that later this morning, but it's worth noting here that in 2007 there were 187,000 children living at or below poverty, a level of economic struggle that we would wish on no one. Yet, only a fraction of those were in households where families were receiving a cash payment from W-2.

Another thing we know about the trends of the past 7 years is that many families classified as poor and near poor were working. For parents with young children, work was made possible with the benefit of the Wisconsin Shares Program that helped them pay for child care tuition assistance while they were at work. Half of the families receiving Wisconsin Shares have income at or below poverty, which is \$17,604 for a family of 3. Eighty-nine percent of the families on Wisconsin Shares have incomes at 165 percent or below of poverty, or \$29,040 for a family of three). We also know that most—90 percent—of the families receiving Wisconsin Shares benefits are single parent families, which means that their options for other child care arrangements, for example working flexible shifts so that one parent stays home with the kids while the other works—are non-existent.

Child care expenses claim a significant portion of any family's income, something that I know those of you who have young children can easily attest to. In Wisconsin, licensed child care averages about \$8,500 per child, per year. The cost of licensed care is higher in urban areas, averaging about \$10,000 per child per year. These costs fluctuate depending on the age of the child and the type of child care setting. Costs are also significantly higher for high quality child care providers, which is a function of

more highly qualified child care staff, lower child to teacher ratios and other factors. A topic for another day is the extremely important role that high quality early care programs can play in helping low-income children develop on pace and succeed in life. The majority of children receiving Wisconsin Shares are in programs that are not high quality, and we have an opportunity to produce better outcomes for low-income children by dramatically improving the quality of those programs statewide.

National research has documented that child care expense for working parents with young children is one of the two most significant household expenses along with housing. Low-income families in Wisconsin would simply not be able to afford child care for their children without help from the Wisconsin Shares program. Child care expenses for one child would eat up half of the income of a family of 3 living at poverty level; for those with slightly higher incomes—165 percent of poverty—child care expenses for one child would claim between 25 percent and 30 percent of household income each month.

The Wisconsin Shares program has received increased scrutiny of late, and it's appropriate for policy makers to ensure that it is a program that is effectively managed and administered, given the extremely important role that it plays in helping poor families manage the challenges that go with living on very low incomes.

In these times, we are likely to see, a shift in the population of those eligible for Wisconsin Shares. If a parent loses employment, they would also lose their eligibility for Shares. Additionally, if a parent has reduced income, from a cut in hours or as a result of having to replace a higher paying job that he or she lost with a lower paying job, they may become eligible for Shares.

All signs are that this economic crisis is deepening. The Census Bureau data on poverty and income changes for 2008 will be released in August of this year, and we anticipate that the number of children and families living in poverty will have grown. What will be important for you as policy makers will be to ensure that programs that exist to help lessen the effect of families' economic insecurity are maintained and crafted to be responsive tools for families in need. This means that programs that have co-payments—such as Wisconsin Shares—need to maintain those at a level that's affordable. It means that benefits need to be accurate and efficiently determined, which will be dependent on adequate staffing levels to meet the growing demand at the local level. And it will mean that programs will need to be funded at a level that realistically reflects the increase in the economic need of the population.

Again, I want to thank you for hosting this important public discussion and to tell you that we at the Council are committed to working with you in developing effective solutions to address these very difficult times families face. Thank you.



February 4, 2009

TO: Senate Committee on Children and Families and Workforce Development and Assembly  
Children and Families Committee  
FROM: Mark Thomas, Deputy Secretary, Department of Health Services  
RE: The State of Wisconsin Children and Families: Needs and Challenges During the Economic  
Crisis

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Senator Jauch, Rep. Grigsby and committee members, thank you for the opportunity to talk with you today about the impact that the recession is having on children and their families throughout Wisconsin.

A recent report by the Kaiser Family Foundation indicates that about one in three Americans in 2008 had problems paying medical bills in the past year, up from about a quarter saying the same thing two years ago.

Using the example that Sec. Bicha gave...for Wendy and her family, and many other families in Wisconsin, BadgerCare Plus and the FoodShare program provide a critical safety net to ensure that small illnesses don't become unnecessary trips to the emergency room or asthma attacks don't end up in unnecessary hospitalizations and that families don't go hungry.

Unlike many states, those receiving unemployment benefits are eligible for BadgerCare Plus, assuming they meet other requirements, e.g., citizenship and identity. In Wisconsin, crowd-out provisions about prior employer-sponsored coverage do not apply to individuals who have lost their job through no fault of their own.

And, unlike many states, Wisconsin has proposed a strategy that, when implemented, will allow us to continue our success with BadgerCare Plus and expand coverage to adults without minor children in the home.

At a time Wisconsin is expanding Medicaid rolls and increasing payments to providers to meet the increased demand, many states are doing the opposite.

For example, as Governor Doyle noted in his State of the State Address, Washington State has cut 12,000 low income adults from its basic health care program and is proposing an additional 42 percent reduction. In addition:

- California has dis-enrolled 260,000 children from its Medi-Cal program.
- Florida has proposed eliminating Medicaid coverage for 19- and 20-year-olds and lowering eligibility levels for pregnant women from 185 percent of the federal poverty level to 150 percent.
- In South Carolina, an estimated 3,700 elderly and disabled people will lose Medicaid coverage as a result of tighter income requirements.

Wisconsin has wisely chosen to continue its push to ensure that almost every citizen has access to health care coverage.

The proposed hospital assessment will allow the state to capture \$300 million in additional federal funding each year and significantly increase Medicaid reimbursement rates to Wisconsin hospitals.

Revenue from the assessment will also allow the state to add more than 40,000 citizens to the BadgerCare Plus Core Plan for Childless Adults giving them access to preventive care and reducing the costs of uncompensated care for Wisconsin's hospitals.

As Governor Doyle noted in his State-of-the-State address last week, more than 100,000 new people have been enrolled in BadgerCare Plus since February 2008. The majority of these individuals are children, many of whom were eligible under the old program but weren't covered because the process of getting enrolled and staying enrolled was so complicated.

As of November 30, 2008, more than 480,825 individuals in 207,191 households were enrolled in FoodShare with benefits totaling \$45.2 million, a 27% increase from November 2007.

On the surface it appears that the increases may be related to the national recession. However, these increases are primarily related to simplification under BadgerCare Plus and extensive outreach. It is also due to the fact that most families who are eligible for BadgerCare Plus are also eligible for FoodShare and our ACCESS website makes it easy to enroll for both programs at one time.

A recent study by the Kaiser Family Foundation suggests that every one percent rise in unemployment leads to a projected 1.1 million additional uninsured and 1 million new Medicaid enrollees with a 60/40 split between children and adults (600,000 kids and 400,000 adults).

However, there is generally a six-month lag between significant downturns in the economy and increases in enrollment. So if you trace the steep economic decline back to October of 2008 we could begin to see increased enrollment in the next month or two.

The federal stimulus bill offers relief in a number of areas. The two key ones from our perspective is an increase in the FMAP (Federal medical Assistance Percentage) and FoodShare (SNAP-Supplemental Nutrition Assistance Program).

Under HR 1, the House bill, FMAP would be temporarily increased from October 1, 2008 through December 31, 2010. In Wisconsin, we anticipate an absolute increase of 4.9% with an additional increase based on the unemployment rate increase. GPR savings for MA are projected to be more than \$1 billion over SFY 09 thru SFY 11 (9 quarters).

The proposed increase in the Senate bill is slightly higher at 7.6% also with an adjustment based on the unemployment rate. Projected savings under the Senate bill are also more than \$1 billion for the same period.

As you can see the challenges we face as a state are significant. There are no easy answers for the Department of Health Services, just as there are no easy answers for families like Wendy's.

However, this is the time that the people of this state need these services more than ever. And in an economy that is expected to get worse before it gets better we cannot afford to reduce our commitment to these core services.

Thank you.





Jim Doyle  
Governor



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Reggie Bicha  
Secretary

**State of Wisconsin**  
Department of Children and Families

February 4, 2009

TO: Senate Committee on Children and Families and Workforce Development  
and Assembly Children and Families Committee

FROM: Reggie Bicha  
Secretary, Department of Children and Families

RE: The State of Wisconsin Children and Families: Needs and Challenges  
During the Economic Crisis

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Senator Jauch, Representative Grigsby and members of the Senate Committee on Children and Families and Workforce Development and the Assembly Children and Families Committee, thank you for inviting me to speak today on the state of Wisconsin's children and families during this economic crisis.

The Department of Children and Families began on July 1, 2008, only seven months ago. We are excited and honored to be the first state agency devoted exclusively to promoting the social and economic well-being of Wisconsin's families.

The first seven months have produced many successes and many challenges. But at the DCF, we are committed to building on our mission, and dedicated to improving the services we and our partners provide for the children and families of our great state.

We all know about the downturn in the national economy and the devastating effects it has had on many people in Wisconsin. Yet, as Governor Doyle has said many times, the single most important thing we can do to ensure a strong, successful future for Wisconsin is to invest in our children and families.

While we are in difficult economic times, the Department of Children and Families will continue our commitment to protecting children, strengthening families and building strong communities, one child at a time.

- Now, more than ever, we must ensure that kids are safe and nurtured.
- We must help families identify and overcome the struggles that can lead to abuse or neglect before maltreatment occurs. When maltreatment does happen, we must act swiftly to provide effective, reliable services all across Wisconsin.
- We must make sure all families have access to affordable, high-quality child care and ensure that parents can secure meaningful jobs to support their children.
- We must work with fathers to help more of them become actively involved in the lives of their kids.

These goals are at the heart of our agencies and have become even more vital as a result of our national financial situation.

As Congress continues to discuss Economic Recovery legislation in Washington, we at the Department of Children and Families are working closely with the Governor's newly created Office of Recovery and Reinvestment to identify potential avenues for using stimulus dollars. The new office provides a valuable planning tool for state agencies, non-profits and Wisconsin businesses, to be prepared to move forward with projects that immediately create and retain jobs. Currently, the federal stimulus package will provide funds with the requirement that these funds be obligated quickly or the money will go to a different state. Everyday there are announcements of plants closing or downsizing and people losing their jobs. It is vitally important to get the stimulus money allocated as quickly as possible to create jobs and help families that have been hit hard by this national economic crisis.

Decisions on which stimulus projects should be selected and how they should be funded will be made under the same process currently used by the Governor and the Legislature. The creation of this office does not remove or change any current legislative authority or oversight. The state legislature will oversee stimulus legislation just as it would oversee and authorize any other legislation.

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To put a face on this crisis, I'd like to tell you a story about a single mother with two children who recently lost her job. I'll call her Wendy. Wendy is one of 62,600 individuals in Wisconsin who have been laid off over the last year. This story could be about any of them. . . .any of us.

- Wendy was making about \$20.00 an hour with good benefits, including health insurance. She lives in a modest home with her two children—ages 3 and 6.
- Because she lost her job, she also lost her health insurance. She is not eligible for COBRA because there no longer is a health plan for her to buy into. And, even if

there was, she could not afford the premium of about \$900 per month for her and her family.

- Without her job, Wendy won't be able to pay for child care for her younger child, yet continues to need these services to seek another job.
- Wendy receives the maximum unemployment benefit of \$363 per week or about \$1,400 per month. Her monthly mortgage payment is \$900 and her car payment is \$150. That leaves her \$350 for car insurance, utilities and food for three.
- As we can see there is no money for anything extra, including health insurance or doctors. And every month Wendy is going deeper and deeper in the hole.
- Like Wendy, Wisconsin families currently without jobs have difficult choices.
  - Do they pay for doctor visits or pay the electric bill?
  - Do they continue their inhaler prescription for their child as they should or make the car payment?
  - Do they ignore their throbbing toothache and pay the gas bill?
  - Do they stop the autism treatments that are just beginning to make a difference to pay the mortgage or the rent?
  - Do they buy food for their children or put gas in the car?
  - With no child care, do they leave the children unattended while they search for work or use a neighbor with little parenting skills and a police record?
- Families just like Wendy's are thinking today about trying to sell their house and find cheaper living arrangements? But:
  - Would they lose money because they owe more than their house is worth?
  - Would moving lead to behavior problems with their children?

✦ For tens-of-thousands of Wisconsin families these aren't just hypothetical questions – this is reality. And, it is not just the unemployed who are suffering in this economy.

### **Child Care**

Access to affordable, high-quality child care is a critical factor in helping low-income families maintain employment. According to one national study, single mothers, transitioning off the TANF program are 40 percent more likely to still be employed after two years if they receive assistance for child care.

Wisconsin's child care subsidy program, Wisconsin Shares, helps many working families across the state pay for child care. As of November, more than 60,000 kids and 34,084

families received child care through the Shares program. Approximately 90 percent of these children live in single-parent families, just like Wendy's.

At the Department of Children and Families, we eliminated a major barrier for Wisconsin Shares families the first day our department opened. On July 1<sup>st</sup>, 2008, the Department waived the face-to-face interview requirement in the Shares program, allowing families to conduct business over the phone and through the mail.

Previously, a mother like Wendy would have had to get her kids ready, load them on a bus and travel to a county office to renew her subsidy benefits. Now that Wendy is in the program, all she has to do is pick up the phone.

Although Wendy and thousands of parents throughout Wisconsin rely on Wisconsin Shares, and follow the rules to receive subsidized child care, there are some individuals that scam the system and exploit loopholes. Some fraudulent providers bill taxpayers for kids not in their care and send money to parents complicit in their schemes. Parents report false employers, while others "swap children" with their neighbors or family members to draw down subsidy payments.

Since 2006, the State of Wisconsin has implemented a number of initiatives that have greatly increased collections from providers who receive overpayments. Collection methods such as intercepting tax returns, levying wages and placing a lien on fraudulent providers' property are all being used to stop fraud.

Yet these measures only solve half of the problem. We have developed multiple initiatives that will soon be implemented to stop provider fraud.

They include:

- A proposal to create an electronic Swipe card system that would track attendance and reduce errors or inaccurate reporting.
- We will create a Program Integrity Unit to track down concerns for fraud and abuse and aggressively recover overpayments.
- We will also offer statutory changes for consideration that will close loopholes.

These new measures will increase program integrity and prevent fraudulent providers from scamming taxpayers or give hardworking parents like Wendy a bad name.

We also need to improve the quality of child care in our state. Let me give a description of two child care centers our staff recently visited. In the first center, we observed a trained teacher engaged in a reading activity with children on the floor. In another center, we observed children were sitting quietly on a couch ... watching Jerry Springer with one of the child care workers.

Both centers receive the same rate for providing subsidized care through the Wisconsin Shares program.

As Wendy's story illustrates, the money our state spends on child care needs to promote quality child care. Children from low-income families who participate in high quality child care are more likely to succeed in life. They are more likely to graduate from high school, less likely to use drugs and alcohol, and less likely to be involved in our criminal justice system. From a purely economic perspective studies have shown for every dollar invested in high-quality early education programs today will save us between \$7 and \$17 dollars tomorrow.

On July 1<sup>st</sup>, we launched a licensed child care search website. The site has been very popular with parents—there were 91,662 requests for pages of information on the site during the month of December alone.

These numbers clearly indicate parents are interested in tools that will help them locate and secure quality providers for their children. A quality rating and improvement system, as Governor Doyle called for in the State of the State address last week, would greatly enhance parents' ability to find quality care. Parents are demanding this information, our children deserve it.

### **Foster Care/Child Welfare**

Let's return to Wendy's story. Wendy searched diligently for a new job, but did not find any openings. Weeks turned to months and Wendy became very depressed. Neighbors never saw her venture out of the house. Her six year old always arrived late for school. Then one day Wendy's three-year-old son was seen playing in the middle of the street. When a police officer returned the child, Wendy said she had accidentally fallen asleep.

It is clear that Wendy needs help, and the health of her children may be in danger.

At the Department of Children and Families, we consider child welfare to be more than just responding to an abusive act. We need a child protective services system that acts quickly and responsibly to secure children's safety and limit their pain when abuse does occur. But, children should not have to be harmed before they get the assistance that they need. We see a need to focus on prevention and early intervention efforts that will protect children before they enter our CPS systems.

When children come to the attention of child protection and are unsafe, we consider in-home services to keep children from harm, but when this is not possible, a relative caregiver or foster parent is found.

Recruiting, training and retaining foster parents has become more difficult as the number of licensed foster families has decreased while the needs of children have increased in

complexity. In Milwaukee and throughout the state, we need more foster parents, particularly those who are willing to care for infants, adolescents and sibling groups, to step forward and ensure the safety of the children living in their communities.

Because we know that statistically children placed with a safe and fit relative caregiver spend less time in care, experience lower rates of maltreatment while in care, achieve permanency sooner and experience a less traumatic transition than those children placed in other out-of-home care environments, the state and counties are increasingly looking to relatives for placement options.

Overall, we must establish a comprehensive effort to recruit more foster parents and license more relative caregivers as foster parents. Additionally, we must train them to be prepared for the demands of safeguarding a child and provide them with ongoing support services as they care for Wisconsin's most vulnerable children.

Governor Doyle established the statewide Foster Care and Adoption Resource Center as part of his Kids First agenda. We need to build on this agenda and continue to do more to recruit, train and retain kind, loving foster parents and relative caregivers.

We also must assure that we maintain competent, qualified child welfare professionals to work with parents and assure the safety and well being of children in our care. These professionals must have training, quality supervision and reasonable workloads to achieve these critical responsibilities.

### **W-2 Program**

The W-2 program, or Wisconsin Works, was created in the mid-1990's. At that time we had nearly 90,000 AFDC participants in the program. Today, roughly 6,700 Wisconsin citizens receive cash assistance through W-2.

Of those currently receiving cash assistance, we know most experience multiple barriers to sustained employment. Most are single parents, with less than a high school education. Many struggle with mental illness and/or chemical dependence. Some have criminal records, often for crimes related to poverty (theft, fraud, writing bad checks, driving without a license).

Most W-2 participants cycle on and off of the program. At the Department of Children and Families, we believe a job is the pathway to economic stability. But for many low income workers, a job is just the beginning.

Access to health care, education and training and transportation all play a vital role in helping families advance financially and socially.

The current economic downturn has created a unique challenge for many W-2 participants. With increasing unemployment, more and more people with greater educational skills and learning have entered the job market. Additionally, some employers are simply not accepting job applications—making it more difficult, and in some cases impossible, for W-2 participants to complete job search requirements.

Today, roughly 6,700 families in W-2 receiving cash benefits. This is virtually equal to the number of families served one year ago when unemployment was low and the economy strong. Although data analysis has not indicated a one-to-one correlation between an economic downturn and an increase in W-2 participants, W-2 has never encountered an economic decline like the one we are currently experiencing. Moreover, the federal TANF was never created with the depth and length of unemployment, and plunging economy many economists are forecasting for our nation.

Thus, at this juncture, it is difficult to predict what effect this economic crisis will have on the W-2 program, and more importantly, the children and families the program was designed to serve.

To help families like Wendy's at a time when the state has limited resources, we need to streamline W-2 bureaucracy, get rid of unnecessary regulatory hurdles parents encounter, ease access to the program, and bring this dated program in line with contemporary family needs. The complexity of W-2 and the resulting administrative burdens have become barriers to effectively helping Wisconsin families. Not only is it difficult to serve existing W-2 families, but it leaves less time and resources for serving additional Wisconsin families that may not be accessing W-2 services but would ultimately benefit from them.

Before I turn the floor over to Deputy Secretary Thomas, I would like to thank all of you on the Senate Committee on Children and Families and Workforce Development and the Assembly Children and Families Committee for inviting me to speak with you this morning.

Wendy's story is not unique. Her story is being lived hundreds of times over throughout our great state, in communities like Madison, La Crosse, Minoqua, Bayfield, and Milwaukee. She and her children need us all, State and local partners, more now than in anytime in recent history.

It is clear that numerous challenges lie ahead of us. But I look forward to working with you as we solve those challenges and continue to protect children, strengthen families and build communities...one child at a time.

Thank you.





**TESTIMONY ON RUNAWAY AND HOMELESS YOUTH IN MILWAUKEE AND WISCONSIN**  
**February 4, 2009**

**ANDRE L. OLTON, PH.D.**  
**Executive Director**  
**Walker's Point Youth and Family Center, Milwaukee.**

Thank you for inviting me today to address the subject of runaways and homeless youth in Milwaukee and Wisconsin. I have served for 25 years as an officer on the board of the Wisconsin Association for Homeless and Runaway Services, and for the last 21 years I have been the Executive Director of Walker's Point Youth and Family Center. Since opening its doors in 1976, Walker's Point has provided 24-hour available emergency shelter, crisis counseling and other services for runaway, homeless and other youth in crisis. These youth are outside of the child welfare and juvenile justice systems, but either are already homeless or at high risk of becoming homeless.

Teens leave home for a variety of reasons, but communication problems and conflict within the family setting is almost always present. Youth who turn to us are often dealing with serious problems from physical or sexual abuse or neglect and abandonment, troubled family lives that include substance abuse or mental health issues, and lack of basic needs like safe shelter, food and clothing. Some youth may leave home of their own volition. Some youth are literally turned out of their homes. We find that they often exhibit symptoms of depression, poor self-image and have school-related problems. For most, too, poverty accompanies them and their parents like a shadow as they struggle to manage their daily lives. Many of the families we serve are dealing with the effects of severe poverty, homelessness or destitution, and many youth have experienced emotionally chaotic and unstable family backgrounds.

Families that are destitute may resort to more desperate measures in order to survive. Some may double or triple up with other families, leading to significant over-crowding. A parent might decide to stay with or move in with an emotionally or physically abusive partner in order to receive food and shelter. Some parents may even resort to prostitution and drug dealing in order to provide an income. Such situations pose real stresses and dangers for children and youth living in these families.

Our Walker's Point emergency shelter provides temporary housing for boys and girls, ages 11-17 years old, for a period up to two weeks. In addition to meeting the young person's basic needs of food, clothing

(as needed) and safety, we offer a program of intensive individual and family counseling with the goal in most cases of re-uniting the youth with his or her family. Our hotline, shelter and counseling services are available 24-hours a day, and non-residential counseling is available for youth and parents who do not desire shelter services.

Last year, 95% of the youth we served went either home or to a safe alternative home at time of discharge from our shelter. This rate is typical of other runaway programs in the state. In fact, there are 22 other programs serving 62 counties providing similar 24-hour services to runaway and homeless youth. Most are not on the same size of scale as Walker's Point, and in fact, 15 of these programs, amazingly, operate on budgets of \$40,000 or less.

Walker's Point also provides a transitional living program for homeless youth ages 16-21 years old. In this program we provide housing for up to eighteen months, with the minor aged youth served in a licensed group home setting, and the young adults served in apartments and other living arrangements in the local community. Through case management and other supportive services we help these youth to deal with their personal issues, develop their independent living skills, work on educational and job-related goals, and find safe and stable homes. There are four other transitional living programs in other parts of the state, one of which specifically geared towards the needs of homeless parenting teens (called a second chance home.) Like many runaway programs state-wide we also operate a street outreach program, in which youth outreach workers go out to assist transient and at-risk youth on their own turf.

We are currently in the grips of a major recession that I believe is having ripple effects throughout our programs. For example, in 2008, Walker's Point provided temporary emergency shelter to 241 youth – seventeen percent more youth than the previous year. At the same time we also had to turn away twenty-four percent more youth than the previous year because our eight-bed shelter was full. As financial insecurity rises for many families during a recession, this often increases parental stress which can lead to communication breakdown between themselves and their teens. We also have seen a rise in homeless youth coming from families that are themselves homeless.

Another worrying concern is the large numbers of homeless youth ages 18-21 years old seeking help in our longer-term transitional living program. We can house 26 youth at any one time in this program, but last year we turned away 158 youth because we were full.

A large number of these youth are also parenting a child of their own. In terms of the 18-21 year old youth served in our transitional living program, over half are parenting. Homeless parenting youth not only expose themselves to the risks and dangers of a transient life-style, but also their babies and children.

Unfortunately, as demand for our services go up, so also do our operating costs. Last year our food expenses were up ten percent and utility costs twenty-six percent, compared with the previous year. At the same time, our ability to generate funds from the local philanthropic community has become much more challenging. Many individuals, companies and foundations have cut back from their normal giving levels as their income from employment or investments has dropped sharply.

In summary, with the deepening impact of this recession, these vulnerable youth and their families face an ever more uncertain future. I expect that demand for our services will continue to increase, at the same time as raising funds to maintain services will become ever more difficult. I want to express my appreciation for the \$700,000 in support provided by the State of Wisconsin this year for state wide runaway services. But it would be remiss of me not to add that any additional funding from the state for the year ahead of us would help to sustain and strengthen these services during what I truly believe are unprecedented times. If we cannot raise sufficient funds, we will be forced to reduce our level of services to these at-risk youth, and at a time when these services are needed most. We will be turning away even more youth to the streets.



**Testimony of Susan Conwell  
Kids Matter Inc. Executive Director  
February 4, 2009**

### **Kinship Care**

Grandparents raising grandchildren, neighbors taking in their neighbor's children – these kinds of caregiving are as old as history -- yet many of the issues are also brand new. When a child is in trouble, extended family members are generally the first people to step in to keep a child safe, and it has always been this way. When Marytown, my little hometown northeast of Fond du Lac, had its 150<sup>th</sup> anniversary, one of the founding families was described in the history walk as "that family in town who took in all the orphans."

So what is different today and why should we care?

Relative caregiving plays a critical and mostly underestimated role in keeping children outside of the child welfare system and in keeping children safe. In general, they are the people everyone turns to when things are going wrong. They provide the lion's share of help to children and they are in trouble. They are as hard hit by job losses, home foreclosures, and loss of retirement savings as everyone else. The difference is that when these kinship families struggle, a lot of kids who are already high risk lose their safety net.

Our calls from relative caregivers requesting assistance increased 300% between August and December 2008. The nature of the calls for help are also more dramatic, with grandparents staying in homeless shelters with their grandchildren, and asking what to do next if they can't afford to keep their grandchildren. On Monday one grandpa reported walking 13 miles to apply for food assistance because he can't afford the bus and needs help to keep his grandchildren. He lost his factory job, and is working as a temp cleaning offices. He would be o.k. on his own, but he can't make the money stretch far enough to cover himself and his grandchildren.

Who is walking in these shoes, and what kind of challenge and opportunity to they present to foster care? According to the 2000 census, nationally six million or one in twelve children live in a household headed by grandparents or other relatives. This means that the grandparent is the financial head of household, but that a parent may be present or sometimes present. For 2.4 million of these kinship caregivers, however, no parent is present and the caregiver has full responsibility for the care of a relative's child. That is a 30 % increase from 1990 to 2000.

In Wisconsin, more than 30,000 children live in households with neither parent present. The vast majority of these children, 25,373, are raised by relatives outside of the child welfare system, and typically without financial assistance from either a parent or the government.

This means that 7% of all families with a child under 18 include a child being raised by substitute caregivers. We have reached a tipping point. Almost everyone knows someone who is taking in a child.

In some regions, far more families are affected. Making Connections Milwaukee conducted block by block surveys and found that 20% of children in two economically distressed neighborhoods lived in households without their parents present. Some of the relative raising kids are just 18 years old.

While the vast majority of caregivers simply take in kids with no financial assistance, there is a second, smaller grouping of relative caregivers who receive kinship assistance. In Milwaukee, the relative caregivers of 3750 children receive \$215 per month in a kinship subsidy.

More than 1/3 of the families in the kinship subsidy program have no possible support from a child's parent because the parent has either died or is incarcerated until the child turns 18.

Keeping children out of "the system" doesn't mean that all the problems have been solved. The children in kinship families, particularly poor kinship families, share most characteristics with children in foster care. They are kids who have been exposed to trauma, whose parents have high rates of substance abuse, incarceration and mental health needs. Though there are resiliency factors in being taken in by kin, the children remain at higher risk for poor health and academic performance, teen pregnancy, drug and alcohol involvement, and delinquent behavior than children in similar socio-economic circumstances who are raised by parents.

Unsupported, these caregivers and kids are significantly stressed. A 2008 study entitled "Individual and Social Protective Factors for Children in Informal Kinship Care"<sup>1</sup> found that relative caregivers had stress rates twice those seen among parenting adults in the general population, with more than one-third having levels of stress high enough to be in the "clinical range." Children raised in relative-headed households also experienced clinical behavioral problems at twice the rate of children in the general population.

Nearly 90% of children who live with relatives are not in the child welfare system and receive no case management or other safety services. These relatives are the largest, most effective and unfunded child abuse prevention system we have, but these kids and caregivers are stressed. Mary is one of our finest, most hard working grandparents. She has worked steadily for 40 years, and continues to work full-time though she is past retirement age just to keep her grandchildren afloat. Her husband died two years ago. Her employer is leaving Milwaukee this month.

People like Mary and the grandfather I mentioned earlier are not showing up in abuse and neglect statistics yet. They are in line at the back door of the child welfare system. They

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<sup>1</sup> Gleeson, James P., & Hsieh, Chang-ming (2008), *Individual and Social Protective Factors for Children in Informal Kinship Care*

can be the key to the success of coordinated efforts to strengthen families, or they can be the tidal wave that overwhelms foster care.

### **Children on Child Protection Orders: "Foster Care"**

In Milwaukee County, there are 3427 children on child protection orders. Of those, 800 children are in unlicensed relative placements receiving the \$215 month kinship reimbursement; 780 children are receiving supervision with a parent at home (no foster or kinship reimbursements); 186 children are placed with licensed relatives (foster care reimbursements); and 671 children are in regular foster care (foster care reimbursements). In addition, there are 487 children in treatment foster care, with the remainder of youth in group care or institutional care (treatment foster care, group care or institutional rates).

This is a dramatic shift in placement of children in Milwaukee, and a dramatic shift in how resources reach children. Overall, nearly 1000 children are placed with relatives within the foster care system, most at the \$215 kinship rate, with an additional 780 children being supervised at home. This means that half of children who are found to be abused or neglected and in need of child protection services are provided \$215 per month for their support or less. If we included this very high reliance on kinship in our state data reports, Milwaukee would provide the least amount of support to abused children in the nation. We are asking some of our poorest caregivers to take in abused children and help them heal on less than \$7 day.

Even if the budget for this system stays even, dramatically fewer resources will be reaching children where they live due to how those resources are distributed.

This has a profound impact on children locally, and throughout the state. It also affects Wisconsin's interactions with other states. Mississippi recently refused to accept placement of children from Wisconsin on an interstate compact order because the amount of support provided by Wisconsin was not enough to sustain them in Mississippi.

Most of our foster and kinship families do not have the ability to subsidize the child welfare system. A 2004 study found that more than one-third of kinship and foster care providers within the Bureau of Milwaukee Child Welfare lived below the poverty line, with one in six living at less than half of the poverty line.

There are many other challenges to the foster care system that we do not have time to address in this setting, but certainly the safety of children is impacted by the dramatic decline in the availability of foster homes, and the lesser degree of monitoring child safety in relative placements. The Department has taken some recent steps to increase monitoring of child safety in relative homes, including an investment in comprehensive health screens for young children on child protection orders. Of the children identified who had physical signs of abuse or neglect, all of them were from relative placements. At the very least, that is an indicator of the need for greater support to relatives, and the need to monitor safety effectively wherever a child is placed.



### **Reports from parents**

- Guardian ad Litem's office reports increased calls from parents asking how to relinquish their children due to economic distress.
- Use of safe haven law doubled between 2007 and 2008.

### **Additional challenges**

- Aging of caregivers. Loss of foster parents.
- Lack of local placements results in higher transportation costs, difficulties in delivering services and reuniting families, increased mobility of children among placements.
- Disproportional representation of minority youth in foster care.
- 
- Special needs of special populations. Child protection systems are designed to keep children safe, and help them find permanence. Increasingly, child protection systems are at risk of becoming a catch-all for many chronic needs and conditions of both children and families, including mental health needs, developmental needs and chronic medical conditions.





Press Statement  
February 4, 2009

Contact: Sen. Bob Jauch  
608-266-3510

### **Senator Jauch Statement on the State of Wisconsin Children and Families**

Thank you for agreeing to hold this important public discussion on the State of Wisconsin Children and Families: Needs and Challenges in an Economic Crisis. We are holding this hearing to better understand the burden of our nation's economic crisis on our most vulnerable children and families. We are all adversely impacted by the economic crisis, but it is our children who are clearly at risk.

As public officials our most important job is to be mindful of our obligation to every child as we are to our own children. During these harsh economic times there is a genuine and growing alarm about the effects of this recession among families and harm to children. We cannot afford to ignore this painful reality.

Every study concludes that in a recession the most severe economic impact invariably falls on children. On average, the increase in child poverty during recessions has been twice as large as the increase in poverty among the general population. More than ever families are at risk. Our economy is in shambles and our family security is shattered. Every day our poverty population increases.

Experts say the unemployment rate could rise to nine percent the last quarter of 2009 which means more jobless people, more people without health care, more foreclosures, more homeless and ultimately, a shocking rise in the number of children in need. The increased family stress that results from coping with the economic hardship may cause lasting damage to children's development and to family stability.

The economists predict a dramatic and sustained economic slowdown that has the potential to shred the safety net for poor families. Even with the benefit of the economic stimulus package being considered by Congress a large number of people are still likely to fall into severe poverty and to be at risk of homelessness due to the depth and lasting nature of this recession. These are households struggling to hold on to the basics, from a minimally adequate diet to keeping a roof over their heads.

The ranks of the poor are growing. From 2000 to 2006 the percentage of children living in poverty in Wisconsin increased from 12 percent to 15 percent in 2006. Nationally, the number of low-income children could climb by roughly three million in 2009 while the number of children in deep poverty could jump by almost two million. The number of

people receiving food stamps has increased by nearly 10 percent over the last year – rising from 26.9 million in August 2007 to 29.5 million in August 2008. One in five children now receives food stamps.

A report from the Center on Budget and Policy Priorities indicates that the number of homeless families with children has climbed in recent months and the number continues to mount. Addressing poverty is not simply about the poor. It is about the well-being of our society. Just as we cannot afford to lose our financial institutions or our auto industry we can ill afford to lose a generation of young people. Their loss would be our loss and we should not abandon them.

Franklin Delanor Roosevelt said that “the test of our progress is not whether we add to the abundance of those who have too much. It is whether we provide enough to those who have little.” As we review the rising statistics of unemployment, foreclosures and the uninsured we must attempt to put a face on the problems facing struggling Wisconsin families. Tackling poverty must get the same attention as restoring financial stability. If hundreds of billions of taxpayers' money is there for the banks then there must also be support for people who rely on benefits and who risk further marginalization as job opportunities disappear.

Today we will hear from speakers who will remind us of the toll that this recession is taking on behalf of our families and children. The stories are gripping. Two weeks ago while in Milwaukee I learned of a mother of a three year old who called authorities and stated that she had to give her child up because she couldn't afford to care for her. Last week I read of a distressed unemployed worker who killed his wife and five children. As we put a face on the human element of these terribly difficult economic times we should be reminded that we are all one family. In the midst of these harsh circumstances our priority must be to work harder to protect those at risk.

Our state budget deficit is large and poses difficult challenges. However, we must remember that our political challenges are nothing compared to the thousands of unemployed and uninsured citizens of Wisconsin.

Throughout Wisconsin there are 7,281 children currently receiving Foster Care or Kinship Care services. The number of children estimated to be living in poverty rose from 155,000 to 192,000 and today that number is undoubtedly much larger. As the vice grip of the economic crisis grows tighter more children will fall deeper into poverty, and will need more government services to protect their well being and prevent them from falling deeper into poverty.

Family values must be more than a trite slogan and we have to mean it when we say that we are going to “leave no child behind.”

Hubert Humphrey once said that the moral test of a government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life,

the elderly; and those who are in the shadows of life; the sick, the needy and the handicapped.

The role of Government is more important than ever in a time of economic crisis. In greater numbers families turn to Government for medical assistance, unemployment insurance, help with heating bills and housing needs. The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well for themselves in their separate and individual capacities.

I am pleased that we will be joined today by Secretary Reggie Bicha of the Department of Children and Families, an agency devoted to helping and protecting children and families in Wisconsin. That agency has assumed its new role at the most challenging of times, when families are fractured the most. I know that Secretary Bicha and his staff take their responsibility to protect children very seriously and have aggressively enacted responsible and reasonable policies to learn from mistakes of the past and assure that the state meets its utmost responsibility to protect children. He and his staff cannot do it alone. We must match our high expectations with the appropriate resources and policies to support those who have the duty to oversee the protection of Wisconsin children.

I am also pleased that we will be joined by Mark Thomas, Deputy Secretary of the Department of Health Services. Secretary Timberlake had hoped to attend but pressing matters require her attention in other places. Clearly her agency will be on the front line of public demand for affordable health care and long term health services. There isn't a day in which she and her staff are not aware of the needs of Wisconsin's most vulnerable citizens.

Finally I wish to emphasize how delighted I am to work with Representative Grigsby, who will be chairing the Assembly Committee on Children and Families. Representative Grigsby brings a blend of knowledge, first hand experience, and respect and compassion for children and families. She doesn't view her responsibility to protect vulnerable children trapped in dangerous situations as a political opportunity but sees her role as a public servant solving these difficult challenges as a member of the Wisconsin family. She also understands the needs of children reach far beyond the borders of Milwaukee and knows that the agencies and legislature cannot solve these problems alone.

As Legislators we must provide adequate resources and comprehensive and sustainable policies and we must rely upon broad community involvement throughout this state to help us. As FDR stated in 1932, "These unhappy times call for the building of plans ... that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid." Today we begin to understand the task.

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Testimony Before Senate Committee on Children and Families and Workforce  
Development and Assembly Children and Families Committee on February 4, 2009

Presented by Anne L. De Leo

Thank you Senator Jauch and Representative Grigsby for bringing all of us together in this hearing today. I am proud to say that I live in Representative Grigsby's 18<sup>th</sup> Assembly District.

This hearing focuses on issues that touch on the very basic needs of families with children — food, medical care and shelter. Our attention to these issues right now is critical for Wisconsin's future, because Wisconsin's future depends on the health and livelihood of our children.

I have been asked to reflect on the status of the Wisconsin Works or W-2 program. I have been involved with monitoring the W-2 program since the program began in September 1997. As you know, W-2 is Wisconsin's TANF program, the federal program that replaced Aid to Families with Dependent Children. Two of the stated purposes of TANF are to keep needy children in their own homes or the homes of relatives and to end the dependency of their parents.

I am sorry to report that Wisconsin's W-2 program has not met either goal. What W-2 *has* succeeded in doing is dramatically reducing the number of low-income families with children in Wisconsin who receive any financial assistance at all. In August 1997, at the beginning of the W-2 program, 25,655 families in Wisconsin received cash W-2

benefits. By December 2008, that number had dropped to 6779 families. In Milwaukee County, which has 75% of the W-2 caseload, 17,851 families received cash benefits in August 1997 but only 4769 families are receiving benefits now.

I can assure you that this dramatic decrease in caseload is not an indicator of economic health and self-sufficiency among Wisconsin's low-income families. The low caseloads are instead an indicator of what is wrong with the W-2 program.

After almost twelve years it is now time to redesign the program.

The fact is that most low-income families in Wisconsin have no connection to the W-2 program. The Department of Children and Families has identified over 12,000 families in Wisconsin who report having no income, have at least one minor child and receive Food Share benefits. A survey was recently mailed to 4000 of these families. The survey asks questions about why the family has never applied for W-2 or no longer receives W-2. The results of that survey will be available later this year, but I have a pretty good idea what the answers will show.

A similar, smaller survey was done by advocates in Milwaukee County in 2003. Seventy-eight parents in families with children who received FoodShare benefits but had no income were contacted. They told the interviewers that they were homeless or doubled up with friends. They said that they either had reached their W-2 time limits or



they heard they wouldn't get any help from the W-2 program so there was no point in applying.

I'm sure that some of these zero income families tried to apply for help from a W-2 agency. When they arrived at the office, after exhausting all of their own resources and tapping out their families and friends, they were told that even if they successfully completed the application process, they would not receive a full benefit check for at least six weeks.

If they asked about emergency assistance, and in Milwaukee County 30 to 50 percent of W-2 applicants do ask about emergency assistance, they were told to complete a separate application for the Emergency Assistance program. If they were facing impending homelessness and could document this with an eviction notice, they might receive an amount equal to \$150 for each family member. For a family of three, this means they could receive no more than \$450. This maximum amount has been the same since 1974. It is certainly not enough to pay back and current rent.

W-2 applicants cannot even have an appointment with the W-2 Financial Employment Planner (FEP) until they have completed a job search and brought in a list of the 30 places where they have applied for work. Failure to fully comply with the job search requirement stops the W-2 application process stops. Applicants who try to explain that they have problems that keep them from working are told to returned with an incapacity

form completed by a doctor.

In Milwaukee County, data kept by the W-2 agencies shows that less than half of the individuals who come in the door at a W-2 agency are ever scheduled for an appointment to meet with a FEP.

A very small number of W-2 applicants are put in a W-2 paid placement. The majority of applicants are clearly discouraged or diverted from pursuing W-2 benefits.

Those who are assigned a paid W-2 slot like a Community Service Job are required to continue to look for work and, if offered a job, must accept employment when offered. The jobs they get are often with temporary help agencies or at day care centers or nursing homes that offer little job security.

Very little attention is paid to the TANF goal of actually ending dependency.

The W-2 program has not formed partnerships with local employers who offer stable work. Education and training, even short-term education and training, is discouraged.

The original W-2 program design assumed that every parent is capable of sustained full-time employment. In fact, a large number of potential W-2 applicants have an educational background, medical history and/or mental health prognosis that makes

them unsuitable for full-time work. These chronically underemployed will never overcome dependency under the current W-2 design. The answer to the deprivation they and their children are experiencing will not be found unless we offer vocational services and a steady stream of income that does not end in 24 months or 5 years.

In Milwaukee County which has 75 % of the Wisconsin W-2 caseload, the difficulties of applying for W-2 are compounded by the administrative structure. From the beginning of the program, Milwaukee County has been divided into regions, and persons who wished to apply for W-2 had to apply in the region where they live. Clients who move must reapply in their new region. Three private entities run the W-2 program in Milwaukee County. There are five W-2 offices, five separate groups of managers. In addition, job development is separated from case management. Clients have a FEP and a job developer. The duplicative administrative costs for all of these separate agencies is draining funds. Milwaukee County should be served by one agency and, Ideally, that agency should be a public entity that contracts with smaller agencies to deliver the case management, job development and vocational assessments for W-2 recipients throughout Milwaukee County.

Wisconsin is not alone in its experience with the federal TANF program. Monday's New York Times featured an article summarizing the situations faced by low-income families in other states. Throughout the country, the safety net now consists of FoodShare and Medical benefits with nothing more than, sometimes, the kindness of family and friends.



**Core Initial Statement of the W-2 Coalition**  
January 30, 2009

From IH folder  
dated 2/4/2009.

The W-2 Coalition is a statewide group of Wisconsin organizations committed to both the identification and achievement of improvements in the Wisconsin Works (W-2) program to more fully address family needs, improve opportunities for employment, and supports the needs of Wisconsin's employers. The driving force behind the coalition's formation is recognition by participating groups that the W-2 program has remained basically unchanged for thirteen (13) years during which **dramatic changes** have occurred in:

- Characteristics of W-2 Customers
- Wisconsin's Workforce Composition and Employer Needs
- Resources Available for W-2 Services
- W-2 State and Local Program Administration
- Other Programs Serving Children and Families

All of these changes must now be viewed in the context of a growing and deepening recession. 1996 solutions are no longer adequate to address 2009 issues and problems

W2 customers are increasingly facing multiple and long-term issues. The job market has shifted dramatically. The current recession has resulted in growing numbers of unemployed. W-2 resources are now approximately 42% of what they were in 2001 while the number of customers served has remained constant. A new department has taken over responsibility for the W-2 program and numerous other programs have been established or significantly changed or eliminated. New approaches to W-2 services and W-2 coordination with other program need to be identified and put in place.

The Coalition has identified a number of **basic principles to guide its redesign effort**:

- Better Services to Customers
- Better Outcomes Achieved for Families
- Funds More Effectively Used
- Better Overall Return of W-2 Investment to the Community and Taxpayers

Using these principles a number of recommendations for improvement have been developed to assure that customers are better served, workforce needs are met, programs work more effectively and collaboratively, and family incomes grow. (Specific recommendations are available for review.)

In addition to specific recommendations, the Coalition is calling for a collaborative rapid response to address the issues and problems brought about by the recession, and to put in place a mechanism that allows the program to continually adapt and keep current to customer needs.



From IH folder dated 2/4/2009.

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## County Human Services Position on Statewide Economic Support Policies

—John Rathman, Co-Chair, Economic Support Policy Advisory Committee, WCHSA

**T**he state of Wisconsin is now involved in one of the worst recessions since the Great Depression, and with no immediate solution to our state's economic troubles in sight and with predictions that things might even get worse before they start to get better, Wisconsin counties are teaming up to voice our collective concerns about growing economic support caseloads and the impact on already overworked and overburdened county staff.

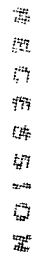
In the last year, from December 2007 to December 2008, statewide income maintenance caseloads have grown over 7.1%. The problem is actually much worse than that. For many years both federal and state officials have been expanding the Medicaid/BadgerCare Program and the FoodShare Program with no increased funding for more economic support workers to process the increased number of families served by these two programs. As a result of large program expansions, coupled with a dramatic economic downturn, many local economic support workers are managing caseloads of over 600 cases. In some extreme examples, we are hearing of workers that have caseloads of over 1000 cases.

What makes this situation even worse is that one of the safety valves that counties have relied on to help keep up with rising caseloads has also been closed. For the past seven years, counties have been under state-imposed tax levy limits that ultimately prohibit all counties, even those that would like to try to help fix the problem, from adding additional staff to help do

this work. The situation of growing caseloads year after year without any staffing increases is leading to a situation that many are classifying as a statewide crisis. In efforts to help quantify the extent of this crisis, the Wisconsin County Human Services Association (WCHSA) Economic Support Policy Advisory Committee's workload and finance subcommittee recently worked with state staff members to update the Income Maintenance Workload Model. This extensive model determines the exact amount of time, effort and funding needed to complete all necessary case processing for Medicaid/BadgerCare and FoodShare cases currently being serviced throughout the state of Wisconsin. In completing that study, state and county administrative staff calculated that for calendar year 2008 only 58% of the \$90 million dollars of work effort needed to process income maintenance cases is currently being funded by the state of Wisconsin. That leaves counties with the responsibility of contributing almost \$19 million dollars a year to ensure that state residents get their Medicaid/BadgerCare and FoodShare benefits.

After receiving the new workload model statistics, WCHSA adopted a motion requesting that the Wisconsin Department of Health Services (DHS) work with counties to include in the 2009-2011 state biennial budget an increase in the income maintenance administration allocation of \$7,542,968. By increasing local agency funding, counties can be assured that

*continues on page 35*



## Dodge County ES Increases

—Shirley Kitchen, Economic Support Supervisor, Dodge County Human Services & Health Department

**D**odge County Economic Support administers the public assistance programs such as BadgerCare Plus, Family Care, Medical Assistance, Food Share, Wisconsin Shares (Child Care) and Wisconsin Works (W-2). The Dodge County Economic Support Unit consists of sixteen economic support specialists, a resource specialist, a part-time economic support aide, two supervisors and two clerical workers assigned to our unit.

The staff is comprised of knowledgeable, hard-working and caring individuals who have empathy for the clients they serve. Since they are usually dealing with clients in a crisis situation they find themselves frustrated due to extremely large workloads, which prevent them from providing the quality of service they are committed to provide.

In a crisis situation, clients become frustrated when they are unable to reach workers. The frustration faced by clients made

it clear to our staff that alternative options were needed. Hence, we have begun an internal pilot program to address the challenge of personal contacts with clients. To help alleviate the access problem, the staff is redirecting their clients to report changes, such as changes in income or contact information, to our economic support aide. This staff person is available to speak to the client directly, take the change information and instruct the client on what they are required to submit for verification. We expect this will relieve part of the workload and at the same time provide better customer service to our clients.

Dodge County's population is approximately 89,000. Our largest city is Beaver Dam and the school district there reports 33.6% of students qualify for free lunch participation—to qualify for the free lunch program in the Beaver Dam School District,

*continues on page 29*

## Sheboygan County ES Division

—Ann Wondergem, Director, Liz Mahloch, Economic Support Manager, Sheboygan County Health & Human Services

**I** was just laid off and need to know where I can get help with food and rent.” (Voice Mail Message 12/29/08) “My furnace is not working, I have no money for repairs, my children are at relatives but I cannot leave my cats and the temperature in my trailer is 36 degrees.” (Phone call Saturday 12/13/08) “My work hours have been changed but at least I have a job. Now I need child care and the cost is more than I make but I need the health insurance.” I have a five day eviction notice and must leave my apartment tomorrow. My children and I have nowhere to go. (Weekly)

Even prior to the most recent economic crisis, people needed programs and services to meet their basic needs for food, shelter and medical care. Like every county in Wisconsin, Sheboygan County administers Economic Support programs (sometimes referred to as Income Maintenance programs) on behalf of the state. In Sheboygan County, the Health and Human Services

Department— Division of Economic Support (Division) administers these programs for the Wisconsin Department of Health Services and the Wisconsin Department of Administration. These Income Maintenance programs include BadgerCare Plus, Family Care and Medical Assistance, FoodShare Wisconsin (formerly Food Stamps), Wisconsin Shares (Child Care), and the Wisconsin Energy Assistance Program (WHEAP).

The division is staffed by eighteen economic support specialists, two social service aides, two clerical support staff, three supervisors and one manager. Staff work out of the Sheboygan County Job Center located on the western edge of the city of Sheboygan.

Sheboygan County Economic Support provides integrated case assignment and management for all programs including

*continues on page 30*



## Dodge County ES Increases— cont. from p. 27

the annual income for a household of four is at or below \$27,560. Fox Lake, another community in Dodge County, has 40% participation in the free lunch program. In conjunction with the free lunch participation we are experiencing a significant spike in the FoodShare program. Our FoodShare cases increased more than 16% in 2008 compared to 8% in 2007 and 6% in 2006. Given the above, it is not hard to see that the Economic Support caseloads in Dodge County are at an all time high. The total caseload numbers were 5,185 at the end of November compared to 4,739 at the end of 2007.

Along with significant funding shortfalls in our economic support programs, the state made some major changes in our business plan. The first change was the implementation of BadgerCare Plus, a family Medicaid program, on February 1, 2008. This

program alone increased our client base from 5,827 at the end of January to 6,930 at the end of December 2008. That is an increase of 1,103 participants. The program has proven to be a valuable resource to low income families while at the same time a challenge for economic support workers. In addition to the learning curve that always accompanies new program implementation, the state-mandated computer system is unable to process certain cases correctly and requires staff to use manual workarounds that further exacerbate a time-critical workload. In addition, counties did not receive any additional funding for new staff to help with the program.

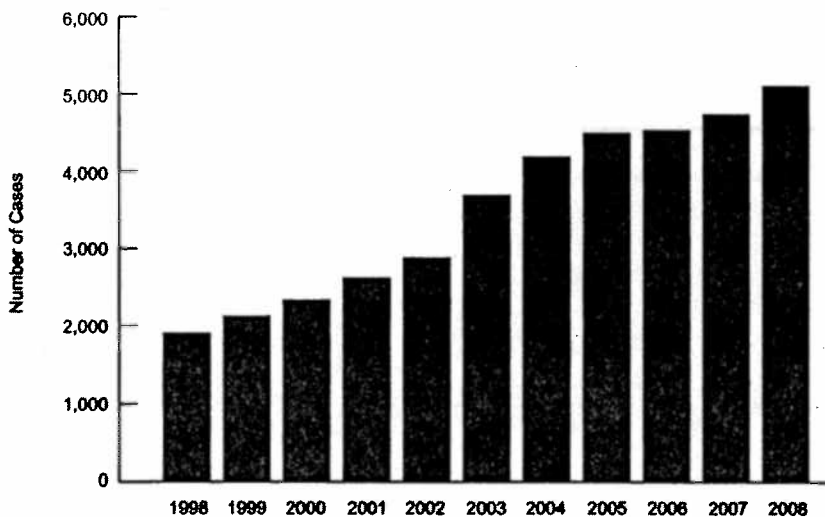
The second major change to our unit was the implementation of Family Care. Although the implementation process for this program went very smoothly in the computer system, the two Economic

Support staff who are assigned to Family Care were moved out of the Economic Support Unit and into the Aging and Disability Resource Center (ADRC). This unit is in another building, has a completely new delivery system and the requirement of working with a Managed Care Organization (MCO) has complicated their jobs during 2008.

In addition, one of the other programs we administer is the Emergency Assistance Program, which assists clients by paying a certain amount towards their rent when they receive an eviction notice or lose their home due to a financial emergency or natural disaster. Because of the economic downturn and the floods we experienced in June we saw a sharp increase in the amount of households served. In 2007, we assisted 51 households and saw that number rise to 63 in 2008. Since this is an emergency program, the request for help comes up quickly and we are forced to redirect our time and resources to process these applications. We are limited to a five day time frame to take the application, determine eligibility, contact the landlord and finally to manually request a check.

Due to economic considerations, Dodge County experienced another situation this year with the closing of our Job Center in Beaver Dam. Both our clients and our workers relied on the job center for job search, workshops, dislocated worker programs, the resource room and employer contacts. Our staff

## Dodge County Caseload— 1998 to 2008



## Dodge County ES Increases

used the location to see clients who lived in Beaver Dam and had no transportation. We also used the job center as a work experience site for job seekers active in our programs. We have been fortunate to relocate the dislocated worker program and some of the Job Net machines to our location but there remain gaps in services that remain a concern.

While the examples above represent a brief sketch of how the current economic downturn has affected Dodge County's economic support program, it demonstrates a greater picture of the critical need counties have to shore up the most economically vulnerable citizens in Wisconsin. If we do not act now to support these citizens the outlook is grim and will only get worse. □

## Sheboygan County ES Increases— cont. from page 27

Wisconsin Works (W-2) with the exception of Medicaid nursing home and Family Care cases. Integration allows for the customer to work with one Economic Support Specialist (ESS) for processing of benefit eligibility, maintaining benefits and case management services. This approach mirrors "one stop shopping" for the customer and provides ease of access to multiple programs and services. Specialists receive training and regular updates in the specific program regulations and processes as eligibility requirements differ from program to program— FoodShare to Wisconsin Shares, as an example.

Economic Support caseloads in Sheboygan County and around the state are at an all time high. The caseload in Sheboygan County is ranging from 415 to 525 cases per specialist for the integrated cases. A case may be made up of a single individual or multiple members of a family. Since January of 2008, the overall integrated caseload has increased by 700 cases, or 10.62% for the division.

The current economic crisis (locally one major manufacturing plant is closing, significant layoffs by a number of major manufacturing firms and downsizing by all business sectors of the county) is impacting individuals and families seeking assistance from Economic Support. High home energy costs, ongoing housing, medical, food and transportation costs are driving many individuals and families for the "first time" to seek relief from some form of public assistance. They are struggling as they divert their financial resources to other bills such as housing, medical care, medications or gasoline. Individuals and families are struggling with enormous financial

stressors and are turning to Economic Support for funds, other resources and solutions to their financial dilemma. Many have waited "too long," attempting to "do it on their own." It is now a crisis situation and they may be facing losing their home, their family and control over their life.

Economic Support is the safety net. At times the consumer, based on the stress in his/her life, is angry and wants immediate relief for some short- or long-term financial issues. When they contact us by phone or in person, they do not want to wait for services, or hear that they need to complete an application and provide verification of income and assets. They do not want to hear that it may take up to two weeks or more to receive a Quest or Medical Assistance card. They are hurting and at times believe they have failed their families and themselves. This can result in anger or tears, all of which the specialist must sort through to try to assist them with the application process. The level of work, the increasing size of the caseloads and the imminent customer needs takes a toll on the specialist, who is attempting to assess need, find solutions, determine eligibility and provide quality customer service.

During the last twelve months new state programs have been rolled out providing benefits to an expanded group of people, which has a further impact on the workload of these staff.

First on the list is the implementation of the BadgerCare Plus Program, which provides expanded medical coverage to children and their caretakers and began in February 2008. The enrollment of new consumers into the BadgerCare Plus Program far exceeded the state projections and was implemented without

any new or additional funding and with existing staff resources. While an excellent resource for low income families, the implementation was and continues to be difficult. The computer system (CARES) that supports the eligibility determination process had and continues to have glitches. As an example, customers remain confused by premium notices and payments and often need to contact their county ESS in order to continue to receive continued Medical Assistance benefits.

Second, beginning in February 2008, Sheboygan County transitioned from the long standing Community Options and Waiver Programs Long Term Care service delivery system to Family Care. The transition to Family Care went smoothly, with Sheboygan County staff providing information to a state central processing unit to transition the member's enrollment. Post enrollment, the consumer again receives services from the Sheboygan County Specialist. The Economic Support workload increase related to Family Care lies in the coordination needed between Economic Support, the Aging and Disability Resource Center (ADRC) and the Managed Care Organization (MCO) to effectively serve the customer and ensure ongoing eligibility. Sheboygan County tackled this challenge as the goal is the eventual elimination of wait lists for services. In Sheboygan County about 234 adults with disabilities and the elderly were on a wait list, some as long as eight years. As of October 31, 2008, there were 13,738 Sheboygan County residents enrolled in Medical Assistance, a 12.18% increase since the beginning of the year.

Third, a program change in FoodShare Wisconsin eliminated the requirement that certain adults, in order to receive the FoodShare benefit, had to enroll in an employment and training program. This elimination had the greatest single program impact. Individuals who are eligible to receive FoodShare can now volunteer to participate in an employment and training program that meets their needs. This change, coupled with improved access to the application process and state marketing of the FoodShare program, has increased individual enrollment in FoodShare in Sheboygan County by 28.77%, bringing the total number of all participants in the FoodShare program to 7,918. Based on our records, this is the highest number of FoodShare (formerly Food Stamps) participants ever

in Sheboygan County. It is also a positive reflection on the individuals and families that have chosen to access this program to supplement their nutritional budgets and opt to participate in employment and training services.

Other program and service delivery observations related to the current economic situation include:

- Wisconsin Shares, the state child care assistance program, has remained fairly steady in the number of children and families receiving assistance. This does vary from county to county. The biggest shift in Sheboygan County is that we are assisting more people with child care while they are out looking for employment rather than while they are working due to the loss of their job(s).
- The rise in home heating and electrical energy costs over the past several years continues to contribute to substantial increases in applications and benefits for Wisconsin Home Energy Assistance Program (WHEAP) consumers. There has also been an increase in the number of people in crisis who call evenings and weekends when they have run out of heating fuel or their furnace has ceased to work.

Economic Support Specialists, their supervisors, managers and support staff throughout the state have difficult and challenging jobs. Daily they put forth an extra effort in meeting the needs of the residents of their county. Each day they process new requests for assistance, recertify individuals and families to ensure ongoing eligibility and receipt of needed benefits, meet deadlines to ensure accurate benefit awards and avoid state and federal sanctions, answer questions from consumers and meet local, state and federal quality control standards. Often they provide an empathetic ear, a Kleenex, or reassurance that it will get better and take that extra step to make sure the person is safe. In order to provide all of these services in these difficult economic times and implement the new programs and requirements, Sheboygan County experienced an increase of 135% in staff overtime in the last year.

Sheboygan County is proud of our Economic Support Division staff accomplishments and the customer service they provide to citizens in need of our services. We are sure that other counties share our pride as they too serve the residents of their counties. □

involvement, willingness to change, and adapting a “big picture” view about the efficient provision of local services.

It will necessitate a shift in the debate about taxes away from wasteful spending and towards sound investments and efficient delivery of

services. It will involve taking up the challenge issued by the Milwaukee Public Policy Forum in order to reconsider what county services need to be reduced, eliminated, consolidated or supported by dedicated taxes or fees.

The counties that are successful in

this endeavor will emerge from the recession without crippling debt, crumbling infrastructure and dysfunctional services. And they will position themselves to take full advantage of the recovery when it arrives. □

## The Increasing Need for Economic Support Services— cont. from page 25

impossible, at times, to process cases in a timely manner and spend the time needed with clients to properly process their case (see related articles from Sheboygan and Dodge Counties).

Significant underfunding from the state shifts the burden of funding to county boards, currently faced with levy limits and significant underfunding in other state-mandated service areas.

### Conclusion

Counties need additional support from the state of Wisconsin to serve citizens in crisis during these tough financial times. As federal and state governments debate economic stimulus packages, county governments ask that the programs operating to serve families in fiscal crisis not be ignored, including funding for the agencies charged with administering economic support programs. Counties realize the state is in the midst of addressing

a \$5.4 billion deficit and are not asking for the \$40 million in underfunding of the IMAA. Rather, we ask: (1) that the \$4.1 million in supplemental funding be included in the IMAA base; and (2) counties receive an additional \$3,771,484 in state general purpose revenue annually, which equates to 20% of the additional resources necessary to complete time sensitive FoodShare, BadgerCare and Medicaid eligibility determinations for state residents. With this assistance, county economic support staff will be better equipped to assist state residents in economic crisis due to deteriorating economic conditions. □

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## County Human Services Position on Statewide Economic Support Policies- cont. from p. 26

they will have an adequate number of trained staff to process the growing number of Medicaid/BadgerCare and FoodShare applications that are being received each and every day at local economic support offices. This request equates to 20% of the additional revenue needed to fully fund these programs given current 2008 program participation levels.

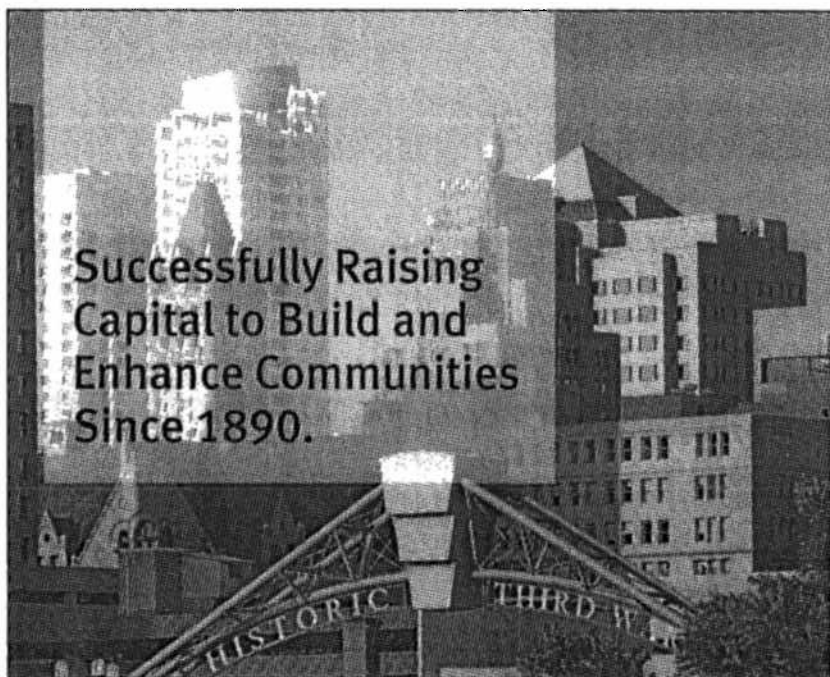
In an effort to assist county economic support staff with their increasing caseloads (DHS estimates as many as 90,000 additional state residents may participate in BadgerCare Plus for Childless Adults), DHS unveiled its plan to create a statewide Enrollment Support Center. Under the plan, the Enrollment Support Center, also referred to as the ESC, will eventually process all new applications and renewal applications for childless adults including their Medicaid/BadgerCare program benefits, as well as their FoodShare benefits. Medicaid applications that involve institutional placements will still be processed by local county staff.

While all counties agree that rising caseloads and current staffing levels definitely signal that we need to find new ways of

doing business, WCHSA has expressed concerns about the new ESC.

The concerns expressed include: lack of county involvement in the planning process; state takeover of more case types than originally identified; level of customer service provided by the ESC (phone or internet only) - specifically, the creation of a bifurcated economic support system that is confusing to current county economic support clients, especially those with severe mental health and developmental disabilities.

In a letter recently written to DHS Secretary Karen Timberlake about the expansion of BadgerCare Plus for Childless Adults and the related ESC, counties requested that WCHSA, the Income Maintenance Advisory Committee (IMAC) and the Economic Support Policy Advisory Committee all be involved in any future planning efforts connected to either of these two very important projects. Since counties work with these programs each and every day, we have an abundance of knowledge and expertise to share in the formation of a



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Lastly, counties have repeatedly asked for increased access to automation and technology for the income maintenance caseload that will continue to be managed at the local level. Over the past several years, counties have requested computer programming time for changes to the CARES computer system that will allow us to process cases timely, efficiently and with fewer manual "workarounds" - processes that greatly increase the chances of making errors. Since almost all technological advances have been devoted to the BadgerCare Plus expansion the past three years, we are hopeful that some of those resources can now be devoted to making changes needed to process Elderly, Blind and Disabled Medicaid applications and in other areas of the CARES system that will increase counties ability to process existing Medicaid and FoodShare applications in an efficient and cost effective manner.

In conclusion, counties are worried about the impact of rising economic support caseloads on staff that is already overburdened and greatly overworked. We hope to work cooperatively with state officials to identify innovative and creative new case processing

techniques creating efficiencies for local agencies. For example, the implementation of electronic and audio signatures on program applications and renewals would save a great deal of staff time trying to obtain a faxed or original signature from an applicant. It is our hope that state resources can be devoted to program enhancements in the CARES system that will create labor savings and reduce errors. Finally, we hope that general purpose revenues can be prioritized for a system that has been overlooked and not properly funded for many years now.

The Wisconsin County Human Services Association, the Economic Support Policy Advisory Committee, the Income Maintenance Advisory Committee and the Workload and Finance Committee of IMAC are all energized and ready to come to the table to create new and innovative solutions on how we can provide income maintenance services for Medicaid/BadgerCare Plus and FoodShare participants in the years 2010 and beyond. We look forward to working with state staff members on this critical and vital program area of human services during these very fiscally challenging times. □

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