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Details: Public Hearing, 4/15/2009, re: AB 75

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

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

COMMITTEE NOTICES ...

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

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
  (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Gigi Godwin (LRB) (July/2011)

DANE COUNTY

Kathleen M. Falk
County Executive

PH 4/15/2009.

April 3, 2009

Senator Mark Miller
Co-Chairperson
Joint Finance Committee
State Capitol, Rm 317 East
Madison, WI 53707

Representative Mark Pocan
Co-Chairperson
Joint Finance Committee
State Capitol, Rm 309 East
Madison, WI 53708

Dear Co-Chairpersons Miller and Pocan:

Thank you for your past support on behalf of Dane County's citizens, programs and services. The purpose of my letter is to request your help again while you deliberate and act on AB 75 (Budget Bill). Please support the inclusion of the following items that will cost the state no GPR dollars.

Reinstate 911 Surcharge and Reform for Landline, Cellular, Text, VoIP and Future Forms of Telecommunications to Enhance Public Safety

This proposal agreed to by telecommunications providers and county governments would generate revenue through an up to 75 cents surcharge and update 911 centers to meet new telecommunication technologies. If the surcharge was 75 cents, it would generate $60 million. The surcharge would fund the State Agency that administers the program, 911 personnel training costs for call takers and dispatchers, equipment purchases/ maintenance, CAD/Computer systems used in the receipt and dispatch of emergency calls and many other operations items located within the local 911 centers. Implementation and fund distribution would follow the same process used in the old E911 wireless program. This is a really important way you can help all local governments improve public safety without any state GPR and with the support of the industry.

Delay of Family Care Expansion for Dane County

The budget bill makes cuts to Dane County across the human services spectrum, at least $1.2 million for the remainder of 2009, $3.3 million in 2010 and $3.5 million in 2011. Addressing these human service cuts will be very challenging. In addition, the budget requires Dane County to implement Family Care before the end of the biennium, taking an additional $19.5 million of Dane County dollars the first year, a projected per capita rate loss from $4,978 to $3,226 in services per consumer and an under-funded Aging & Disability Resource Center. Because of these very significant consequences, I am asking that the Family Care expansion for Dane County be delayed until the next biennium. While the goals of Family Care are worthwhile, the state's fiscal situation makes it impossible to address these concerns in this budget cycle.

City-County Building, Room 421, 210 Martin Luther King, Jr. Boulevard, Madison, Wisconsin 53703
PH 608/266-4114 FAX 608/266-2643 TDD 608/266-9138

Include Highway Funding within the Dane County Regional Transit Authority (RTA)
The budget bill creates RTAs for a number of places in the state. However, it funds only transit projects, including bus and paratransit systems. Missing within the budget bill is a provision allowing RTA funds to be used for highways and roads which are critical to a balanced transportation system and successful transit systems. Please amend the bill to allow local communities to use their own locally-created sales tax to fund roads as well as transit.

Restore $4.7 million to Dane County From Enhanced Medical Assistance Rate
In Dane County, we spend dollars to generate Medical Assistance dollars in several programs for 1,200 individuals. Dane County has a history of going above & beyond with local contributions to waiver programs like CIP1A, CIP1B and the Brain Injury Waiver that support adults with physical and developmental disabilities to reside in the community. The federal stimulus bill increases the amount of revenue that will be earned, however, the state budget bill retains the federal money. Since we at the county level are the ones earning the revenue, we should be able to keep it. Please provide us with the $4.7 million in funds earned by Dane County.

Include Beer Tax Increase to Fund District Attorney Positions
According to the Department of Administration's 2008 District Attorney Office Workload Analysis, the Dane County District Attorney's Office is short 11.33 full time ADA positions. The office currently handles about 250 cases per ADA. The public safety and human costs of overuse of alcohol were estimated by Representative Terese Berceau to be over $3 billion a year. I support raising the beer tax to fund needed ADA positions and other good public safety and health purposes resulting from misuse of alcohol.

Include Traffic Ticket Enforcement
Amend the state statutes to allow Wisconsin to join the Interstate Compact on Traffic Forfeitures. This action will facilitate collection of out of state traffic violators and capture a needed revenue source for both the state and county. For the entire State, it could mean $3 million and about an estimated $200,000 for Dane County. How that breaks out is if the ticket is traffic related, the state receives 60% of the fine and the county receives 40% of the fine. If the ticket is alcohol related or OWI, the county received 60% of the fine and the state receives 40% of the fine.

Thank you for your consideration. Good luck with your hard work in offsetting a major deficit while shaping a budget bill that will benefit all the citizens of Wisconsin.

Sincerely yours,

Kathleen M. Falk
Dane County Executive

cc: Members, Joint Finance Committee
Dane County Legislative Delegation
Governor James Doyle

WISCONSIN STATE LEGISLATURE

WISCONSIN COUNTY EXECUTIVES AND ADMINISTRATORS ASSOCIATION

Date: April 14, 2009

To: Members of the Joint Committee on Finance

From: Adam Payne, Sheboygan County Administrator and President of the Wisconsin County Executives and Administrators Association

Subject: Proposed 2009-11 State Biennial Budget

Thank you for the opportunity to provide testimony on the proposed 2009-11 biennial budget during your meeting in Cambridge. As you know, County Government is the right arm of State Government, implementing a broad array of State-mandated programs.

Proposed 2009-11 Budget Implications

Counties fully recognize that the State's fiscal situation is dire, and that we need to be part of the solution. However, I hope you share our concern that critical "safety net" services to children and families are being targeted for significant reductions. In this time of economic crisis, even more people are turning to counties for assistance, not less. On behalf of the Wisconsin County Executives and Administrators Association, please re-evaluate priorities and restore funding in the following areas:

Children and Family Aids

When times are tough, unfortunately, child abuse and neglect referrals escalate. In 2008, Sheboygan County alone received 1,286 child abuse and neglect referrals, and had a 7% increase in child protective services investigations.

Yet, the Governor's Proposed Budget cuts the Children and Families Basic County Allocation by $20 million over the biennium. Counties utilize this funding to prevent children from further abuse, to conduct child abuse and neglect investigations, for out of home placements, and other related services. For Sheboygan County alone, this represents a $362,303 decrease, equivalent to five Social Workers.

Mental Health Placements

Unfortunately, more people are suffering from mental illness, and the State cost at Winnebago and the Mendota Mental Health facilities is about $800 per day, or $292,000 per person per year. The proposed budget shifts the cost from the State to Counties for the non-federal share of costs for children and elderly patients placed at one of the State's mental health institutes, which is about $14 million over the biennium (the Department of Health Services currently funds the State share for children and elderly patients).

This represents a major shift in funding responsibility, and for Sheboygan County alone, an additional $107,450 annually. The proposed increase, or cost shift, equates to two County Community Support Program staff, or the loss of community support services for up to 40 adults with a severe and persistent mental illness. Reductions in community support programs to make up for the loss in funding would be counterproductive, as community support helps keep people out of expensive institutions. The average cost for in-home support services is $3,200 per person per year, which is less than a five day stay at Winnebago or the Mendota Mental Health Institute.

Youth Aids

The proposed budget decreases Youth Aids payments to Counties by approximately $12 million, while increasing the cost to Counties for State juvenile correctional institutions by approximately $2 million. Counties utilize this funding for juvenile delinquency, community-based prevention, and other related services. With the weakening economy, Counties are seeing an increased demand for these services.

For Sheboygan County, the projected fiscal impact is a loss of $83,043 in Youth Aids revenue and increased expenses for Juvenile Corrections of approximately $6,000 based on the proposed daily rate increase. This revenue reduction and rate increase equates to just over one Social Worker position and 30 youth who are receiving services from that worker, or a reduction in purchased services (e.g. mentoring, electronic monitoring and intensive supervision, supervised work, restitution, etc.). Ultimately, this will likely result in more expensive court-ordered placements ranging in cost from $2,500 to $9,800 per month per youth.

Income Maintenance

The proposed budget decreases funding for Counties to administer safety net programs such as FoodShare, Medical Assistance, Child Care, and BadgerCare by $11 million over the biennium. With the State's unemployment on the rise, counties are seeing the largest increase in history in the number of families seeking assistance.

For Sheboygan County, the fiscal impact is a loss of $75,000. Yet, since January 2008, for the FoodShare program alone, the County has served 9,067 people, an increase of 2,918 individuals or 43%. To reduce this funding now is incredible.

County Nursing Homes

The proposed budget decreases funding for County Nursing Homes under the certified public expenditure program by $15 million a year, and also eliminates the Nursing Home Appeals Board funding of approximately $1.3 million annually.

The State certifies County nursing home facility Medicaid deficits and receives federal matching funds that are then used by the State to address needs as part of the biennial budget. In other words, the State captures federal funds from the operating losses incurred by County Nursing Homes. However, rather than return sufficient funds to the very Counties that generated the funds, much of the funding is used for other purposes, and then property taxes are raised to help fill the void. Please take steps to address this unfair practice, and not allow it to become even worse.

For Sheboygan County alone, the fiscal impact is approximately $250,600 annually.

Conclusion

In total, the above cumulative effect for Counties across the State is $75 million. To help put this in better perspective, the combination of the five areas addressed above, state shared revenue reductions and other negative budget implications would require Sheboygan County to absorb a $1.3 million shortfall, which is equivalent to just over 3% of our 2009 property tax levy. This 3% reduction, or cost shift, is in addition to ongoing operational cost increases that the county must contend with, including wages and benefits, over which the State collective bargaining laws allow us little control.

Reductions to counties in these five key areas will negatively impact the ability to provide services to some of the State's most vulnerable citizens – children, adults and children with mental health issues, low income families, and the elderly. This is very troubling, particularly during these tough economic times when caseloads are on the rise.

Finally, we are not asking for more funding. We respectfully ask that you reinstate funding that was previously in place to help serve our most vulnerable citizens.

Thank you again for your time and consideration. If you have questions or would like additional information, please don't hesitate to contact me at (920) 459-3103.

cc: Governor Jim Doyle
Senate & Assembly Legislators
Sheboygan County Board of Supervisors
WCEA Membership
WCA Membership

WISCONSIN STATE LEGISLATURE

Comments to Senate Committee on Children and Families and Workforce Development 4/15/09

10 [illegible]-

Concerns Re: AB 75 (Governor Doyle's Proposed 2009-11 Budget):

1) Significant **Reductions in DHS Basic County Allocation (Community Aids)** which is used for Mental Health Services, **and DCF Basic County Allocation (Community Aids), including IV-E** used by counties for Child Protective Services, Mental Health Treatment, and Various Services to Vulnerable Citizens including children. **(Waukesha County Impact = 750,000 to 837,000/Year)**

2) **Additional Reductions in Income Maintenance (IM) Allocations to Counties** to Administer Medical Assistance (including Badger Care Plus) and Food Stamps, again affecting Children and Families. **(Waukesha County Impact = 134,500/year)**

3) **Significant Reductions in Youth Aids Allocation to Counties**, which is used to provide intervention and placement services to youth and families **(Waukesha County Impact = 248,500/year)** — Send [illegible]

4) **Cost Shift (from State to Counties)** to fund state's share of T-19/Medical Assistance Cost for Youth (<22 years) and elderly placed at **Winnebego or Mendota Mental Health Institutes. (Waukesha County Impact = 500,000/year)**

5) **Total Impact to Waukesha County = 1.7M/year.**

— Expand wait list
— escalation of drugs
— ill advised

Presented by: Don Maurer, Deputy Director
Waukesha County Department of Health and Human Services
500 Riverview Ave.
Waukesha, WI 53188
Phone: 262 548-7212
Email: dmaurer@waukeshacounty.gov

Safety net is being shredded -

— investment in BMCW is needed -
— [illegible] in State

My name is Don Maurer, and I am the Deputy Director of the Waukesha County Department of Health and Human Services, where I've worked a total of 32 years. In that time, I've not appeared before state legislative committees before. I do so at this time as I believe the safety net of state mandated but county provided services has been under severe strain for some years. While there are some positives in AB 75, there are proposed elements that will seriously erode the remainder of that net, at a time when demand for our services is rising. I am talking about services to our children who've been abused and neglected, youth and families who are entering the legal system, citizens with serious mental illness, and to various hardworking taxpaying families who've fallen on hard times due to national and state economic developments. I would like to address four of the most serious proposed items:

A) 1 – 16 % Reductions in Basic County Allocations (AKA Community Aids) by the Department of Children and Families and the Department of Health Services.

Waukesha County will, if these reductions are implemented, see reductions of **($753,000)** in 2010, and **($837,000)** in 2011 in funding used to provide services to prevent, investigate, and intervene for children who've been abused and neglected, and to treat citizens of all ages with serious mental health needs. This reduction would represent the equivalent of 10 less child welfare workers for Waukesha County. What's particularly significant to this is that six years ago, after the federal review of Wisconsin's Child Welfare services, numerous county, state, and other stakeholders came together to develop the requisite Performance Enhancement Plan. When it became apparent that counties did not have the resources to fulfill the considerable number of proposed improved policies and protocols, or fill the gaps caused by the then decade long erosion of state funding for child welfare, counties agreed to remain at the table contingent upon agreement that county caseload capacities and funding would also be addressed.

Such serious examination did not occur, nor did state funding for the various new (albeit worthy) mandates follow. While in the ensuing years, considerable resources continued to be directed to implement much needed initiatives at the State's Bureau of Milwaukee Child Welfare in Milwaukee – and I want to be clear there is no disagreement that these were crucially needed – 71 counties have been left to decide whether to downsize many effective child welfare programs, services, and staff or to place the additional costs on the backs of local county property taxpayers to fill the void.

Attached to my written comments is a multi colored chart showing the past 14-year history of community aids funding on Waukesha County Department of Health and Human Services. I would draw your attention to the yellow columns, which provide the community aids trend, in contrast to the blue columns, which represent the responsible funding of counties and their hard working local taxpayers to maintain their share of funding for these important state mandated/ county provided services. In red, you will see the state's history of shortfall. Essentially, we've gone from what once was a 50/50 funding partnership to an almost one-third state/two thirds county formula for these state mandated county provided services. What is important to understand is that this same chart could be reproduced by each of 71 counties around the state, and would look very similar for youth aids and income maintenance, which I also want to address.

So while I fully understand the concept that at a time of deficit, certain reductions are necessary, I do not understand the necessity of adding to the burden on our most vulnerable citizens when they, and the local property taxpayers who've struggled to support them, have already been anteing up for a decade and a half. Is it being suggested that we wait list certain types of child abuse and neglect investigations? Will the Department of Children and Families suggest that counties further reduce home visitation programs for high risk mothers of newborn infants to prevent abuse/neglect, even though they have a 97% success rate? Or will we receive further direction on how to explain state funding and other priorities to a parent who's asking for, but unable to receive timely sexual abuse counseling services for their 11 year old daughter who was sexually molested? Don't children throughout Wisconsin require and deserve equal measures of safety and protection, regardless of where they live?

B – 10% Additional Reductions in Income Maintenance (IM) Allocations to Counties to Administer Medical Assistance (including Badger Care Plus) and Food Share (aka Food Stamps)

Over the past ten years, caseloads of counties administering food stamps and the various Medical Assistance programs, as mandated by the state, have skyrocketed. Some were a result of existing program expansion, and some the result of new initiatives. While numbers have swelled – in Waukesha County there's been a doubling of unduplicated cases during this time, with an 18% in the past 16 months alone – dollars to help provide for county costs of program administration have not followed, again leaving the struggle to county staff and the conflict to hard working local taxpayers. Attached is a bar chart of what those escalating caseloads have meant in Waukesha County.

What's important is that under AB 75 there would be a 1% across the board reduction, and a proportional share of further reduction from the state's inability to fund a 4.1M supplemental allocation. That supplemental allocation was begun some years ago when a plan was underway to reduce county IM allocations, and it was realized how untenable caseloads and workloads had become. Those workloads have only gotten worse – with many of our staff now averaging 500 cases/worker. The impact on Waukesha County would be **(134,500)/year** or the equivalent of three Economic Support workers. What we're seeing is a steady increase of individuals who previously were employed, have always paid taxes, and are for the first time in need of benefits for their family – do we expect them to understand these funding formulas when their county cannot meet 30 day eligibility determination requirements, return phone calls in a timely manner, or be available to clarify confusion about income change reporting requirements?

C – 5 to 6% Reductions in Youth Aids Allocations to Counties, which is used to provide intervention and placement services to youth and families.

Youth aids is the state's share of funding for youth who come to the attention of the courts for criminal or status offenses, or are in danger of such. Those dollars can be used to either pay for correctional placements (98,000/year), or preferably for community based and diversion services at much less cost and with better recidivism and community outcomes. Most counties have invested a considerable portion of their youth aids dollars in community based and diversion services, but if dollars are reduced or correctional placements rise, there is no option – the correctional placement must be paid to the detriment of those other, more cost effective services.

Some of you may remember that two bienniums ago, there was county outcry over a proposed double digit increase in the state rates charged to counties for court ordered correctional placements, while Youth Aids funding remained flat. The Department of Corrections was charged to figure out how to reduce daily rates, or consider closure of a facility. The next Biennium, a modest increase in Youth Aids was provided to counties, no facility was closed, and the increased rates stood.

The proposed budget pretty well wipes out the previous Youth Aids increase for counties, through a 1% across the board reduction in addition to an approximate 5% allocation formula reduction. Again, local taxpayers and counties will be left holding the bag and to struggle with the requirement to fund correctional placements as ordered by a judge and the inevitable likelihood of reduced funding for community based alternative services. For Waukesha County, the proposal equates to an approximate **(248,000)** reduction in funding for such programs.

D – Cost Shift (from State to Counties) to fund state's share of T-19/Medical Assistance Cost for Youth (<22 years) and elderly placed at Winnebego or Mendota Mental Health Institutes.

While I could easily digress about the numerous examples of the state's capture and retention of federal dollars using local county dollars for the state's match, I will not do so at this time. This proposal to have counties pay the state share (aka "non federal share) of T-19/Medical Assistance costs for these seriously disturbed youth placed at institutes is extremely problematic and damaging. Coming up with this financial assistance for the state will require numerous reductions in other county provided mental health and child welfare services. Utilizing 2008 numbers, this proposal would reflect a **(500,000)/year** adverse impact for Waukesha County. It's been suggested that this will help promote local alternatives for communities. If there is a perception of such need, it would be better to study such perceived need, and research, evaluate, and recommend possible alternatives prior to inclusion in a biennial budget.

Thank you for your consideration of these matters, which pose such serious threat to our most vulnerable children and families, and leave hardworking local property taxpayers to struggle with the impact. While these are clearly difficult and challenging times, attention to these strands of the safety net are more important than ever.

COMMUNITY AIDS HISTORY AND IMPACT ON WAUKESHA COUNTY SINCE 1995

Year	% CPI Adjustment Per Fed. Gov't *	HHS Expenditure Budget	% Change From Prior Year	(Inclds State Match) Community Aids Allocation	Change From Prior Year	% Change From Prior Year	Community Aids if Kept Up w/ CPI Inflation	Community Aids Shortfall	Local Levy - HHS (as adopted)	Levy Change From Prior Year	% Change From Prior Year	HHS Tax Levy as % of Total Co. Levy
1996	2.9	49,914,839	7.61%	11,466,680	(188,988)	-1.62%	11,993,682	(527,002)	10,359,381	396,491	3.98%	17.1
1997	2.3	51,830,332	3.84%	11,232,879	(233,801)	-2.04%	12,341,499	(1,108,620)	11,109,365	749,984	7.24%	17.6
1998	1.3	51,266,283	-1.09%	11,398,864	165,985	1.48%	12,625,354	(1,226,490)	12,113,001	1,003,636	9.03%	18.4
1999	2.2	55,291,612	7.85%	11,005,991	(392,873)	-3.45%	12,789,483	(1,783,492)	12,843,502	730,501	6.03%	18.9
2000	3.5	57,775,591	4.49%	11,407,143	401,152	3.64%	13,070,852	(1,663,709)	13,904,239	1,060,737	8.26%	19.8
2001	2.7	61,679,004	6.76%	11,415,814	8,671	0.08%	13,528,332	(2,112,518)	15,002,912	1,098,673	7.90%	20.5
2002	1.4	64,380,364	4.38%	11,484,766	68,952	0.60%	13,893,597	(2,408,831)	15,820,384	817,472	5.43%	20.4
2003	2.2	68,533,167	6.45%	11,387,533	(97,233)	-0.85%	14,088,107	(2,700,574)	16,812,790	992,406	6.24%	20.9
2004	2.6	72,241,802	5.41%	11,368,322	(19,211)	-0.17%	14,398,045	(3,029,723)	17,572,804	760,014	4.47%	20.8
2005	3.5	84,073,276	16.38%	11,361,501	(6,821)	-0.06%	14,772,395	(3,410,894)	18,163,911	591,107	3.29%	20.7
2006	3.2	84,757,216	0.81%	11,384,627	23,126	0.20%	15,245,111	(3,860,484)	18,764,211	600,300	3.23%	20.8
2007	2.9	86,258,824	1.77%	11,394,971	10,344	0.09%	15,687,219	(4,292,248)	19,216,644	452,433	2.34%	21.0
2008	4.1	79,159,330	-8.23%	11,434,123	39,152	0.34%	16,330,395	(4,896,272)	19,763,357	546,713	2.76%	21.2
2009	2.5	56,260,026	-28.93%	11,473,275	39,152	0.34%	16,738,655	(5,265,380)	20,413,965	650,608	3.17%	21.9
					(182,393)					10,451,075		

Conclusion: Simply using the past 14 years , if the State of Wisconsin had maintained an inflationary level of it's share of support for state mandated Human Services via Community Aids, Waukesha County Department of Health and Human Services would, in 2009, be realizing 5.3M of additional state/federal revenue to enhance services, avoid reductions, decrease wait lists, and/or reduce local levy.

Waukesha's struggling -

Current Year CA Shortfall = (5,265,380)

* CPI = U.S. City Avg. for Urban Wage Earners and Clerical Workers. 2009 CPI adjustment = estimate.

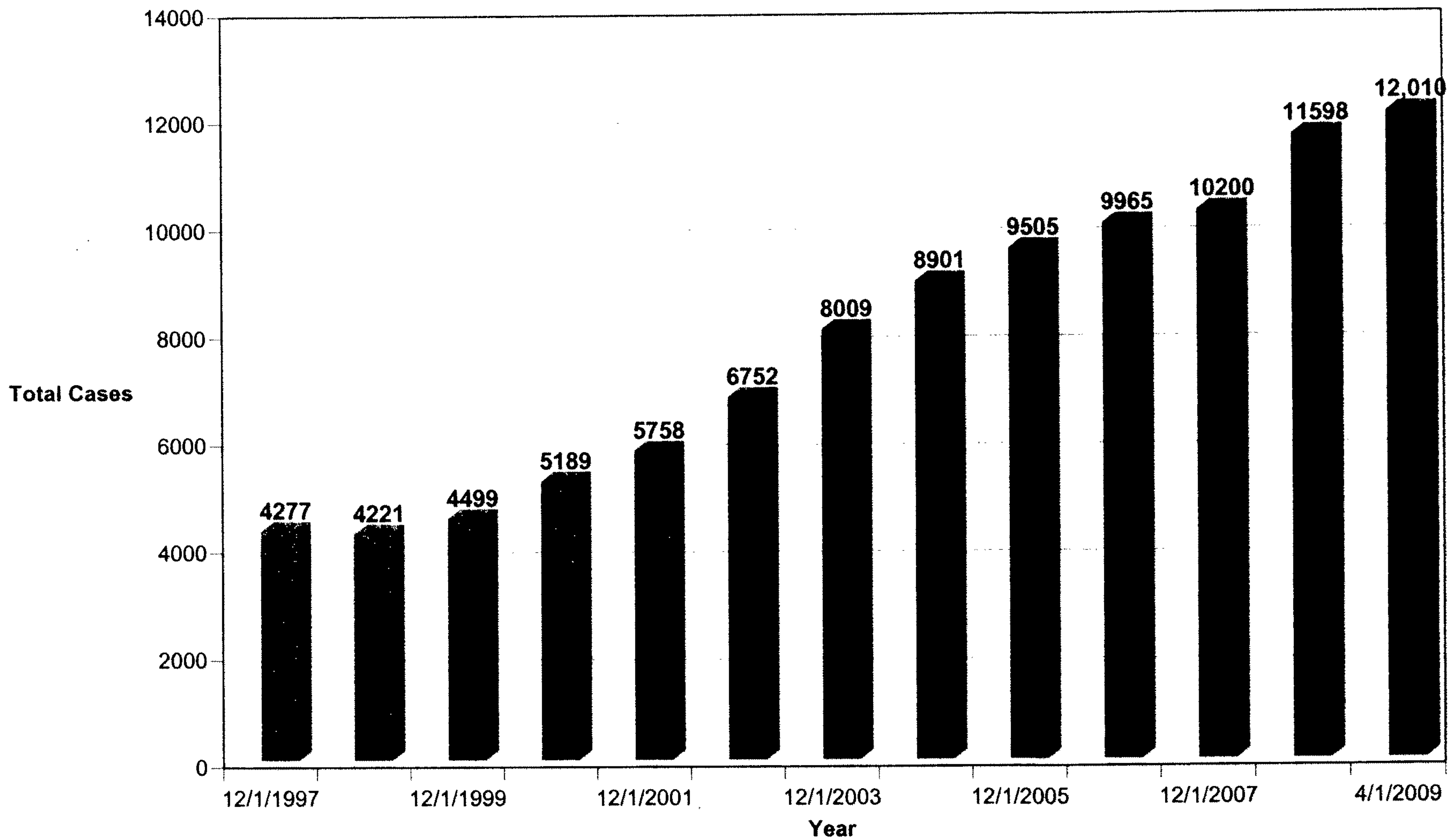
Community Aids figures include earmarked increases for state determined foster care rate increases of 10,344 in 2006, 10,344 in 2007, 39,152 in 2008, and 39,152 in 2009.
Above figures do not include CJCC
HHS Expenditure Budget reflects 8.3M reduction in 2008 associated with Family Care implementation (began 7/1/08), and 28.2M reduction in 2009. 2009 expenditure budget also reflects initiation of county Family Care Payment to Wisconsin of 3,445,415.

increase in maltreatment malnourished

how be valuing investments in prevention -

M:\My Documents\Excel\Budget\Community Aids over past 14 years (2009).xls

12 Year Waukesha County History(1997-2009) Of Economic Support Unduplicated Cases (4/1/09)




FORWARD
E PLURIBUS UNUM

4/15/09

To: Senate and Assembly Members of the Committees Related to Children and Families And Joint Finance Members Within Our Service Region:

Specifically: Representatives Tamara Grigsby , Donna Seidel, Sondy Pope Roberts, Christine Sinicki, Terese Berceau, Steve Kestell, Donald Pridemore, Richard Spanbauer, Mark Pocan

Senators: Robert Jauch, Julie Lassa, Kathleen Vinehout, Neal Kedzie, Randy Hopper

RE: <u>Reorganizing Child Care Systems Within the State- viewing a program that works:</u>

There are several proposals related to reforming the child care support structure in the state specifically certification but also reducing overpayments and other problems within the Wisconsin Shares system.

4-C Madison is 15-20 minutes from your office. We have been successfully delivering a set of comprehensive support services related to early child hood education for over 37 years- melding state, local and private resources especially in Dane County.

We thought it might be useful for you to go from proposals on paper to seeing a program with a track record (though not without its limitations) which covers a quarter of the state with its largest program and where when funding melds well:

- Delivers services in Spanish and English to a very multi-racial group of predominately low income family child care providers.
- Had audit exceptions in 2007 of $8.50 on our $2.4 million dollar food program
- Creatively melds the food program and certification to reduce problems in family child care.
- Uses economic data and other tools to provide a very high ratio of care vs need in many communities.
- Works in both very urban and very rural communities.

So we invite you or your staff to leave the confines of the Capitol for an hour and a half (counting travel) and learn more about the interesting world of child care resource and referral – what is working and the barriers we face.

For more information- contact George Hagenauer 608-271-9181 ext 199
george.hagenauer@4-C.org

Recycle
20.1year

Testimony
Committee on Children and Families And Workforce Development
April 15, 2009

George Hagenauer
Data Coordinator 4-C
6300 Enterprise
Madison Wi. 53719

George.hagenauer@4-C.org
608-271-9181

Introduction – What Resource and Referral Agencies are:

In order to provide a context to my comments today I want to explain briefly what 4-C and other Child Care Resource and Referral (R&Rs) programs are. R&Rs are non-profit agencies that provide various support services to parents, child care providers, businesses and the broader community. Early Childhood Education, to the extent it exists if it is to provide quality services for young children, it has to meet the needs of the providers who provide the services, parent and families who use child care , and the businesses who often employ those parents. All have a role to play in the process of developing the next generation of productive, happy and self- realized citizens who are today young children. The self-interests of all these groups however are often contradictory and it is the work of the R&R to struggle to resolve those contradictions. As a result and because we are an agency under Boards and with input processes from all our constituent groups, our perspective on issues are often quite different and independent.

What makes 4-C in Madison unique is 1) we are one of the first R&Rs in the state with over 37 years experience 2) we meld all of the local child care support programs, referral, certification, economic data, training and outreach into one agency in Dane County 3) we may be the only program doing both a large family child care certification and food program in one county and 4) our largest program serves a quarter of the state and 25% of the state's children.

As you struggle with the issue of reorganizing various child care support structures in the state I would strongly suggest you take and hour off and visit our offices which is just 15 minutes from here.

The Current Issues in Early Child hood Education:

I am not going to talk in depth about the proposed child care budget today. The MAAECA testimony seems to address most of the key points related to Shares funding quite effectively. **Years of freezes, increased co-pays and other measures are making it increasingly difficult for quality programs to serve children on the child care subsidy**. I have done a number of studies on this issue (as well as the survey that sets the state rates for Dane County and can share them with you if you wish). I want to instead spend time on some low cost- even free strategies that could provide cost containment within the Wisconsin Shares system and improve the overall quality of care within the state. Last year, we saw the beginning of real change with combining the office of child care with state child care licensing so the Wisconsin Shares payment system and the main state child care monitors are finally within the same department. First proposed in hearings in 1998, it is the initial step in correcting many of the problems currently facing child care within the state as noted by the recent series of articles in the Journal Sentinel on Wisconsin Shares. These are not new problems, many of them stem from problems built into the original design of the system. They can however be fixed with the proper political will and community effort.

Here are my suggestions.

Stage One –Contain Shares' Costs Through a Better System of Regulation:

Background: We do certification of family child care and some investigation of over authorizations in Dane county. It is set up on a more stringent monitoring basis (at least one visit per year) than state regulations require. It is also coordinated with the Child and Adult Food program 4-C runs. What we have seen is that a very small number of family child care providers are the source of the bulk of the problems. The first priority should be system and rules changes that identify problem providers as soon as possible and remove them from the funding system if they do not improve. Even more ideal would be to strengthen standards to prevent some of them from ever being regulated.

Strategy One- Strengthen Regulations : If you are not addressing strengthening regulations you should not expect to see any savings related to questionable fiscal practices in Shares. Most providers who are doing questionable fiscal practices are also often in violation of other rules. It is far quicker to remove them from the system under rules violations than prosecuting a fraud case. The clearer the certification and licensing rules are, the less funds will be lost through drawn out processes. 35% of our certification budget is spent dealing with the 7% of providers who are problems. The audit will identify specific problems within in the system that lead to questionable fiscal activities. Based on the audit findings I would look at tightening some eligibility standards for self-employed parents; looking at the issue of providers caring for each other's children; removing exceptions from some of the standards related to criminal background checks for providers; and setting up procedural rules that limit provider's ability to delay investigations. I have attached some suggestions from various 4-C staff.

Strategy Two- Require Family Child Care Providers Serving Shares Children to be on the DPI Child and Adult Food Program; That would **increase monitoring** visits to 3 times a year **at essentially no cost to the state** as this is a federal entitlement program. Note that I suggest this as a component of accessing shares not as a requirement for being regulated. It is important to get as many family child care homes regulated as possible- as untrained unregulated homes are where most of the serious deaths and accidents occur. Our experience running the food program and doing certification in Dane County shows doing both out of one office helps to identify problem providers and by cross checking records get them removed from both systems.

Strategy Three: I support the department's proposal to consolidate certification especially in rural areas: Looking at 2007 data, it looks like **only 9 counties in the state have more than 50 certified family child care homes**. That means most counties do not have enough funds to fund one full time certifier. The certifiers often then lack the expertise that is gained through doing the work on a daily basis. Consolidating these low density areas into regions will insure that certification is done well by full time experienced staff. The R&R s and the food programs have this expertise. 11 R&RS including 4-C already do certification. I would look first at places where the RRs also do the food program-70% of the children in the state live in these counties. The food program has stronger federal rules, very tight audit exception rules and thus is a well run system that should be looked at as a means through coordination to strengthen the operation of the Shares system. A key issue here is that funding for certification programs needs to reflect the wide cost variations within the state and the level of need within a region. I have attached a copy of a chart showing the variations in the cost of living to be self sufficient within the state as an example.

Strategy Four: Have R&RS do the rate survey to determine the Maximum Reimbursement rate for Wisconsin Shares and have the data supplied in the survey be used as part of the referral process with fee-paying parents. This would help insure the accuracy of the rates provided to the Shares system.

Stage Two: An Evaluation of the Outcomes of Wisconsin Shares: The basic problem in containing Wisconsin Shares costs is that none of us have the data needed to make the right decision related to changes. There have been numerous studies of W2- to my knowledge there has been no in depth study of Wisconsin Shares that looks at the actual outcomes of the programs in terms of the types of jobs we are supporting, and what occurs to families as a result of the program in terms of their ability to move out of or avoid poverty. We know the costs of the program to providers, we know the cost to the state, **we don't however know the cost-benefits in terms of the actual outcomes to families**. This type of a study should not be real expensive to fund- you could fund the R&Rs to track a sample of the families over a year and combine it with an analysis of data within the Cares system. However without more knowledge of what the system accomplishes, it is impossible to make rational decisions to control costs. Spending a tenth of a percent or less of the child care budget on setting up an initial study that could lead to an ongoing quality improvement process seems reasonable. **If we are forced to do a waiting list, it should be based on a solid criteria of what services provide t he best results for families and children.** One area that might be useful to study in terms of cost of services would be the non-profit sector as there is a fiscal transparency there built into the 990 forms that are required by the IRS and the state would have the wage data from the various unemployment compensation and other filings.

My own hypothesis is that many of your cost problems lie in the types of jobs you are supporting but I do not have access to the data that would show to what extent I am correct. You however have the power to get that information.

Stage Three: Creating a Quality Rating System: It is critical that the state better define a ladder of quality that providers can climb to improve services to children and which can be easily understood by parents. 4-C studies have shown a clustering of children on Shares in programs with high numbers of complaints and violations. I think the department is at a good first stage for doing that. However at the same time we are ignoring the existing Quality system we have built into Wisconsin Shares system. With the freezes and other rule changes within the past few years, most high quality accredited providers in Dane County are losing an estimated $1000 per year on each child on Shares just due to the difference between their actual rates and the maximum reimbursement rate. I think that during the development of a QRS system the maximum reimbursement rate for high quality accredited care should be increased temporarily from 110-120% of the licensed rate – both to insure that low income children have access to care that helps prepare them for school and as a message to the field that maintaining high quality pays off in the long run. This increase should also be linked to regulators using accredited standards when investigating complaints or regular compliance visits.

If you do decide to fund local quality improvement efforts- I would suggest building into each grant a local development component. In other words develop a public- private partnership regionally or locally to support quality improvements so the effort can continue without 100% ongoing funding at the state level. Otherwise we have a flurry of quality improvement grants and nothing when money gets tight at the state which has occurred in past initiatives.

Attachments:

1) Family Self Sufficiency costs 2004 for each Wisconsin County with comparisons to the median- essentially providing a cost of living comparison between counties.
2) Improving Certification State wide:
3) Estimating Lost Income at Accredited Programs due to Wisconsin Shares

Improving Certification State wide:
George Hagenauer 4-C Madison
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The audit of the Shares funding system will probably turn up a number of problems related to questionable fiscal practices involving Shares payments and certified providers. Here are some suggestions related to improving the certification of small family child care homes statewide.

4-C has had the certification contract in Dane since the 1980's. Given how difficult it is to do that work I think our longevity speaks to the fact that we do it well. We however use an approach considerably different than anywhere else in the state.

First, **we do not tie certification just to access to the Shares system**. We see it instead as a tool for getting unregulated providers regulated and thus creating safer places for children and increasing the supply of care. This was easier done before the "reforms" of W2 that weakened regulation but is still philosophically the way we run the program. Unlike many counties where unregulated providers who want to become certified cannot unless they serve a Shares child, we regulate anyone who wishes to do care. Structured properly this can be a powerful tool for improving care

Second, part of the idea of subcontracting originally was to increase monitoring so **our standards are a yearly as opposed to bi-yearly monitoring visit.**

Third, we may be the only place in the state where the **Child and Adult Food Program and Certification are under one roof**. This allows for cross referencing between the two systems related to payments and enrollments when doing investigations. This also means certified providers on the food program receive 4 visits a year from 4-C staff (though not the same person as audit standards at this point make it difficult for one staff person to be on both programs, so a provider will have one person visit them once for certification and another staff 3 times for the food program- though both are employed by 4-C.)

Fourth, **as an R&R we do fundraising locally to improve the quality of certified providers**. The Latino Project, the resource room (that existed before the fire) and now the Step up in Quality project all reflect that.. As a result about 20% of the certified providers in Dane have higher levels of training than required by certification including some that hold CDAs or are accredited.

I am stressing the good parts of the program because as regulators (both at the state and local level) we all spend a huge amount of time with the worst ones. In our case we revoke about 5% of the certified and 10% of the provisional each year and a portion of the people leaving voluntarily are really people we are driving out. . The seriously deficient providers take over 30% of our time. As a result we tend to forget about the rest that are trying to follow the rules and often doing well.

Rules changes should involve ending or time-limiting provisional care, stronger criminal background check standards with few if any options for rehab (similar to foster care), guidelines restricting access to the cares system for people with a wide range of prior fraud convictions and some procedural rules which restrict the games providers can play to dodge investigations similar to the DPI food program rules on how many times a consultant can visit and the provider not be at home.

Organizationally I would require that family child care providers that want to access the Shares system be required to also be on the DPI food program. That increases yearly monitoring visits by 3 a year at no cost to the state as the food program is a federal entitlement. **Note I state access to the Shares system for this requirement- people could still become regulated and serve children not on Shares**.

Second, I would put Certified providers on the QRS as I think parents need to see where all regulated providers stand and that also provides an incentive for certified providers to improve. Some of them in our areas will already rank as high as the average licensed provider.

Third, 63 of the counties in the state there are not even 50 certified providers (many have less than 10). This means no staff person at those counties has the opportunity to get the experience to really do certification well-it is a tag on to other responsibilities. I would create regional certification structures with full time certifiers. Linking that as much as possible to the food program would be the best strategy. R&Rs do the food program in half of the counties of the state- that service area contains 70% of the state's children under 5.

12 counties already have the R&Rs doing certification.

Possible Areas for Changing Regulations and Procedures for Family Child Care

Suggested by 4-C staff and Compiled by:

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An important thing that often is not recognized in some regulations is the great difference between group centers that serve large numbers of children and are often institutions that are very open to observation by many parents and community people; and family child care which are more isolated and private enterprises. In some cases like criminal background record checks we are using a one size fits all approach when we should be tailoring the rules to the two different approaches to care and early child hood education.

Here are some suggestions to explore changes in regulations related to family child care.

1. A capped overpayment amount for Wisconsin Shares ($1500 or some other amount), at which providers are automatically suspended or revoked.
2. Providers with their own children older than 7 years shouldn't be able to get funding for them for another provider insofar as they don't count in numbers related to regulated capacity.
3. Background checks: include convictions of fraud w/in last five years as basis for denial for owners of childcares (it already is sort of, but would get overturned more than likely), Stricter guidelines should look at other issues that suggests fraud- a pattern of overpayments or various types of white collar crime not related to government systems.
4. Definitions of "related" children: Many providers claim they have "nieces" and "nephews": Would like them to have to provide proof that they are related.
5. Greatly reduce rehab options related to criminal background record checks. Clearances of owners of family child cares (and possibly of staff) should more closely resemble those of foster care. The similarities of foster care and family child care (which often entails 50 hours or more a week of care) are very similar but the background checks for family child care are weaker. A key area to restrict are providers with histories of violence due to impulse control with adults as well as children.
6. The food programs have developed stipulations – requirements that providers who are not home on two unannounced visits during posted hours of care notify the food program when they are out until a successful unannounced visit is completed. In this case, if a third visit occurs and the provider is not home, food program payments to that provider ends. Similar rules and guidelines need to be done for family child care homes serving children receiving Shares Subsidies.
7. There needs to be a reassessment of provisional care as to where it is needed and how long (and what type) of provider should be allowed to operate in an untrained capacity.

Estimating Lost Income at Accredited Programs in Dane County due to Wisconsin Shares

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Maximum reimbursement rates in Dane County were rolled back due to the tiering system and thus have been frozen since 2005. This has created a widening gap between the maximum reimbursement rate and the rates charged by higher quality City or Nationally Accredited programs. The below chart shows this relationship. Median rates (based on the 50th percentile) were chosen since technically the Maximum Reimbursement Rate should be defined as the rate where 75% of the parents pay for child care. Obviously with the median rate being below the maximum in many categories 75% of the low income families do not have access to accredited care.

This loss of revenue is causing non-profit programs to need to do fundraising in order to continue to serve low income children needing subsidies. Some programs have placed caps on how many children on subsidies they will accept- but for programs in low income neighborhoods that is not an option and they struggle daily to provide high quality care in the face of lost income.

Dane County 2008 Weekly rates compared to Maximum Reimbursement Rate

Full Day Center	State Maximum Rates	Not accredited Centers Median Dane 2008	Difference Maximum & licensed	State Accredit Maximum Rates	Accredited Median 2008	Accredited Highest Rate	Accredited Lowest Rate	Difference Between Maximum & Accredited	Annualized Per child
Birth to 2	232	$240	-8.00	$255	$278	$360	$250	-$23	-$1,185.60
Age 2-3	200	$203	-3.00	$220	$230	$360	$210	-$10	-$520.00
Age 4-5	180	$190	-10.00	$198	$219	$290	$198	-$21	-$1,092.00
Age 6+	175	$180	-5.00	$193	$208	$250	$166	-$16	-$806.00

Licensed Family	State Maximum Rates	All licensed Family Median Dane 2008			Accredited Median 2008	Accredited Highest Rate	Accredited Lowest Rate	Difference Between Maximum & Accredited Av	
Birth to 2	190	$195	-5.00	$209	$252	$345	$150	-$43	-$2,236.00
Age 2-3	175.5	$181	-5.50	$193	$235	$345	$150	-$42	-$2,181.40
Age 4-5	165	$180	-15.00	$182	$225	$300	$150	-$44	-$2,262.00
Age 6+	157.5	$170	-12.50	$173	$200	$290	$150	-$27	-$1,391.00

Statewide Cost of Living Variances and Government Services

By George Hagenauer Data Manager 4-C – Madison Wisconsin
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There is a tendency for many statewide programs to work on one eligibility standard statewide or other formulas that treat all of the regions of the state the same way. This ignores the fact that the state has a wide range of cost of living levels. This can be a hidden variable in terms of why social service related programs succeed or fail.

In 2004 the Wisconsin Women's Network commissioned Dr. Diana Pearce at the University of Washington to replicate her studies related to how much it costs for various types of families to live without government subsidies in each county of a state. The study was interesting because it looked at all counties- not just major population centers.

Details about the methodology used and the complete study can be found at
http://wiwomensnetwork.org/resources/publications/self-sufficiency-faqs
and
http://wiwomensnetwork.org/resources/publications/self-sufficiency

Her study showed a wide variance in self-sufficiency levels within the state. These variances reflect the different levels of cost of living statewide. It can be argued that these ratios are very similar for various programs within the state given that:

1) A high percentage of especially social service costs are staff.
2) Most of the costs (space, transportation, health care, utilities) within Pearce's analysis for families are also costs for programs.

While the data is now 5 years old the ratios are what is important since if a eligibility or funding is based on an average statewide cost- the portions of the state that have a higher cost of living (the high end is 146% of the median - the low is 75%) essentially face greater challenges due to higher costs in delivering services as state payments will not cover all of the costs.

I have attached a spreadsheet showing first cost and percent of the average statewide and the median cost of living statewide by county- the second set of columns are ordered from lowest percent to highest percent.

I think this is a variable that needs to be taken into account in developing state budgets and eligibility formulas.

Finally and most importantly , you spend a lot of time looking at Wisconsin Shares and the needs of low income families which are maybe a third of the children served by early childhood programs in the state. You need to look also at the needs of those other children – 2 of which died and two of which were maimed last year in this county alone.

county	2004 Cost of living (self sufficiency) for a family of 4*	% of average	% of median
Adams	34231	85%	89%
Ashland	37278	93%	97%
Barron	34477	86%	90%
Bayfield	37278	93%	97%
Brown	41976	104%	109%
Buffalo	28713	71%	75%
Burnett	39155	97%	102%
Calumet	41261	102%	108%
Chippewa	40395	100%	105%
Clark	36594	91%	95%
Columbia	41763	104%	109%
Crawford	37499	93%	98%
Dane	55552	138%	145%
Dodge	41820	104%	109%
Door	41296	103%	108%
Douglas	40117	100%	105%
Dunn	38823	96%	101%
Eau Claire	43206	107%	113%
Florence	44513	111%	116%
FondDu Lac	40506	101%	106%
Forest	35898	89%	94%
Grant	37597	93%	98%
Green	40080	100%	104%
Green Lake	38370	95%	100%
Iowa	38287	95%	100%
Iron	38451	95%	100%
Jackson	32099	80%	84%
Jefferson	40136	100%	105%
Juneau	36823	91%	96%
Kenosha	50957	127%	133%
Kewaunee	35853	89%	93%
LaCrosse	39627	98%	103%
Lafayette	32606	81%	85%
Langlade	39541	98%	103%
Lincoln	38106	95%	99%
Manitowoc	39421	98%	103%
Marathon	44439	110%	116%
Marinette	36410	90%	95%
Marquette	38618	96%	101%
Menominee	37574	93%	98%
Milwaukee	53290	132%	139%
Monroe	36658	91%	96%
Oconto	36686	91%	96%
Oneida	39155	97%	102%
Outagamie	45055	112%	117%
Ozaukee	53674	133%	140%
Pepin	36720	91%	96%
Pierce	48414	120%	126%
Polk	37824	94%	99%
Portage	45991	114%	120%
Price	36092	90%	94%
Racine	48796	121%	127%
Richland	37735	94%	98%
Rock	46110	114%	120%
Rusk	35216	87%	92%
Sauk	41134	102%	107%
Sawyer	35488	88%	92%
Shawano	36961	92%	96%
Sheyboygan	42241	105%	110%
St.Croix	54037	134%	141%
Taylor	37416	93%	98%
Trempleau	36823	91%	96%
Vernon	35457	88%	92%
Vilas	37692	94%	98%
Walworth	43137	107%	112%
Washburn	34947	87%	91%
Washington	48972	122%	128%
Waukesha	56054	139%	146%
Waupaca	36355	90%	95%
Waushara	37349	93%	97%
Winnebago	44016	109%	115%
Wood	37441	93%	98%
Average by county	40281.69444		
Median by County	38370		

county ranked by Cost of Living (self-sufficiency)	2004 Cost of living (self sufficiency) for a family of 4*	% of average	% of median
Buffalo	28713	71%	75%
Jackson	32099	80%	84%
Lafayette	32606	81%	85%
Adams	34231	85%	89%
Barron	34477	86%	90%
Washburn	34947	87%	91%
Rusk	35216	87%	92%
Vernon	35457	88%	92%
Sawyer	35488	88%	92%
Kewaunee	35853	89%	93%
Forest	35898	89%	94%
Price	36092	90%	94%
Waupaca	36355	90%	95%
Marinette	36410	90%	95%
Clark	36594	91%	95%
Monroe	36658	91%	96%
Oconto	36686	91%	96%
Pepin	36720	91%	96%
Juneau	36823	91%	96%
Trempleau	36823	91%	96%
Shawano	36961	92%	96%
Ashland	37278	93%	97%
Bayfield	37278	93%	97%
Waushara	37349	93%	97%
Taylor	37416	93%	98%
Wood	37441	93%	98%
Crawford	37499	93%	98%
Menominee	37574	93%	98%
Grant	37597	93%	98%
Vilas	37692	94%	98%
Richland	37735	94%	98%
Polk	37824	94%	99%
Lincoln	38106	95%	99%
Iowa	38287	95%	100%
Green Lake	38370	95%	100%
Iron	38451	95%	100%
Marquette	38618	96%	101%
Dunn	38823	96%	101%
Burnett	39155	97%	102%
Oneida	39155	97%	102%
Manitowoc	39421	98%	103%
Langlade	39541	98%	103%
LaCrosse	39627	98%	103%
Green	40080	100%	104%
Douglas	40117	100%	105%
Jefferson	40136	100%	105%
Chippewa	40395	100%	105%
FondDu Lac	40506	101%	106%
Sauk	41134	102%	107%
Calumet	41261	102%	108%
Door	41296	103%	108%
Columbia	41763	104%	109%
Dodge	41820	104%	109%
Brown	41976	104%	109%
Sheyboygan	42241	105%	110%
Walworth	43137	107%	112%
Eau Claire	43206	107%	113%
Winnebago	44016	109%	115%
Marathon	44439	110%	116%
Florence	44513	111%	116%
Outagamie	45055	112%	117%
Portage	45991	114%	120%
Rock	46110	114%	120%
Pierce	48414	120%	126%
Racine	48796	121%	127%
Washington	48972	122%	128%
Kenosha	50957	127%	133%
Milwaukee	53290	132%	139%
Ozaukee	53674	133%	140%
St.Croix	54037	134%	141%
Dane	55552	138%	145%
Waukesha	56054	139%	146%

*Cost of living is based on data in the 2004 Wisconsin Women's Network Self Sufficiency Study
Based on the median there is a 95% variance top to bottom


FORWARD
E PLURIBUS UNUM

Testimony – Senate Committee on Children and Families
April 15, 2009
Ruth Schmidt, Executive Director, WECA
Contact information: email - ruschmidt@wecanaeyc.org phone- 608-240-9880 ext 7242

PICTURE WI FUTURE>>>

Wisconsin Early Childhood Association appreciates this opportunity to address the Senate Committee on Children and Families and Workforce Development. My name is Ruth Schmidt and I am Executive Director of this professional association, also known as WECA.

I am here to speak to your goal of "ensuring that every family has access to quality child care"... a goal we share. However, inherent in this goal is a tension between "access" and "quality" which has existed for a decade, or longer in WI. In an industry as under-resourced as child care, the two can hardly be talked about in the same sentence, as one necessarily gets sacrificed for the other when there's not enough to go around.

Since W-2, Wisconsin has been committed to access to child care through WI Shares. WI has consistently operated ~~without a waiting list and shifted~~ state resources to keep up with rising demand. However our commitment to "quality" has suffered. WI used to spend about 16% of our CCDBG dollars on quality initiatives, we now spend only the required 4% a loss of close to 60% of our quality dollars. We appeal to this Committee to address the need for WI's most vulnerable children to have quality care – poor quality is inacceptable.

The proposed quality rating system could, with adequate funding, provide a structure for improving quality. We know that perhaps the most critical element of ensuring quality is having a well educated, experiences, stable early care and education workforce.

Right now WI has the opportunity to build upon the evidence based strengths of existing programs which help the early care and education workforce improve. Two such programs are the T.E.A.C.H. scholarship program and R.E.W.A.R.D. stipend program, both administered by WECA. These programs provide support directly to the child care

Con turnover - 40%.

workforce to help them improve their abilities and skills, corner-stones of any quality rating system in the nation.

Research confirms that a well prepared and supported workforce has enormous influence in the earliest and most crucial years of a child's development. Increasing educational attainment, improving compensation, and reducing turnover improves the quality of early care and education services; ensuring children are school ready and that child care professionals work in sustainable jobs. These are the goals that T.E.A.C.H. and R.E.W.A.R.D. have been successfully achieving since inception, 1999 and 2001 respectively.

Yet T.E.A.C.H. will be forced to institute a waiting list for the first time this summer because funding has not kept up with demand and rising costs. Tuition costs alone have risen in the technical college system by 63% over these 10 years, while T.E.A.C.H. funding is about half of what it was in 2003. And once we educate the workforce, how do we retain them without the promise of better wages? Today, over 1,000 eligible R.E.W.A.R.D. applicants are on a waiting list, and it grows daily.

WI must eliminate the tension between access to care and quality of care in WI. The American Recovery and Reinvestment Act (ARRA) funds pose a prime opportunity to do just that. This stimulus package earmarked $5 million for child care quality improvement efforts for Wisconsin within the Child Care and Development Block Grant. In the analysis of the Wisconsin Early Learning Coalition, of which WECA is an active and founding member, only $3.1 million appears to be allocated to quality initiatives in the Governor's budget proposal. Assuming this analysis is correct, the remaining $1.9 million must be invested in maintaining and expanding programs like T.E.A.C.H and R.E.W.A.R.D. which are proven to positively affect key quality indicators. This type of investment could go far in creating a balance between commitment to access and commitment to quality.

In closing, I want to say that I've attached some additional factual information about this workforce and about the accomplishments of WECA's programs. I am happy to address your questions.

WECA TESTIMONY: RELATED FACTS

The Early Care and Education Workforce

- Based on USDOL Bureau of Labor Statistics review of industry wages in Wisconsin dated May 2006, the average child care provider earns $9.02 per hour or just under $19,000 per year. There were a handful of industries earning equal to or slightly less. These include fast food workers, housekeeping and parking attendants. Yes, we pay people the same to monitor parked cars, clean our homes and serve us a burger as we do to care for, nurture and educate our young children.
- Less than 46% of child care programs are able to offer any type of health insurance benefits to their employees. Paid time off is rare in this field and virtually unheard of for family child care providers. When paid time off is available in a center, the center must pay the cost of hiring a substitute to fill in for the employee.
- It is estimated that the child care workforce in Wisconsin numbers over 34,000; an economist from Cornell University notes that this number is greater than the number employed in Wisconsin's dairy industry.
- On average, the child care workforce annual turnover rate hovers around 40%, a staggering number given the known negative impact of turnover on the healthy development of children. To exemplify the success of the T.E.A.C.H. scholarship program, within the population of scholarship recipients the average annual turnover rate over the ten years is 11% and attachment to R.E.W.A.R.D. further lowers that rate to 6%.

Statewide Program Data (1999-2009): 10 years of program success:

T.E.A.C.H. Early Childhood® WISCONSIN:

- 6491 scholarships awarded to 3739 recipients since 1999
- Average grade point: 3/65
- Age range of scholarship recipients: 18 – 72
- Average wage increase on completion of scholarship = $1.03, resulting in an increase of approximately $2100 per year
- Turnover rate of scholarship recipients: 11% (compared to 40% as measured in the last Wisconsin child care workforce survey)

About R.E.W.A.R.D.™ WISCONSIN:

- 13,127 retention stipends have been awarded to 5328 individuals since 2001
- Average yearly stipend: $771, resulting in an approximate 3% raise in wages
- 77% of stipends have been awarded to individuals with degrees or credentials in Early Childhood Education
- Stipend recipients average 10.5 years at their current program and 14.2 years in the field
- Turnover rate of R.E.W.A.R.D. recipients: 9%

WECA TESTIMONY: RELATED FACTS

The Early Care and Education Workforce

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- Less than 46% of child care programs are able to offer any type of health insurance benefits to their employees. Paid time off is rare in this field and virtually unheard of for family child care providers. When paid time off is available in a center, the center must pay the cost of hiring a substitute to fill in for the employee.
- It is estimated that the child care workforce in Wisconsin numbers over 34,000; an economist from Cornell University notes that this number is greater than the number employed in Wisconsin's dairy industry.
- On average, the child care workforce annual turnover rate hovers around 40%, a staggering number given the known negative impact of turnover on the healthy development of children. To exemplify the success of the T.E.A.C.H. scholarship program, within the population of scholarship recipients the average annual turnover rate over the ten years is 11% and attachment to R.E.W.A.R.D. further lowers that rate to 6%.

Statewide Program Data (1999-2009): 10 years of program success:

<u>T.E.A.C.H. Early Childhood® WISCONSIN:</u>

- 6491 scholarships awarded to 3739 recipients since 1999
- Average grade point: 3/65
- Age range of scholarship recipients: 18 – 72
- Average wage increase on completion of scholarship = $1.03, resulting in an increase of approximately $2100 per year
- Turnover rate of scholarship recipients: 11% (compared to 40% as measured in the last Wisconsin child care workforce survey)

<u>About R.E.W.A.R.D.™ WISCONSIN:</u>

- 13,127 retention stipends have been awarded to 5328 individuals since 2001
- Average yearly stipend: $771, resulting in an approximate 3% raise in wages
- 77% of stipends have been awarded to individuals with degrees or credentials in Early Childhood Education
- Stipend recipients average 10.5 years at their current program and 14.2 years in the field
- Turnover rate of R.E.W.A.R.D. recipients: 9%


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April 15, 2009

To: Members of the Senate Committee on Children and Families and Workforce Development, Senator Bob Jauch, Chair
From: Charity Eleson, Executive Director
Re: Testimony on the Effects of the State Biennial Budget Proposal on Children and Families

Thank you for the opportunity to speak today about some of the impacts that AB75, if enacted, would have on children and families in the state. As we are all painfully aware, the fiscal challenges for the state in assembling this budget are acute. At the same time, the loss of jobs, the increasing rate of home foreclosure, the increasing rate of bankruptcies and the rise in the number of families seeking economic assistance from county human services all point to the extreme difficulties families are facing as they try to navigate an economic recession that has no precedent in the past three decades.

Government can be a valued partner in helping families cope with the difficulties they face during times of great economic upheaval. It can provide a safety net to ensure families do not lose housing. It can ensure that economic assistance benefits are efficiently and effectively administered and accessible to those who are eligible, and it can ensure that critical intervention systems—such as the child welfare system—are strong enough to effectively protect children and address the personal and emotional upheaval that often occurs within families facing high levels of economic stress.

So, in times of difficulty, government is actually needed to do more, not less, which calls on policy makers to lead in an environment that is often politically hostile to allocating new resources needed to address human need.

This budget takes some positive steps in that direction. For example:

- It maintains the commitment to ensuring that all children have access to health care coverage through the maintenance of funding needed for their health care through Medicaid and BadgerCare Plus. There are more than 375,000 children in Wisconsin who receive health care coverage plans through the state, so maintaining funding for this critical service clearly has a substantial and positive effect on those served.

- It makes a number of changes in the state's W-2 program to make it somewhat more responsive to the needs of the state's lowest income families. Changes include making it possible for low-income parents to remain home with their infants for up to 6 months, making time limits within specific work categories more flexible to respond to participant needs instead of an arbitrary time limit, and encouraging more proactive reconciliation steps for families threatened with losing cash payments as a result of a sanction. While the enrollment rate has not grown at a pace that suggests a strong correlation with the economic displacement that families are facing, it is still providing support to a substantial number of children, serving nearly 18,000 children in March.

- It substantially increases funding for expansion of services for the child welfare system administered by the Bureau of Milwaukee Child Welfare, and it provides a one year increase in funding to facilitate the state takeover of administration of income maintenance programs in Milwaukee, a change that holds the promise of improving the administration of economic assistance benefits for families in that community, which is long overdue.

- It takes the first important step toward creating a high quality early childhood system by creating a quality rating and improvement system for licensed providers receiving payments through the Shares child care tuition assistance program. While we have yet to learn more about how this initiative will be implemented, we have learned from the Department of Children and Families that over the course of the biennium they expect to be able to assess quality for between 1,200 and 2,400 of the 3,800 licensed providers serving Shares supported children.

- It funds the Shares child care tuition assistance program at $375 million annually, which is a $40 million increase over the biennium from the last biennial budget. In March, there were just over 33,000 families and about 58,000 children participating in Shares.

While these measures positively affect thousands of Wisconsin's lowest income children, there are other challenges that this budget poses for the Legislature as it deliberates changes that need to be made in the months ahead. First, there are a number of cuts that affect children, youth and families served by county human services:

- Funding that counties receive for the delivery of child welfare services and juvenile justice services is cut. Cuts in IV-E dollars and Community Aids, which counties rely on to protect children, add up to $20.6 million over the biennium. The most recent data shows that counties and the Bureau of Milwaukee Child Welfare receive and process about 56,000 reports of abuse and neglect of children annually. Of those, just over 6,500 are substantiated and likely to lead to a comprehensive array of services that may include out of home care, counseling, mental health treatment and case management. About 1,700 of those substantiated cases are in Milwaukee County and the remaining 4,800 are in the other 71 counties in the state. The needs of children in Milwaukee County are acute, and the state must be responsive to those needs. However, cuts in funding for protecting children in the other 71 counties in the state make no sense in these times. There is a substantial overlap between child maltreatment and poverty, and economic stress is clearly a factor in abuse and neglect. Families in counties throughout the state are not immune to these changes.

- This budget also cuts Income Maintenance Administrative funds by $11 million statewide. Counties rely on IMA to pay for staff to administer benefits like food stamps and Medical Assistance. At a time when those caseloads are increasing, it makes sense to increase funds to ensure that benefits can be administered in a timely, effective manner. In food stamp caseloads alone, there's been a 39 percent increase in caseload between March, 2007 and March of this year.

- Counties would also receive a nearly $12 million reduction in their Youth Aids allocation, likely jeopardizing local efforts to divert youth from more expensive and less effective institutional placements.

These services are mandated services that the counties must provide, and they are core services that, if cut, will have a substantial impact on thousands of low income Wisconsin families and their children. WCCF has recommended to the Joint Committee on Finance that these cuts be restored. We are advocating for a couple of options that would allow funds to be restored: 1) restore Wisconsin's estate tax, generating an additional $100 million over the biennium; or 2) treating Capital Gains as ordinary income which could generate up to $300 million over the biennium, beyond what the Governor has already done.

I have reserved my comments regarding funding for early childhood programs for last. I do so because I want to stress how crucial it is that state policymakers commit to transforming the early childhood system into a high quality system with well-educated staff and effective programming. The level of need for many of the programs I've already discussed that are so essential to support low-income, at risk children and their families, could be reduced over time if we got smarter about how we are investing in early childhood programs. High quality early childhood programs that serve children birth to five have demonstrated remarkable effectiveness in reducing reliance on costly intervention programs and have increased children's ability into adulthood to retain employment, avoid the criminal justice system and live a life of greater economic independence.

- This budget takes a small, but significant first step to create a system that will assess the quality of licensed child care providers serving children in Shares. That's important, and we support it, but we are advocating that you go further. At minimum, the state should invest the full amount in new federal stimulus dollars that have been earmarked for quality improvement. Based on our best estimates, we believe the state must devote at least $5,041,253 to new quality improvement measures, but has only devoted the $2.8 million allocated for the quality rating system. We are advocating for the remainder of those funds to be allocated to assistance to licensed providers who wish to improve their teaching staff qualifications or other areas of programming that will assist them in creating a high quality program for young children.

- We are also opposing measures in this budget that would create a waiting list for Shares-eligible families and increase co-payments required. While we have yet to see the details of how the new co-payment policy will be applied, our current read of it suggests greater expense for families who are already struggling financially, and we believe that a waiting list is simply short-sighted and ill-considered.

- Finally, we appreciate the challenge that the Department of Children and Families has had in managing the costs of the Shares budget. In the last two years alone, the Legislature and the Governor have approved $108 million in new funding for Shares to meet increased demand. In this budget, DCF is proposing a new attendance policy that would no longer pay providers for days of care when children are sick or absent.

- While it does not save as much money as the proposed attendance policy, we are encouraging legislators to consider a change that would modify authorization of Shares payments when a family has a pattern of repeated absences. This would accomplish two things. First, it would authorize payments to families that are closer to their actual use; and second, it would allow providers to be able to plan more accurately for their staffing needs to ensure that staff-to-child ratios are in keeping with state licensure requirements.

This budget does not go nearly as far as we would like in improving quality. Our vision includes Shares payments that reward high quality providers and allow them to attract and retain highly qualified staff. This budget does not do that. Our vision also includes a substantial investment to provide the resources for providers to improve teacher qualifications and credentials, improve programming and reduce class size. The budget does not do that either. We also believe that this is an area where the state could and should encourage a strong private public partnership, using state and federal dollars to leverage local, private investment in improving early childhood programs in every community in Wisconsin. We will continue to work on these goals with you, the Doyle administration and our partners around the state. It is one of the most critical areas of work we can do together to improve student achievement, close the achievement gap and help kids at-risk become adults who thrive and contribute to their communities.

Thank you for the opportunity to share these ideas and recommendations with you today.

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POLICY BRIEF

Restoring Wisconsin's Estate Tax

The projected $5.4 billion deficit in the next state budget is likely to lead to cuts in state spending for programs that are essential to the state's most vulnerable children and families. However, there are fair and progressive ways to hold down the magnitude of the cuts. Restoring the estate tax, which expired in 2008, would affect only a few of the state's wealthiest residents while generating about $100 million annually.

Only 800 to 900 Wisconsin estates--fewer than 2 percent of the Wisconsin residents dying each year--would now be subject to a tax like that which was in effect until 2008. Wisconsin's recently expired tax was imposed only when the estate's value exceeded $675,000, and there was no tax on amounts left to a husband or wife. (Couples that engaged in tax planning could exempt as much as $1,350,000.)

The tax would not take a significant portion of the estate. On average it would take about 5 percent, and far less for smaller estates because of graduated tax rates. The tax in effect until last year was only $64,400 on an estate with a taxable value of $1.5 million, and $280,400 on a $4 million estate. (The taxable estate equals gross estate less deductions for funeral and administrations expenses. The calculations assume that no part of the estate is left to a spouse.)

The estate tax expired in Wisconsin because of a 2001 change in federal law, which affected the vast majority of states whose state estate taxes were tied to the federal tax. Wisconsin and many other states responded by "decoupling" from the federal law, which preserved the state-level estate taxes. The decoupling legislation in Wisconsin expired in at the end of 2007, which resulted in at least the temporary expiration of the Wisconsin estate tax last year. However, the federal change approved in 2001 sunsets in 2011, which means that Wisconsin's estate tax will resume then (with a $1 million exemption), barring any changes in state or federal law.

Though imposed only on a few estates, the tax has been generating more than $100 million per year. That amount rose to $150 million in FY 2008. Because it often takes a year or so for estate taxes to be paid, the state is just starting to feel the fiscal effects of its expiration in January 2008, and there would also be a delay in collecting estate tax revenue if the tax were restored.

During an economic downturn, restoring the estate tax is a far more sensible option than many other alternatives. Because states have to balance their budgets, they are in a fiscal and strategic bind during a recession. Increases in broad-based taxes can take money out of the economy, especially if the tax falls more heavily on low-income state residents. Cutting state spending can have an even more immediate and larger negative effect on the economy because it quickly cuts into state or local employment or reduces state contracts with the private sector.

Tax increases have less effect on the state economy if they fall on people who live in other states or on higher income individuals, whose spending is less likely to be affected by a tax increase or a tax cut. For that reason, the estate tax is an appropriate tax to restore during this difficult fiscal time, since many of the people who bear the burden of the tax are out-of-state relatives of the deceased person. In addition, even assuming they live in Wisconsin, the tax on inherited wealth will have far less near-term effect on the state economy than a broad-based tax.

A state estate tax may have some negative impacts, but they appear to be fairly limited. Most studies show that the estate tax may encourage some wealthy persons to move to another state. However, factors like proximity to family and climate are much more important. A National Bureau of Economic Research study indicated that even though the estate tax might contribute to some persons' decision to move, it generates far more revenue than it loses because of this migration. The $150 million generated by the Wisconsin estate tax in FY 2008 attests to this point.

There is not a lot of evidence to support the argument that an estate tax dampens entrepreneurship. That should not be surprising, since the burden of the tax is relatively small, about 5 percent. This small burden also means that the tax seldom poses an obstacle on transferring farms or small businesses from one generation to the next, another concern raised by critics of the tax.

Raising the exemption could soften the impacts. The $675,000 exemption under the tax in effect until this year was put in place in 2000, so it may be appropriate to raise it to a higher amount if the tax is restored. A $1 million exemption would eliminate the tax for about 40 percent of the estates otherwise taxable, but the estimated revenue reduction would only be about 7 percent. With a $1.5 million exemption, about two-thirds of estates otherwise taxable would be exempt, while revenues would fall by only about 20 percent.

Because a higher exemption would eliminate the tax for a substantial number of estates and lower the assessment on those still subject to the tax, it would lessen the small incentive for wealthy persons to move from the state, reduce any disincentive for entrepreneurship, and largely eliminate any obstacles for passing farms and small businesses to the next generation.

Conclusion

Restoring the estate tax would generate revenue that would protect programs benefiting thousands of state residents from budget cuts. Falling on only the largest estates, the tax would affect fewer than 1,000 estates each year and amount to only 5 percent of those estates on average. Reinstating the tax is likely to have limited effects on entrepreneurship or decisions regarding where to live, and in all but a few instances would not hinder the passing of farms and small businesses to the next generation. Raising the threshold below which estates are exempt from the tax is a better way to address these concerns, while still generating substantial revenue to fund needed programs and avoid spending cuts that exacerbate the recession.

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INFORMATIONAL BRIEF

W-2 and Temporary Assistance to Needy Families (TANF) What Changes are Proposed and What do They Mean?

What is TANF and How Does It Relate to W-2?

Wisconsin's W-2 program is often confused with the Federal Temporary Assistance for Needy Families (TANF) block grant which authorizes states to engage in a variety of programs serving low-income families. The W-2 program in Wisconsin is only one part of Wisconsin's TANF effort, and it is the primary tool aimed specifically at ending the dependency of needy families on government programs by promoting job preparation and work.

In Wisconsin, TANF funds are also used for other programs such as Wisconsin Shares (child care subsidies so parents can work), emergency assistance for low-income families facing homelessness or other crises, the Earned Income Tax Credit (a successful anti-poverty credit for low-income families), and program grants for Boys and Girls Clubs throughout the state.

Federal TANF funds and Child Care Block Grant funds are combined with state dollars to fund a range of programs for low-income families, including W-2, Wisconsin Shares, and a number of related services.

Does an Increase in TANF Spending Mean an Increase in W-2 Spending?

No. As noted, increasing the total appropriations of TANF and related funds does not mean there is an increase in W-2. For example, the 2009-11 Executive Budget includes an additional $20 million/year in child care subsidies (to maintain the current FY 2009 level after it was increased in the Feb. 2009 budget repair bill). This increase, which is funded primarily from a boost in the Child Care Block Grant, has in some cases been mistakenly characterized as an increase in W-2 spending.

Thanks in part to the fact that federal TANF block grants to states have been frozen since the inception of W-2, state spending for W-2 has declined precipitously in recent years. W-2 contract expenditures are divided into three areas: administration, services, and benefits. <u>From the 2000-2001 contract period to the 2008-2009 contract period, total W-2 contract expenditures dropped by 47 percent.</u>

What is in the 2009-11 Executive Budget Related to W-2 Expenditures?

Despite the on-going recession and rapidly rising unemployment rate, the 2009-11 Executive Budget does not increase W-2 spending for administration or services. Spending for benefits is increased slightly to account for two programmatic changes noted below, but not in response to greater demand for the program stemming from the economic downturn.

What Program Changes are Included in the 2009-11 Budget?

There are a number of changes proposed:

- **<u>Modifying Provisions for Women Without Dependent Children and in At-Risk Pregnancies</u>**

Under current provisions, pregnant women who are otherwise eligible for W-2 but do not already have dependent children may receive employment training and job search assistance but not a cash benefit. The proposal modifies this provision to allow women who are told by their doctors that they cannot work due to the at-risk nature of their pregnancy to receive a cash benefit during that portion of their pregnancy. This change has been proposed on a number of occasions in the past but has not been included in final budgets. A total of <u>$1.4 million</u> over the biennium is allocated for this change.

- **Extension of the Caretaker of a Newborn Infant (CNI) Benefit in Select Cases**

Under current provisions, a parent of an infant 12 weeks old or less who meets the eligibility requirements of W-2 can receive a cash benefit. The proposal allows for a benefit to be received until the child reaches 26 weeks only in situations where the parent had already been participating in the W-2 employment position for at least 3 months prior to receiving the CNI grant. This also has been proposed in the past but not included in the final budget. $2 million in benefits is allocated for this change over the biennium.

- **Modification of the Time Limit for Receipt of Assistance & Categorical Time Limits**

Under current provisions, Wisconsin's limit for receipt of assistance has been the same as the federal limit, meaning that an individual can receive benefits for no more than 5 years during their lifetime. However, when initiating W-2, Wisconsin created categories for work (i.e. community service job, trial job, or a transitional job placement) with shorter time limits for those categories, generally limiting placement in any one category to no more than 24 months.

Based on what has been learned since its inception about the population enrolled in W-2, the Executive Budget proposal simply removes the categorical limitations to provide more flexibility to respond to the individual participant's circumstances and job readiness level. The bill retains Wisconsin's five-year limit, while slightly changing what benefits count toward the limit, in order to conform to federal law.

- **Modification of Maximum Hours for Subsidized Employment Activities**

Under current provisions, W-2 allows agencies to limit the number of hours participants may engage in certain types of activities. For example, an individual working in a community service placement may be required to work up to 30 hours per week and to participate in educational or training activities for up to 10 hours per week, for a total of 40 hours. Participants in other categories may have similar restrictions, including those in technical college programs (25 hours/work and 15 hours/education and training).

The Executive Budget streamlines these disparate limits by simply requiring a maximum of 40 hours per week for all activities, allowing agencies more flexibility to serve participants and help them connect to a rapidly changing labor market, for example promoting more training to meet the demands for higher skills and credentials than most W-2 participants have.

- **Changes to W-2 Sanctions**

Under current provisions participants may be sanctioned for a variety of reasons. For example, refusing to participate three times in any employment/placement component means that individual is deemed ineligible for that specific category/component. They remain eligible to participate in the other categories unless/until they also fail to participate three times in that component.

The Executive Budget modifies these provisions by requiring that when a W-2 participant refuses to participate in a prescribed activity they would be deemed ineligible for W-2 for three months. The Department of Children and Families is charged to promulgate rules to implement this change, including provisions for a "conciliation period" during which the participant may continue if they fully cooperate. The Budget also requires agencies to be more proactive with participants in rectifying deficiencies before any sanction that could result in a 20% benefit reduction or termination is implemented.

- **Removal of W-2 Agency Administrative Requirements**

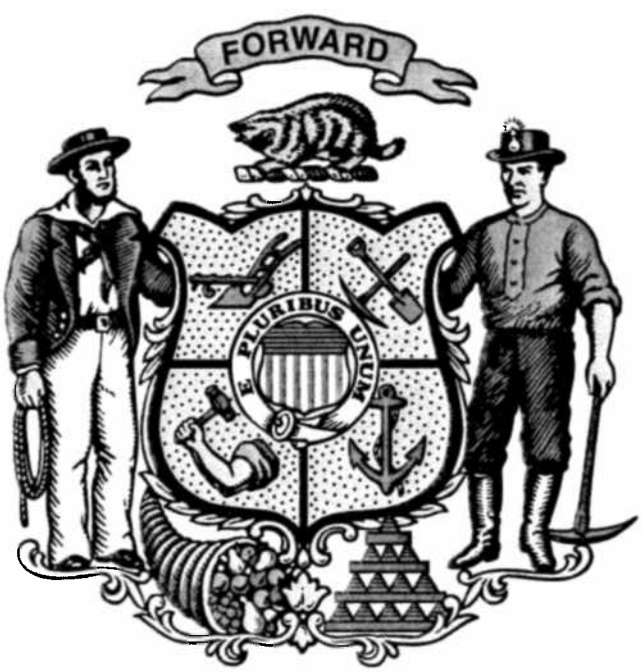
Under current provisions created at the inception of W-2, W-2 agencies are required to establish a community steering committee and a children's service network aimed at allowing for community and expert input to W-2 agencies regarding their administration of W-2.

In reviewing the limited impact of these provisions, the Executive Budget removes these requirements as being an unnecessary administrative burden, with attendant costs, for W-2 providers.

- **Elimination of the "Learnfare" Requirement**

Under current provisions, children age 6 through 17 of parents in W-2 are subject to Learnfare school attendance requirements. These requirements go beyond the simple notion that the children must be in school and place a number of administrative requirements on parents, W-2 agencies, and county departments of human and social services. For example, W-2 agencies are required to verify enrollment, and if they are unable to do so the parent is deemed ineligible for a W-2 employment position, and there are financial sanctions that stem from a student not meeting the enrollment requirements.

In the absence of data indicating that these requirements have been effective in modifying the attendance of students of current W-2 participants, the Executive Budget removes them as being unnecessary administrative burdens on agencies and potentially harmful to other children in the family.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Testimony of John Grabel
AFSCME Council 11 Government Relations
Senate Committee on Children and Families and Workforce Development

Chairman Jauch, members of the committee, thank you for the opportunity to testify before you today. I am John Grabel, one of the State Government Relations Specialists for AFSCME Council 11. Wisconsin AFSCME is made up of three councils, Council 24, or the Wisconsin State Employee Union, represents state employees. The other two councils are Council 48, which represents county, municipal and private sector employees in Milwaukee County, and Council 40, which represents the same population in 71 counties. AFSCME Council 11 is a service council that represents the interest of all three of these councils with a unified voice in the state Capitol.

Between these three councils AFSCME represents approximately 66,000 people in Wisconsin, reaching into nearly every aspect of public services in Wisconsin. Counted among AFSCME's membership are nursing home workers, county court support staff, K-12 school administrative support, corrections officers, street and highway workers, social workers and many others. Our testimony will focus on two specific areas in which AFSCME feels the proposed budget comes up short in regards to providing services to children and families, county human services and Wisconsin Shares.

With me today are three members of AFSCME's newly organized locals representing Family Child Care Providers, Diana Smith, Oma Vic McMurray and LaTonya Johnson. In a moment they will discuss the impacts of both the level of funding for Wisconsin Shares, and the new provisions in the Department of Children and Families section of the state budget, will have on them and the approximately 2000 Family Child Care providers represented by AFSCME Councils 40 and 48. However, before they begin their testimony, I would like to touch upon some of AFSCME's concerns in regards to cuts to county human services in this budget.

County income maintenance workers, or economic support staff, throughout the state are under what appears to be an ever increasing burden of caseloads. These workers confirm eligibility and assign benefits for federal and state entitlement programs. AFSCME strongly supports the efforts made by the state in recent years to expand health care coverage through BadgerCare Plus. We also support the efforts made by the Departments of Health Services, Workforce Development and Children and Families to streamline enrollment processes and automate services where possible. However, our members simply do not see any relief in sight when state Income Maintenance funding alone will receive an overall decrease of $10 million.

Caseloads from around the state are well into the 300 to 500 range across the state. This is due primarily to the inability of counties to provide for additional staff as state aid has remained flat for the last three biennial budgets. These high case loads used to be confined to Milwaukee County and southeast Wisconsin, now they are climbing everywhere from Sheboygan to Eau Claire. When caseloads are this high, the quality and accuracy of the service are jeopardized, and errors that impact the most vulnerable citizens of Wisconsin are inevitable.

The cuts in IM only represents part of the story. County budgets are being squeeze on all sides. Community aids are being reduced by $30 million. Youth aids receives a $2 million reduction. Counties are being asked to pick up $10 million in payments to house juveniles at state Mental Health Institutions. Increases are proposed in the daily rates counties pay to house juvenile offenders at state institutions. And finally local governments are capped at a levy limit of 3%, restricting their ability to raise revenue on their own to combat these reductions in state aid and fund the programs they are charged with administering.

All in all, in order for vital services and benefits for children and families to be provided, and in order for families to gain access to BadgerCare Plus, Foodshares, W-2 and Wisconsin Shares, AFSCME urges the legislature to look at the impacts the funding reductions in this budget will have on county human service operations. It is our hope that changes can be made to this area of the budget to ensure that the core functions of county services are preserved and access to these programs are maintained.

I will now turn it over to our child care providers who will talk about our concerns over the changes to the Wisconsin Shares program. Specifically their testimony will cover;

- Changes in the calculation of reimbursement rates that occurred in 2006
- Impacts of reimbursement rate freezes
- Proposed attendance based reimbursement policy
- Development of a Quality Ratings System
- Proposed increases in co-payments for parents with children enrolled in Wisconsin Shares
- Concerns over the implementation of waiting lists

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Testimony of La Tonya Johnson
AFSCME Council 48, Wisconsin Child Care Providers Together
2009 – 11 Wisconsin Shares Budget Provisions
April 15, 2009

My name is La Tonya Johnson and I have been a Family Childcare Owner and Adult Educator for six years. Childcare providers have experienced their fourth consecutive year without a pay rate increase. In spite of rising business cost, increased demands for quality childcare, additional continuing education requirements, and increases to the State's minimum wage. Child care providers have managed to continue meeting the needs of the families they serve without additional funds. However, for many providers like me the lack of adequate funding has caused financial hardship not only for our businesses but for our own families as well. Quality childcare cost, and if Wisconsin desires to increase the quality of Early Childhood Education then it has to first start by investing in its workforce. For most childcare providers co-payments are simply non-existent. A term used to describe the parents portion of their childcare cost which is not paid for by the State. Family childcare providers are greatly impacted by the family's co-payment responsibly, and their inability or unwillingness to pay. Because Family Childcare Providers can only care for eight children at a time our income is strictly limited. A family's inability or unwillingness to pay combined with pay rate freezes has in many circumstances forced some quality childcare programs to close, or simply not accept State subsidy children.

I am a college graduate and I operate a quality childcare program. My employee who has worked for me since I opened also has a college education. I have never received a co-payment from any of my subsidy parents, not even when asked. Many of my parents simply can't afford to pay and others would simply go to another daycare where co-payments aren't required. Either way, the collection of co-payments in Milwaukee County is an almost impossible task. Our center used to provide free/discounted transportation which allowed many inner city children to attend our center. However, with the decrease in pay and the rising cost of gas prices and van insurance our center no longer provides this service. In an effort to help assist our low income families our center provided free diapers and wipes. Children are now sent home or refused care if they don't have adequate supplies. We have been forced to limit our field trips to free events within walking distance. Our center has had to eliminate two part-time positions, and my full-time teacher has been at the same pay rate since 2006 because I can't afford to pay an increase in salary. She's supporting a family of 5. We've been forced to limit the usage of supplies such as construction paper, glue sticks, and educational materials to compensate for the decrease in income. The lack of adequate funding and increasing cost associated with operating a quality childcare program has left my center with very little money or resources to reinvest in our program. Therefore, virtually robbing our center and the children we serve of our quality childcare program.

A waiting list would only push an already troubled system into an even further state of disrepair, and cause our low income working families an even greater injustice. According to the Department of Children and Families 89% of the families utilizing the Wisconsin Shares Childcare Subsidy program are single parent headed households, and 25% of all families served have annual incomes between $12,000 and $18,000. In Milwaukee County case loads are so high caseworkers are back logged with processing applications and necessary paper work to determine eligibility. In the event that a waiting list was implemented we would have no way to safe guard against eligible individuals being kicked off the system due to untimely filing of required information, even though the recipient may have turned in the information by the required deadline. We would also be putting thousands of children who are predominately from one parent households at risk simply because of their economic status and inability to pay for unsubsidized childcare. This is a risk and an option that would have dire consequences for all involved.

The Wisconsin Shares Childcare Subsidy program is essential to helping low income families reach and maintain economic self sufficiency. It is the back bone to the success of the Wisconsin Works program, and it is the right of every low income child and their families who qualify for services. The State cannot continue to demand quality childcare standards without adequately investing in the system. The State has to accept its fair share of the blame for helping to create such a failing childcare system. A system that fails to compensate those providers who are providing quality childcare programs, and one who fails to offer resources to those providers who desire to operate a quality program but simply can't afford too. Increased co-payments and waiting list are not the corrective solutions to our problem, but rather additional ways to further balance the budget on the backs of providers and the low income families we serve.

April 15, 2009

Diana Smith

- **President of AFSCME Local 373 Child Care Providers Together**
- **Owner and Operator of Centennial Family Child Care**
  - **Currently 14 children are enrolled (full and part time)**
  - **State Licensed**
  - **Child Care Provider for 43 years**
- **Other Credentials:**
  - **Instructor of Early Childhood credit and non-credit classes at the WTC level for 20 years**
  - **Past President of "The Registry"**
  - **Past President of Wisconsin Child Care Improvement Project**
  - **Past President of Wisconsin Family Child Care Association**
  - **Past Vice-President of Wisconsin Early Childhood Association**
  - **Town of River Falls Chairperson**

Attendance Based Reimbursements:

- **Sets providers back 25 years – When we could not create a budget because we never knew what our weekly income would be.**
- **We were never paid for vacations, holidays, or sick days and this would happen again.**
- **Separates private pay families from subsidized. (Private pay is usually enrollment based)**
- **We have a limited number of slots that we can enroll children for. We cannot just fill a slot if a child does not attend. Thus we lose at least that days pay.**
- **It encourages parents to bring sick children.**
- **Makes it harder to be able to achieve higher quality standards because you cannot count on a specific income.**
- **Makes it harder to access higher education because of lower income.**
- **Encourages parents to settle for programs that will accept attendance based and discourages high quality providers from accepting subsidized families thus dividing children's access to all programs equally.**
- **Limits diversity in many areas.**
- **Encourages a decrease in program integrity.**

QRIS:

- **Needs to include both Certified and Licensed providers.**
- **Needs to be accessible for providers to attain a higher level.**
- **Needs to include non-credit training that is affordable and accessible.**
- **Needs to encourage all providers to continue to provide higher quality care by creating incentives that make it possible to continue learning.**
- **Needs to recognize that all people do not learn the same way, ex… credit based, experience, etc…**
- **Needs to recognize that not every provider is comfortable having others in their homes observing them as they work.**
- **Needs to recognize that while Wisconsin has higher standards than many states, accreditation is not easily attainable for most providers, both because of the educational requirements and the fees.**
- **Needs to include financial incentives to allow providers to improve and sustain higher quality.**

April 15, 2009

Testimony Given by Oma Vic McMurray:

Hello, my name is Oma Vic McMurray. I have been a family child care provider for 32 years. I have also been accredited through the City of Madison for 22 years, Madison has invested in an accreditation program and it has encouraged me to continually improve over the years, I greatly appreciate the support they have given to me and I do my best to honor their investment. In 1998 I received a national award from the NAEYC for running an exemplary program. I ran the only family child care of the 10 programs they chose. The study looked at programs that could deliver quality care for the children, compensate the staff fairly and be affordable for the families. I have been paying attention to these issues for a very long time and now currently also work for Child Care Providers Together-AFSCME. I sincerely thank you for hearing our testimony today. We appreciate that our insights will be included in the process of determining just how to proceed with the child care concerns in the State budget.

We are in an interesting position; utilizing the boon we received from the American Recovery and Reinvestment Act (ARRA). The ARRA funding mechanisms want us to supplement current programs, it is the first time we have received increased federal dollars in a very long time.

We are also in an interesting policy juxtaposition.
As an accredited provider I understand and appreciate the hope to improve quality statewide through the proposed QRIS. It is a noble effort, having well qualified teachers in every classroom, programs that meet the needs of children, family participation in their child's early care and educational settings. With an eye on what Illinois has done to invest in early childhood, and knowing one of their champions in this is now our president, it would behoove us to stay on course and continue to support the efforts to achieve this mission.

But I struggle so hard to understand how this mission aligns with all the changes made to the WI Shares program. I simply don't get it.
There is a list of policy changes that has reduced our income over the past few years; such as discontinuing to pay for registration fees yet mandating that child care programs increase their administration activities, or ending the 10 day notice policy, which is a common practice in most child care programs that allows the program to fill the 'spot' when a child stops attending.

There were also severe changes in 2006 as well the state regionalized the counties to create urban rate zones. In 2007 I asked the Administrator in the Division of Family Supports, in DWD, what the overall net affect was when creating the rate zones. The answer was that it saved the state over 2 million dollars. That was 2 million dollars out of the pockets of the childcare workforce. While some counties may have experienced a rate increase at that time, overall there was a loss. In denser urban areas such as Milwaukee and Madison we experienced severe cuts to funding. Not only did the state cut our maximum weekly reimbursement rates by 10% but they also changed the divisor from 30-35. In the end our hourly rate was cut almost 23%. The maximum weekly amount paid is close to what had been paid in 2003 and this is not adjusting for the 15% inflation we have experienced since then. The effect was devastating for programs who served many WI Shares families. There was a huge loss of income. We had to scramble to find ways to save money; first we delayed facility improvements and equipment purchases. Then we had to cut the very services we created to enhance quality:: we reduced or ended transportation services, we reduced professional development opportunities, yet still today I spend about $800.00 per year just on continuing education courses for my staff and myself. After the quick fixes many of us had to look at ways to reduce the subsidized slots. I no longer 'protect the slots' that I once prided myself in saving for children at risk. Still, some of my families have become eligible for WI Shares in this economy. But even though I am eligible to receive 10% more for providing accredited care it will not be paid if I provide full time care for an attendance based WI Shares client because the state has a rule not to pay both the 10% for attendance based care and 10% for the accredited care. There is no financial incentive to run a high quality child care program that serves low income children. We can not afford to provide high quality early care and education for the rates the state has been paying. When the rates changed in 2006 there were many programs that eliminated jobs, which created more stress on the workforce and reduced the overall quality. Some programs needed to reduce wages which created more turnover. All this amidst the added strain placed on programs to try to collect more money from the struggling low income families served.

What are we doing?

How can we say we want to encourage higher quality through an under funded Quality Rating and Improvement System while we create cost containing measures that further destroy the ability to provide quality child care. I look at my list of what I can give up next if these cost containment proposals go through and I think I can give up my lousy health insurance that cost me about $450.00 per month. As a small business owner there simply isn't much choice for me to obtain an affordable policy that provides protection and letting it go would brace me for the next round of cuts in my job of caring for children. Again, not an option to secure quality but an option to adjust for the next round of cuts. It takes 3 hours of labor for each one hour of care to provide the accredited care that we offer and to meet the required mandates, either I give up a large expense like health care or I lay off a coworker and go back to working 70 hours a week in the program. More job losses are not what is intended with the ARRA funds. A preferable option would be that rates reflect the true cost of providing early childhood care and now, education, as well as meeting the regulatory standards imposed. Offering affordable health care options for Wisconsin's child care workforce could help retain the skilled workforce.

I also wonder how can we say we encourage higher quality when the low cost options in training, that led me to run a program that was nationally recognized, has disappeared? Staff qualifications are a good indicator of quality, but there isn't clarity about what type of training is important. While I do believe credit based learning is valuable and we need to keep the systems going that offer that, some providers deliver excellent care with just the training that is offered though week-end classes, yet there seems to be a lack of funding that keeps these classes affordable. Affordable training would more than help with the mandated annual continuing education expenses. I have heard from many providers who took week-end classes offered, that went above and beyond their annual continuing education requirements because they enjoyed the format and could commit to the time requirement. Knowing that we are on a track for a rating system could provide an incentive that would encourage providers to participate. Wisconsin has been a leader in setting the standard in the nation for continuing education requirements for licensed providers and yet we have failed to keep it affordable. Continuing education should not only be affordable but inclusive for all regulated providers. If we want to encourage certified programs to get better we need to include them in our efforts to raise quality. Please help by funding continuing education for all regulated programs in Wisconsin.

As a CCPT staffer I have been to many family child care homes. I can tell when someone routinely participates in training opportunities. It shows. It shows in their environment, it shows in their interactions with the children. Sometimes I can see the need to improve quality in programs and I wonder if our state ever figured out how to make accreditation attainable for all child care programs if these providers, some of whom live in the same neighborhoods as the children at risk that they serve, would rise to the occasion. If the provider were given the chance that I was, to improve their environments through quality improvement grants, if they were welcomed and encouraged to participate in training opportunities that reflected their learning styles and ability to commit to the time requirement. If these providers knew that someday soon there may be funding that would help sustain the higher quality, I wonder if they would embark on the steps of the QRIS. I am touched by the many providers who see themselves as good providers and want to do their best and yet they have not been given the opportunities that I enjoyed to improve the quality of my program. I hope that you will make the tough choices that will allow this part of the workforce to rise up to the expectations and offer high quality early care and education. By creating a path that provides training and makes accreditation attainable.

Please, support the workforce to improve the way we care for all of our children here in Wisconsin. Honor the intentions of the federal dollars received and provide stable and fair reimbursement rates to prevent job loss, provide attainable training opportunities to prepare the workforce for new, higher standards and consider the ways that you could offer health care to the workforce that would help retain the qualified workforce.

Childcare Budget Issues-Testimony by Silke O'Donnell 4/15/09

True cost of childcare: An Accredited Child Care Program in the City of Madison:
Total of 5 children enrolled:

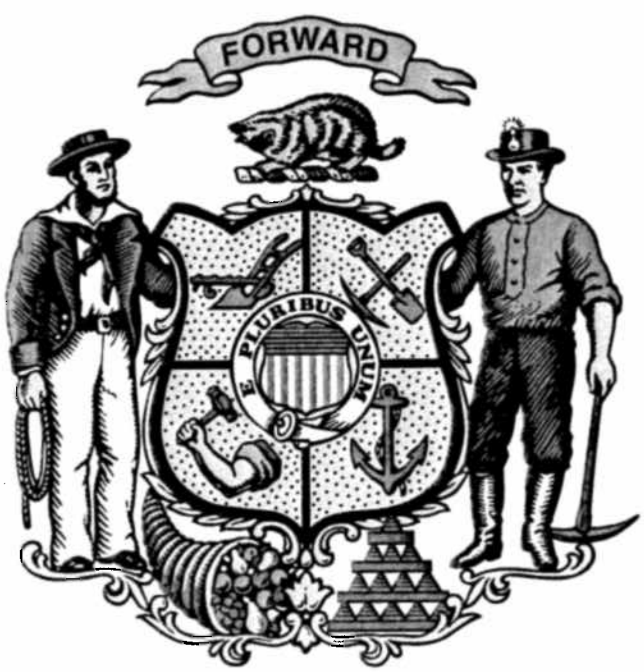
- **Family 1:** 1 Child - 2 years old: Private pay- $250 per week regardless of attendance in program (Family of 3 -Two income household)
- **Family 2:** 3 Children/ 1 in care- 4 years old: Subsidy pay- $158.30 per week
- **Family 3:** 3 Children- 10months, 2 years & 3 years old: Subsidy pay- $203.68, $187.99 & $187.99 per week

Family 2: Income = $ 1400 take home pay + $128 food stamps = **$ 1528 total**
Expenses= $875 rent, $200 MG&E, $80 phone,
$200 gas to/from work, $60 medication,
$77 student loans = **$ 1492 total**
Amount of money left for food, clothes, car insurance, household items, & childcare co-pay **$ 36 per month!**

Family 3: Income = $ 920 pay + $500 child support+ $250 food stamps = **$ 1670 total**
Expenses= $750 rent, $200 MG&E, $50 phone,
$160 gas to/from work, $ 50 diapers,
$250 car payment, $100 car insurance = **$ 1610 total**
(job is driving personal car for deliveries)
Amount left for food, clothes, household items & child care co-pay $ 60 per month!

Fam 1: Provider income for 3 mo. =13 wks x $250= $3250
Fam 2: Subsidy payments for 3 mo. = $2047.06 (-$1202.94)
Fam 3: Subsidy pay. child 1 for 3 mo.= $2648.92 (-$601.08)
child 2= $2441.27 (-$808.73)
child 3= $2443.31 (-$806.69) (-$2216.50)

Actual loss for Jan- March 2009 (-$3419.44 loss every 3 months)
Families 2 & 3 are unable to pay any co-payment due to their income/expenses so provider is losing this income every week so that these children can have food and clothing.
Low income families are unable to afford their co-pays as you can see from the examples above. Implementing an increase in co-payments of 10% means families are going to risk loosing high quality child care.
The children in this program were absent between 3-8 days last quarter = 12-32 days per year. Implementing an attendance based pay system would increase the parents expected co-payment for child care at the same time they lose income because they are at home with a sick child. This would cause an increased amount of hardship on families. Families and providers would be unable to calculate/budget this amount since it is inconsistent.
Private paying families are expected to pay child care based on purchasing a slot. Family child care providers are limited in the amount of slots they have available based on a child's age. High quality programs are struggling with being able to afford to care for low income families due to the decreased subsidy payments since 2006. Any further decreases in payment will jeopardize this fragile system. High quality care costs money but offers all children the ability to reach a higher potential later in life. Low quality early childhood care and education costs our society a greater amount of money in the long run.
Please consider the need to improve the Wisconsin Shares system and give high quality providers more support to provide high quality care our children deserve.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SHEBOYGAN COUNTY

[redacted]

Ann M. Wondergem
Health and Human Services Director

For any $ cut - lose other revenue. - 709,000, - 1.2 mill.

April 15, 2009

To: Members of the Senate Committee on Children and Families and Workforce Development
Senator Robert Jauch, Chair
Senator Julie Lassa
Senator Neal Kedzie
Senator Randy Hopper

Prevention program Good to cut. 155 [illegible] people.

I wanted to take this opportunity to share with you some of my concerns regarding the Governor's proposed budget and the potential impact on the ability of Wisconsin counties to provide vital child welfare services, economic support and behavioral health services. I speak as the Director of the Sheboygan County Health and Human Services Department and as the President of the Wisconsin County Human Services Association (WCHSA).

Over the years, counties have been looked to as providing "safety net" services to children and families through the provision of community based ~~juvenile justice services~~ services and addressing the risk, safety, and treatment needs of abused and neglected children and their families. On behalf of the State, counties determine eligibility for Income Maintenance programs, including FoodShare and Medicaid. Counties provide or purchase behavioral health programs and services to meet the mental health needs of children and adults. Today it is my duty to inform you that the Governor's budget proposes significant reductions and cost transfers that will impact on not only Sheboygan County's but every county's ability to serve some of the State's most vulnerable residents.

The very individuals, the children and their families that will be negatively impacted by this proposed budget likely are not in this room today to testify as to the impact on their lives. Also, they were not at the recent Joint Committee on Finance hearings. The reason - they are among the most vulnerable of Wisconsin's residents. They are our children, who depend on us to protect them from abuse and neglect. They cried out for help when they were being abused and neglected or sat quietly in a corner wondering why no one asked them about their dirty clothes or new bruises. They are our children, who wonder where we were prior to them choosing to participate in delinquent behavior. They wonder why we did not ask where they are going or what they are doing. They are our families asking for our help with feeding their children, wondering how they will pay for medical care or necessary medication and hoping that they will still have a roof over their heads the next day. They are children or adults with mental health issues looking to us for help.

Counsel in Quality Consistency to Children 1335.

Need incentive for prevent

We are the safety net – the State and the counties. Unfortunately, counties have been and continue to struggle to provide these vital services. In fact for the last decade, counties have received no increases in funding for these vital services from the State. The proposed reductions in funding in the Governor's budget will negatively impact all areas of the county human service delivery system.

- we will pay consequences -

Kohler laid 11 400
Thomas Industry - 352 individuals to Louisiana
"- we are at the end of our rope"

7 social work positions

Child Welfare
Sheboygan County has projected that the proposed reduction in Community, Youth and Family Aids funding coupled with the proposed correctional rate increase will reduce state revenue by about $100,000 over the biennium. The Community Aids revenue reduction is projected to be $292,000 over the biennium plus the reduction of $132,759 in IV-E Incentive funding. This reduction of almost $525,000 in services to children and families (both abused and neglected children and juvenile delinquents) will impact on Sheboygan County's ability to keep children and the community safe. Some examples of services and programs that could be impacted include:

- A social work position, funded with IV-E Incentive dollars, that works with the foster and natural families on achieving permanency for the child(ren) either through reunification or adoption.
- Elimination of a purchase of service contract for First Time Parent Visitation programming.
- A reduction in the number of social workers who conduct child abuse and neglect investigations, who recruit and certify foster homes, who monitor out of home placements and/or who work with the immediate family, other relatives, guardians and community agencies in the provision of community based services. The total projected reduction in revenue would equate to seven social worker positions.

Mental Health and Child Welfare
Counties struggle in providing services to children with mental health needs as these children may come in through child protective services, juvenile justice or long term care. The proposal in the Governor's budget requiring counties to pay the non-federal share of Medical Assistance for children in the State Mental Health Institutes is projected to cost Sheboygan County an additional $108,000 per year. The assumption is that this change will create a fiscal incentive to care for children in the community. Counties prefer community based care options for crisis, stabilization and ongoing care and treatment. In fact, Sheboygan County participates in a regional process which has been working toward development of resources to meet the high and specialized needs of these children. If counties currently had community based services to meet the needs children would not be placed in the mental health institutes. Shifting this funding responsibility will not create a financial incentive for counties to care for children in the community but will in fact negatively impact on a county's ability to develop, fund and maintain community based programs and services.

Workforce
Sheboygan County health and Human Services administers the Wisconsin Works (W2) and related programs and also determines eligibility for Income Maintenance (IM) Programs. Sheboygan County Economic Support Specialists (ESS) work with integrated cases (W2 and IM) as we believe that low income families can benefit from working with one ESS and our contracted employment and training provider. The proposed reductions in Income Maintenance funding are projected to be $75,000 for Sheboygan County. The initial impact of a poor economy occurs first in the FoodShare program, next in the Medicaid programs and then eventually in the W2 program. Since January of 2008, Sheboygan County has seen an increase in the FoodShare Program of 43%. (This is an increase of 2,918 individuals and a total of 9.067 recipients.)

match over 50k increase -
- impact on W2 caseload

8 in Social Workers
in 2009 - lay off -

In closing, two of the Governor's guiding principles concerning the proposed budget are to minimize reductions in direct services for vulnerable populations and maintain the health care, including the behavioral health care safety net. The proposed budget reductions to county provided human services will impact on a system already in trouble and which is daily struggling to meet an increased demand for services based on layoffs and plant closings and other economic stressors. There will no longer be a county safety net for our children and for our low income families. I respectfully request that funding be reinstated for counties in the following areas:

- Community, Youth and Family Aids
- Community Aids for Children and Families
- Mental Health Cost Shift of the Non-Federal Share of the Mental Health Institutes to the County
- Income Maintenance Allocation

Thank you for your time and your consideration. If you have questions or would like additional information, please contact me at (920) 459-3212 or e-mail me at wondeamw@co.sheboygan.wi.us

Sincerely,

AMWondergem

Ann M. Wondergem
Director - Sheboygan County Health and Human Services
President - Wisconsin County Human Service Association

CC: Adam Payne, Sheboygan County Administrator
Michael Vandersteen, Sheboygan County Board Chairperson
Senator Joseph Liebham
Senator Glenn Grothman
Representative Steve Kestell
Representative Daniel LeMahieu
Representative Terry Van Akkeren
Members of the Wisconsin County Human Service Association Executive Board


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Wisconsin Association for Homeless and Runaway Services Testimony

To: The Committee on Children and Families and Workforce Development

April, 15, 2009

Thank you for the opportunity to provide testimony regarding the State Budget Bill and its impact on children and families in Wisconsin, specifically runaway and homeless youth. Currently there are over 26,000 youth reported to police in Wisconsin each year. Largely due to the economic crisis, the programs The Wisconsin Association for Homeless and Runaway Services (WAHRS) represent are experiencing dramatic increases in clientele, especially homeless and "throwaway" youth. Some shelters have had to turn away youth due to lack of resources. In addition, staff are reporting that the youth seen by their programs are facing more severe problems, such as physical and sexual abuse, neglect, mental health concerns, and adolescent pregnancy. At the same time, programs report a dramatic decrease in local support as donations dramatically drop due to economic hardship.

The Associations' members provide preventive and crisis counseling, temporary shelter, and referral services to these troubled youth and their families. Program services are available on a walk-in basis as well as through 24-hour crisis lines. The programs present youth with an opportunity to sort out problems and begin working toward a more productive relationship with parent, friends, school, and community.

The youth served by WI runaway programs are not delinquent. The majority are running away due to situations at home that have become unbearable and unsafe. These youth are extremely vulnerable on the streets. We know that the longer a youth is on the street the more likely it is that he/she will be further victimized. Runaways may be indiscriminate in where they stay, and may seek shelter with adults with questionable intentions. Prostitution, drug involvement, delinquency, and compromised health are all consequences of life on the street for these youth who are literally struggling to survive day by day. Runaway program staff, including street outreach workers, provide critical and cost effective services to meet immediate needs of youth at risk of being further abused on the streets.

Following is just one of many examples of how runaway programs make a profound difference in the lives of abused, vulnerable youth. A young teenage girl who was being abused by her father, her custodial parent, came into one of WAHRS runaway programs. Even though this was not the first reported incident of abuse, because there were no "evident marks on her body" at the time, she was informed by authorities nothing could be done for her. This youth was on the verge of running, but instead came to the program because she knew it was a safe place where she could get help. The runaway program staff advocated for her with local social services, her mother (who was living in another town), and the domestic abuse shelter. The program was able to aid the youth in obtaining a safe place to stay with her mother who was awarded temporary custody. Her mother filed a petition for permanent custody, with the help of a lawyer located through referral efforts of the runaway program. The program aided her mother in providing her with information and advocacy in order to ensure her daughter's safety through legal channels. This is just one example of how runaway programs aid families through networking and collaboration with other community resources.

The twenty-three programs in the state are annually funded on a formula utilizing state and federal dollars. **At this time, eighteen of the programs have budgets under $60,000 a year,**

with fifteen of the programs still providing services for under $40,000. With this limited funding, programs provided face to face services to 2637 youth in the programs and had 70,359 contacts with youth on the street. .Currently the state provides about $700,000 of the $1,493,051 total program budget (the remainder is federal Runaway Homeless Youth Act). While we recognize the nation and state are facing dire economic crisis, we urge the committee to commit to continue supporting vulnerable youth by ensuring adequate funding for these programs. This funding will enable them to continue to provide 24 hour coverage, including counseling and shelter to runaway and homeless youth. Any increase in funding would benefit all of the WAHRS programs in the state which would, in turn, benefit our communities.

Runaway programs have over a thirty year history of providing a wide array of quality services to youth and their families. **We know the programs are effective, as over 95% of the youth utilizing WI runaway services either return home or to a safe, mutually agreed upon, alternative**. Please support these critical services to our most vulnerable youth by ensuring the programs are able to continue operating at a reasonable funding level. Thank you for the opportunity to testify today. The members of WAHRS and the families they serve appreciate your commitment to the well being of children and families in WI.

Submitted by:

Patricia Balke, Executive Director
Joli Guenther, Assis. Director
WI Association for Runaway and Homeless Services
608-241-2649
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www.wahrs.org

			FY 09 Funding		
		RHYA	State	SDFS	TOTAL
					FUNDING
Appleton		0	25200	13290	38490
Dodgeville		0	25496	6650	32146
Eau Claire		16171	15192	8058	39421
Green Bay		19471	19878	8475	47824
Gresham		0	11200	21350	32550
Janesville		13311	13672	5581	32564
Kenosha		12211	15170	4000	31381
LaCrosse		12321	11959	7110	31390
Madison		105312	54604	5280	165196
Marinette		0	25539	5816	31355
Menominee		17381	15086	9933	42400
Pathfinders		175211	523	4357	180091
Walkers Point		136480	33396	10131	180007
Portage		0	16029	15350	31379
Racine		132402	2004	4386	138792
Rhinelander		0	16029	15350	31379
Sheboygan		57969	2685	3524	64178
Stevens Point		18151	15012	11308	44471
Sturgeon Bay		0	16029	15350	31379
Superior		0	16029	15350	31379
Waukesha		38595	14311	11114	64020
Wausau		0	15201	23961	39162
Washburn		0	16029	15350	31379
West Bend		27405	5656	3926	36987
WARS		9380	54351	0	63731
		791771	**456280**	**245000**	**1493051**