



TERRY KATZMA

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P.O. Box 8952
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Date: April 18th, 2017
To: Assembly Committee on Public Benefit Reform
From: Representative Terry Katzma
Re: Assembly Bill 238: Job Training Assistance for Housing Voucher Recipients

Dear Chairman Krug and Committee Members,

Thank you for promptly convening a public hearing on Assembly Bill (AB) 238, a bill that aims to expand opportunities for recipients of housing choice vouchers to benefit from self-sufficiency services such as skills training and job search assistance.

Since the 1970s, the federal government has directed taxpayer funding via the Housing Choice Voucher Program to public housing authorities (PHAs) across the nation (state- and local-level government agencies) to subsidize safe, sanitary housing for very-low-income and extremely-low-income American families. Federal program rules require that most vouchers be allocated to households of “extremely low income,” which is defined as income that is less than 30 percent of median family income in a given region. Typically, a family who participates in the program pays 30 percent of their adjusted income in rent; the program pays the balance of their rent.

Wisconsin residents receive a total of approximately 30,000 federal housing vouchers at a total cost of \$150 million in federal funding. The majority of these are administered by local PHAs that serve individual cities or counties. But the Wisconsin Housing and Economic Development Authority (WHEDA) is the PHA that administers approximately 2,300 of the vouchers, totaling about \$8 million in federal funding, in 41 counties—counties other than Milwaukee and Dane, which have their own programs—where no community-level program is available.

Since the 1990s, Congress has designated some PHAs as pilot sites where communities have increased flexibilities under the program’s rules. There are presently 39 such sites across the country; eight of these (including Chicago) have used their extra flexibility to implement work requirements for program beneficiaries. But Congress’ 2016 Consolidated Appropriations Act recently authorized the addition of 100 new sites to the pilot program; new opportunities will exist soon for more state and local PHAs to join the pilot program and potentially use existing federal resources to serve a greater number of people and/or help them increase their independence from government assistance.

A recent case study¹ conducted at the University of North Carolina is enlightening. The study analyzed outcomes of the housing voucher program at the Charlotte Housing Authority in

¹ Rohe, William M.; Michael D. Webb; and Kirstin Frescoln. “Work Requirements in Public Housing: Impacts on Tenant Employment and Evictions.” Center for Urban and Regional Studies, University of North Carolina at Chapel



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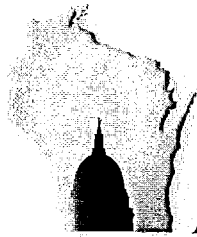
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Charlotte, North Carolina, where program participants have been required since 2013 to meet a flexible work requirement but are also matched with case managers who help them find qualifying work, education or training. Although the results of that study should not be broadly interpreted, employment among program participants in Charlotte has increased significantly; sanctions or eviction of noncompliant participants were necessary only very rarely; and, surprisingly, 87 percent of program participants surveyed for the study *agreed* that the work requirement policy is fair (compared to just 80 percent of other public housing residents).

AB 238 authorizes WHEDA to try something similar for the 2,300 families for whom the agency administers federal vouchers in our state. The bill authorizes WHEDA to request new flexibilities from the federal government, including authority to create a work requirement, and coordinate with other state agencies to improve case management for program participants—a request that is clearly anticipated and encouraged by Congress’ recent expansion of the pilot federal program. This two-pronged approach would be similar in many ways to the program underway in Charlotte, North Carolina, that has demonstrated almost entirely positive results so far. In fact, federal government awarded \$32 million in new to PHAs and nonprofit organizations across the country grants in 2016 to support service coordinators who are helping people achieve economic and housing independence.

In the Assembly district that I serve, employers are practically desperate for trained and willing employees who will enable their businesses to grow. But at the Wisconsin Family Impact Seminar held right here in the Capitol in January 2017, I learned that continued dependence on long-term federal housing vouchers under the inflexible rules in place today tends to significantly *decrease* the incentive for our neediest families to work or learn new skills. Although AB 238 certainly cannot be a “silver bullet” for curing Wisconsin’s looming worker shortage, it only makes sense for our state agencies to be empowered to make the best possible use of existing federal resources and help everyone who wants a job to find a job.

Thank you for your consideration of AB 238 and for accepting my comments; I would be happy to receive your questions.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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**Department of Administration
Testimony on Assembly Bill 238
Assembly Committee on Public Benefit Reform
Tuesday, April 18, 2017**

The Housing Choice Voucher Program provides assistance for very low-income families, the elderly and disabled individuals to afford safe and sanitary housing in the private market. Under the program, the United States Department of Housing and Urban Development (HUD) provides funding to states who in turn work with Public Housing Agencies at the local level to administer the program. DOA's Division of Energy, Housing and Community Resources includes the Housing Choice Voucher Program in the Housing Market Analysis section of its Five-Year Consolidated Plan.

Assembly Bill 283 requires the Wisconsin Housing and Economic Development Authority (WHEDA) to submit a waiver request to HUD to allow the state to implement certain work, worker training, or other self-sufficiency requirements for able-bodied adults who receive assistance through the Housing Choice Voucher Program. The current program does not have these requirements for able-bodied adults, nor does it have time limits for individuals or families who receive a voucher. This creates a situation in which there are long waiting lists for the Housing Choice Voucher Program in many communities, without providing means for current recipients to become financially independent. If the Housing Choice Voucher Program incentivized work and self-sufficiency, it is likely that more people would be able to receive assistance for both housing and for certain training programs.

The Department is supportive of this bill. The requirements are similar to the federally funded Tenant-Based Rental Assistance (TBRA) program which is operated by DOA's Division of Energy, Housing and Community Resources. TBRA, which provides rental subsidies to low-to-moderate income households, is able to require participation in self-sufficiency program if the state decides to do so. Further, the Housing Authority of Champaign County (Illinois) has mandated that new residents under the Housing Choice Voucher Program between the ages of 18 and 54 must work 20 hours per week. This mandate was implemented in 2013, and will slowly phase in existing residents in the program, and was approved by HUD as part of their "Moving to Work" program.

MEMORANDUM

TO: Honorable Members of the Committee on Public Benefit Reform

FROM: Daniel Bahr, Fitchburg Alder-Elect

DATE: Tuesday April 18, 2017

SUBJECT: Support for Assembly Bill 238

As a recently elected Alder in the City of Fitchburg, I wanted to offer my support for Assembly Bill (AB) 238 related to work requirements for able-bodied recipients of vouchers under the federal Housing Choice Voucher Program.

The federal Housing Choice Voucher Program provides a necessary service to families with very low and extremely low incomes; allowing them to secure safe, sanitary housing of their choice for their families. Unfortunately, many of these families continue to struggle due to a lack of education, skills or the inability to find a job. In addition, voucher recipients who find stable employment face the real risk of losing their safe and affordable home should their wages increase.

The pilot program proposed under AB 238 requires certain able-bodied adult recipients to satisfy work requirements while providing them with the self-sufficiency tools necessary to find successful, stable employment while ensuring their voucher status is secure. The federal government has already invested in similar programs across the country, awarding \$36 million in 2016 to various states equipping Public Housing Authorities (PHA) with services such as job training, placement programs, and computer and financial literacy programs.

There are 7 low-income housing apartment complexes, which contain 454 subsidized apartments for rent in Fitchburg, Wisconsin. With the potential job opportunities in our area, it is important to ensure that low-income citizens have the flexibility and peace of mind that they will not lose their housing voucher if they take a higher paying position or promotion in the workplace. This bill invests in the families of our state; supporting their goals and helping them build a better tomorrow.

It is important that our state agencies use the best possible practices to assist citizens in achieving housing and employment sustainability. I would like to thank the committee for hearing this bill and their dedication to improving the lives of those in need, not only in Fitchburg, but also in the state of Wisconsin.

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Testimony by WHEDA Executive Director, Wyman Winston on

AB 238

Thank you for this opportunity to address the Committee. My name is Wyman Winston, and I serve as the Executive Director for the WI Housing and Economic Development Authority – also known as WHEDA.

One of WHEDA's responsibilities is to act on behalf of the state in administering certain federally-funded housing programs, one of which is the Housing Choice Voucher Program. This federal program is a tenant-based subsidy provided by the Department of Housing and Urban Development (HUD).

As the state housing authority, WHEDA is compelled to ensure that the recipient tenants of the Housing Choice Voucher Program meet all specific eligibility requirements. The eligibility requirements currently do not include tenant employment, job training or active employment search. Assembly Bill 238 creates authority for WHEDA to work with HUD, state agencies, and other relevant organizations in order to implement these work requirements, which will help move individuals receiving housing vouchers from dependence to independence.

Under AB 238, WHEDA would have the authority to request a waiver from HUD to implement work requirements into the Housing Choice Voucher program through the utilization of a pilot program. This pilot program would require certain Housing Choice Voucher recipients to satisfy certain employment training and self-sufficiency measures.

Upon approval of the pilot program, this bill allows WHEDA to establish new policies and procedures required to implement the program.

In addition, the Bill allows WHEDA to work with state agencies, public housing agencies, and other governmental and nongovernmental agencies to implement the program and eliminate duplicative processes, which will allow for greater efficiencies in public benefit reform.

WHEDA supports AB 238 and encouraging employment in the Housing Choice Voucher Program through a pilot program emphasizing employment, training and self-sufficiency services.

I am happy to answer any questions.



WHEDA

TOGETHER WE BUILD WISCONSIN



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TO: Assembly Committee on Public Benefit Reform

FROM: Apartment Association of South Central Wisconsin

DATE: April 18, 2017

RE: Testimony in Support of AB 238

The Apartment Association of South Central Wisconsin [AASCW] supports AB 238; a bill authorizing the Wisconsin Housing and Economic Development Authority [WHEDA] to create a pilot program requiring individuals that obtain federal housing vouchers to satisfy certain employment, training and self-sufficiency requirements.

Our members have extensive experience with the housing choice voucher system and we firmly believe that enacting policies that will result in self-sufficiency, will lead to more individuals receiving the needed skills and opportunity to move through, up and out of the Section 8 program thereby making the vouchers available to others. This pilot program builds opportunity into the current system that can lead to independence rather than permanent subsidies and long wait lists.

Additionally, this bill enables WHEDA to partner and contract with organizations to provide training services to the recipients of vouchers. We ask that this opportunity is used to seek innovative solutions by enlisting new partners like AASCW to achieve these objectives. Our Association has the most expertise of any large group of private apartment owners in Wisconsin partnering with Section 8 administrators. We would like to be included in the process to develop job training services which is something we already do.

We have developed a curriculum for certificates in both property management and maintenance that includes paid internship opportunities with our members. Entry level property management, leasing and maintenance jobs are in high demand and offer a career path in property management that can lead to local, regional and national supervisory roles. As employees gain knowledge and interest, we've found it's one of the best pathways to owning a small business or becoming a property owner of rental housing.

Additionally, the Apartment Association of South Central Wisconsin partners with area housing administrators and nonprofits to teach working successfully with Section 8 to property owners and having success as residents to tenants. We offer our services to assist in any manner that we can with the design, implementation and training of the self-sufficiency component of this bill.

We respectfully request the Committee Support Assembly Bill 238.



**OUR MISSION: TO BE AN ADVOCATE FOR MEMBERS,
FACILITATING RELATIONSHIPS WHICH EDUCATE,
SUPPORT AND PROMOTE THE INDUSTRY**

April 18, 2017

Dear Committee on Public Benefit Reform:

I represent the manufactured and modular housing industry in Wisconsin. We have two unique interests in supporting AB 238.

1. Manufactured housing is an extremely affordable housing option that is completely unsubsidized. Some families that receive the Section 8 housing vouchers choose to live in a manufactured home community (mobile home park) because they can own their home without the up-front high cost of purchasing land. Because the voucher user generally owns their home and only rents the lot, this makes housing vouchers go further since lot rent is much less than renting an apartment. We have a strong interest in any bill that will help the tenant to become completely self-sufficient so that others may be able to move off the waiting list for housing vouchers.
2. We are proud to have home manufacturers in Wisconsin. In fact, many say the industry was born in this state. Skyline Homes in Lancaster, Mid-Country Homes in Dorchester and Wisconsin Homes in Marshfield are some of the manufacturers we represent which provide good paying jobs that include benefits such as health insurance. These manufacturing facilities often struggle to get enough workers to fill their needs. This lack of labor often causes decreased production capacity. From that stand point, if Section 8 voucher recipients could be trained to fill these high-quality jobs, they would eventually find self-sufficiency and pride in building homes for others. This could help the affordable housing crisis in many areas of Wisconsin.

As an industry, we applaud this proposal to help lift voucher recipients out of poverty and into satisfying employment opportunities in our industry or others.

Sincerely,

Amy Bliss
Executive Director
Amy@housingalliance.us



Metropolitan Milwaukee
Association of Commerce

AB 238, 240, 243

MMAC Testimony

April 18, 2017

**Steve Baas, Senior VP for Governmental Affairs and Public Policy
Metropolitan Milwaukee Association of Commerce**

Milwaukee's economy is global. Employment and capital investment decisions compete every day with the trends that both shape and shake our future. Investment will flow to regions that provide a stable platform from which employers can best innovate, produce and serve their customers.

For the first time since 1950, the working age population of the world's advanced economies are declining, and will continue to do so through 2050. Lower birth rates (dropping in half) and an aging population of non-working dependents will strain many economies.

Employers in the Milwaukee Region are feeling the ebb in the flow of this workforce tide. The metro area is projected to see the gap between available jobs and available workforce grow to 100,000 by 2023. These unfilled job openings are the projected result of modest economic growth, an aging workforce and a working age population (15-69) that will number 6,000 fewer than today.

We cannot afford to follow a course that leaves any talent on the sidelines. In 2016, 66% of African American Milwaukee Public Schools (MPS) students scored in the lowest category on the state exam in math and scored only 58% in ELA. Unless these results improve, too many of our citizens will be benched from an economy that needs productive, adaptive life-long learners.

Metropolitan Milwaukee is trapped in a cycle that drains the potential of far too many of its citizens before they even reach a classroom. What we know about giving children their best chance is not new in this community — or others. Chances for success are greatly enhanced if children are born at a normal birth-weight to a non-poor married mother with at least a high-school diploma. For a significant number of children in Milwaukee, this is NOT the case.

- 87% of all African American children in Milwaukee County are raised in families at or near poverty level income.
- 79% of Latino and other non-white children at or near poverty level.
- 86% of all Wisconsin births out of wedlock were to African American mothers, 10% higher than the U.S. average.

The statistical outcomes for these children as they grow older starkly defines the loss of potential:

- The cumulative risk an African American male high school dropout has of being incarcerated by his mid-30's is 70%.
- Only 50% of fathers under age 30 without a post-secondary degree are living with the mother of all their children.
- 33% of children born to low-income, low-education parents meet a succeeding benchmark (such as graduating from high school, waiting to have a child until after teenage years, or avoiding criminal behavior) by adulthood.

And the cycle for low-education, low-income children repeats in the following generations:

- 78% of high-school dropouts had their first child by age 25, compared to 3% of young men with a bachelor's degree or higher having a child by age 22.
- 22% is the unemployment rate of young people between 20 and 24 without a high school degree. For those with a bachelor's degree, unemployment is under 5%.

In short, if we do not do a better job of how we educate, graduate and incorporate people of color into our workforce, our regional economy – and thereby our Wisconsin economy – is unsustainable for the long term.

This somewhat lengthy introduction provides the context in which I will provide much briefer testimony in support of AB 238, AB 240, and AB 243. Neither of these bills will on their own solve all the challenges I've listed, but each in its own way provides a positive step toward creating a system of incentives that will move us closer to our goals.

AB 238

We know the odds of success for uneducated and undereducated individuals. By creating a pilot program tying Housing Choice Vouchers to work and training programs, AB 238 attempts to create an incentive that will help individuals receive the training necessary to successfully integrate challenged individuals into the workforce. It is our hope that this pilot program will result in the integration of more work-ready individuals into our economy and ensure that the taxpayer dollars put into the Housing Choice Program put a roof over the head of success rather than failure.

AB 240

In my opening statement, I highlighted the importance of education to both personal success and to the creation of a workforce pipeline capable of sustaining a growing economy. K-12 education is an integral part of that talent pipeline. There are schools throughout Milwaukee that are doing heroic things every day to educate an extremely challenged population of children. Even the best schools, however, cannot educate a child who is not in the classroom. In the 2014-15 school year, the truancy rate in MPS schools was 46%. That is over 32,000 students

who were habitually truant. By adding habitual truancy to the attendance requirements under Learnfare, AB 240 makes a strong effort to make sure our schools have the opportunity to get the children of parents on public assistance the education they will need if they are going to break out of an intergenerational cycle of dependency.

AB 243

Matching workforce needs with worker availability remains a stubborn problem throughout the metro Milwaukee area. Part of this problem stems from a location mismatch between where the jobs are located and where workers live. While at the MMAC we continue to support transit and transportation initiatives to help connect workers to jobs, looking at the feasibility and desirability of relocation grants for workers who would like to move closer to employment opportunities is another creative approach to the issue that should be investigated. Given the workforce challenge noted earlier, all approaches to getting un-and under-utilized talent off the sidelines of our economy and into jobs deserve a serious look at whether they are possible, desirable, and cost effective.