

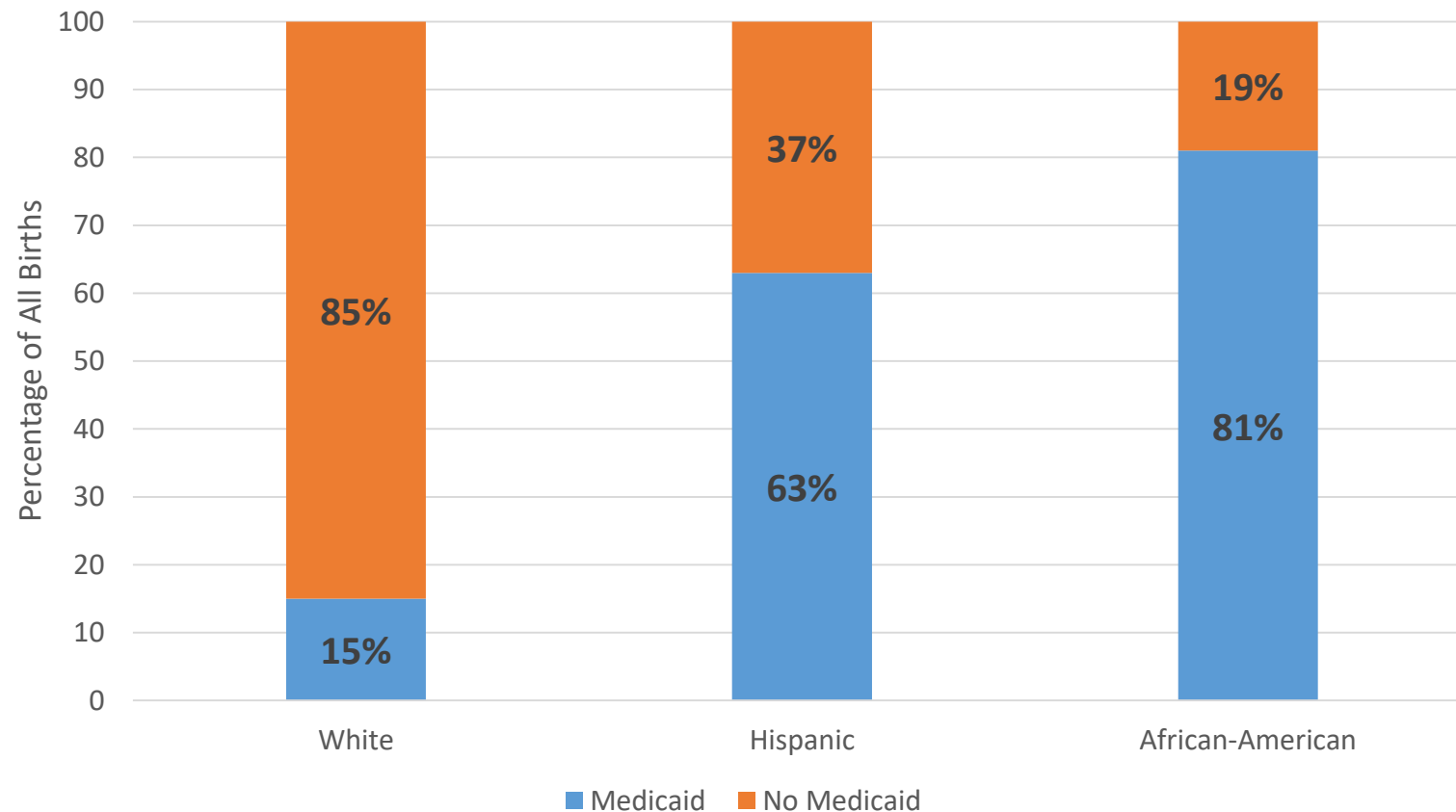
Birth Cost Recovery: A Birth Tax is Bad Policy for Wisconsin



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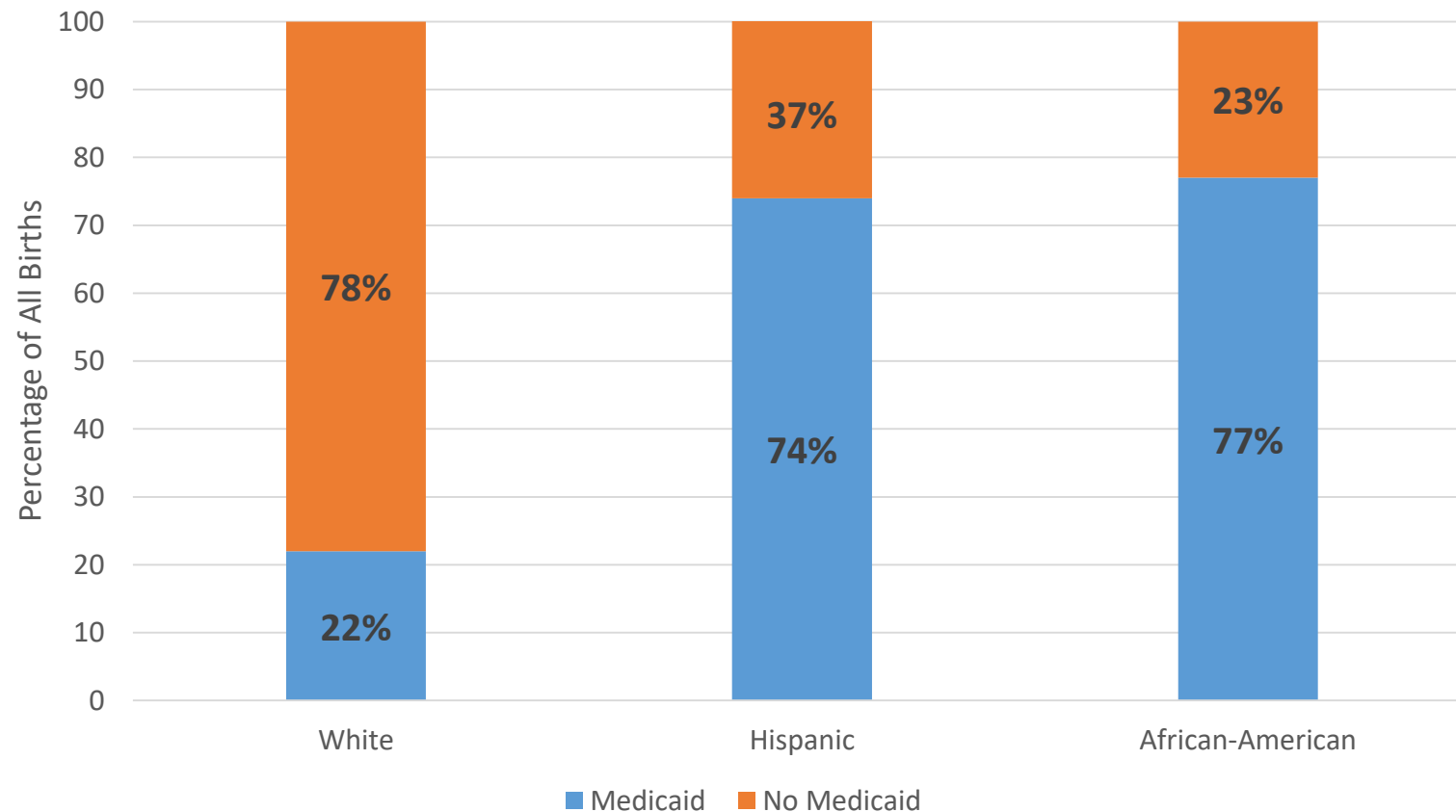
Birth Tax Disproportionately Impacts Minority Communities

2015 Dane County Births

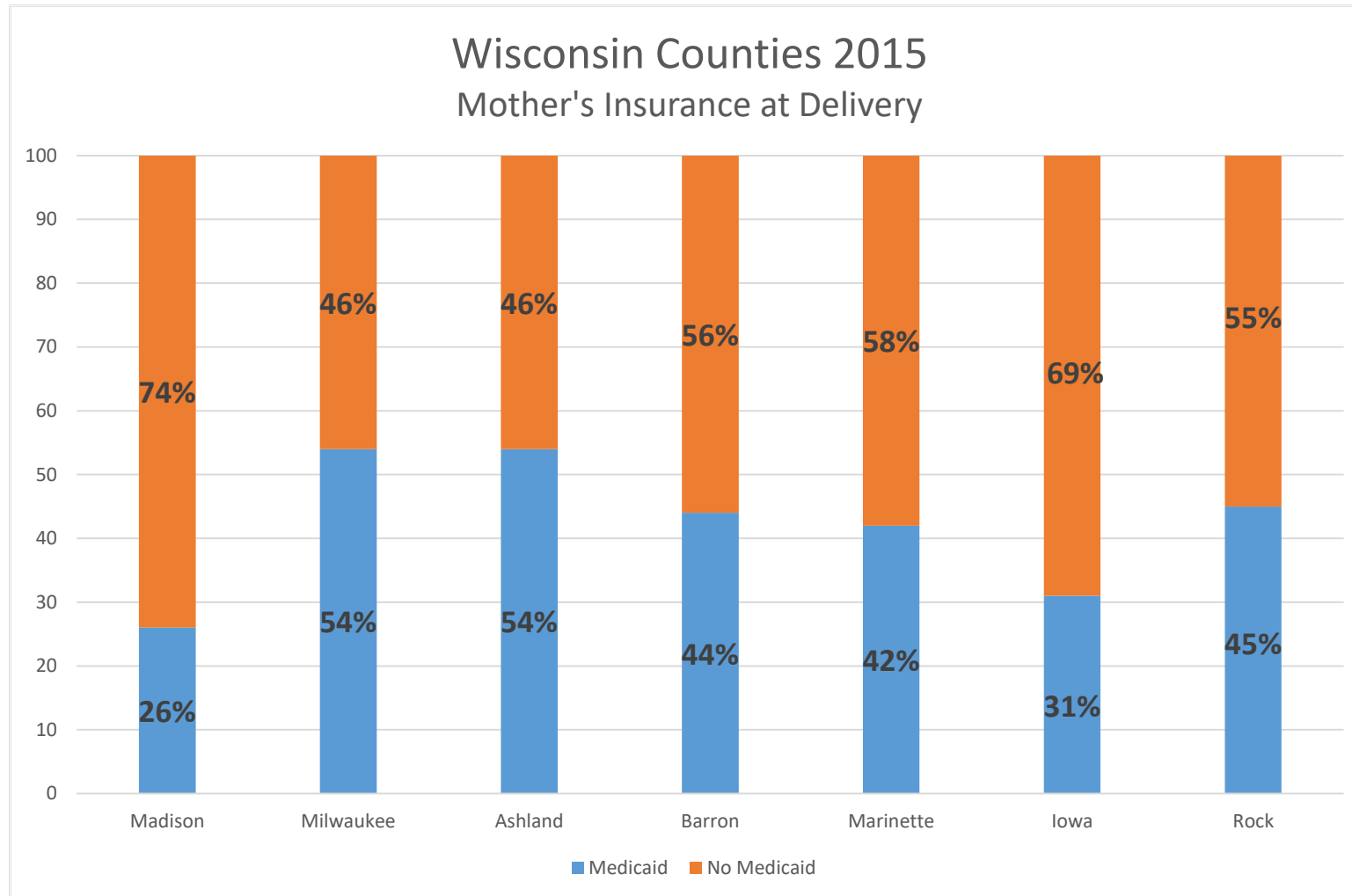


Birth Tax Disproportionately Impacts Minority Communities

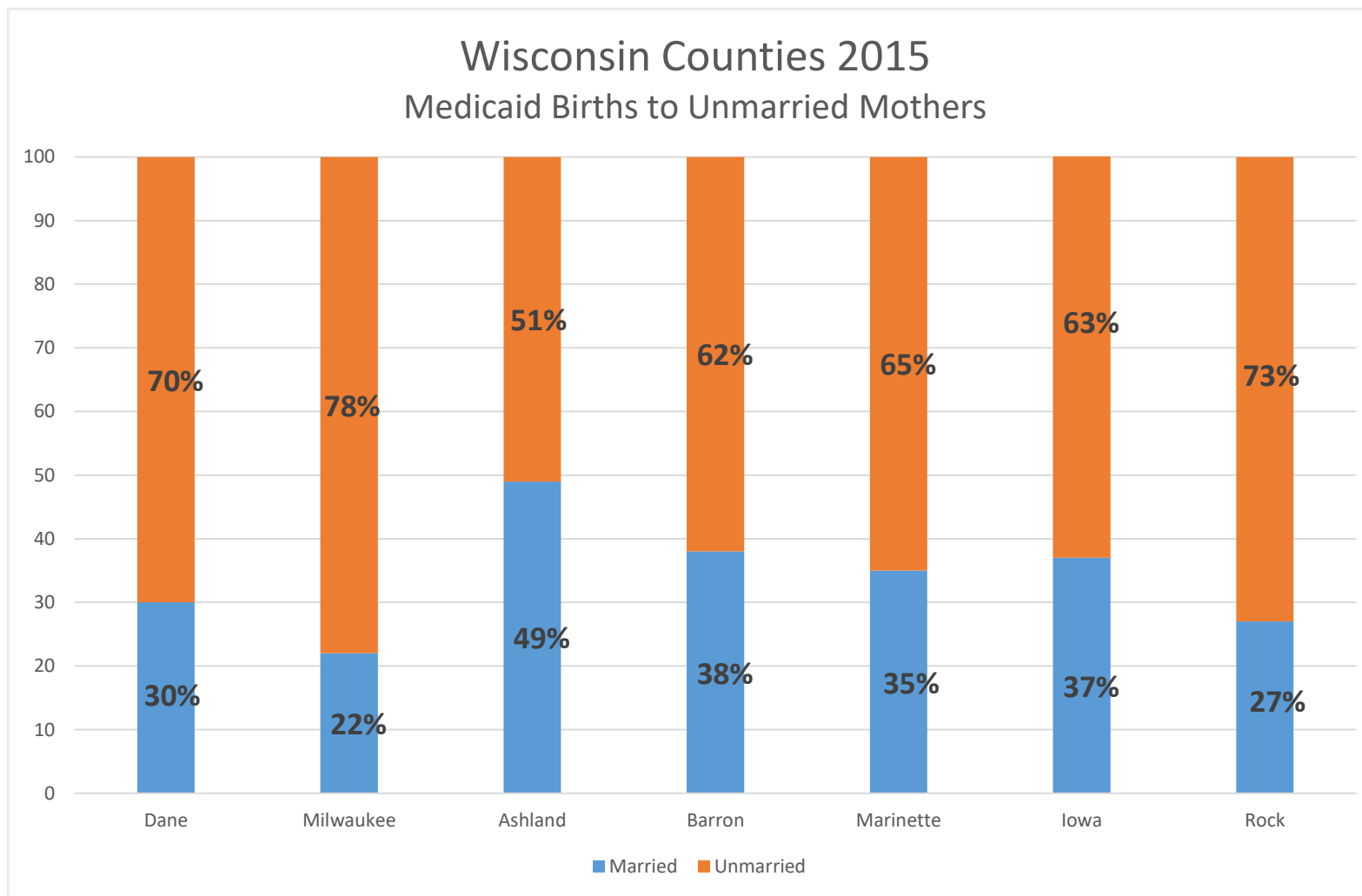
2015 Milwaukee County Births



Birth Tax Affects Both Rural and Urban Counties



Birth Tax Affects Both Rural and Urban Counties



Birth Tax Negatively Impacts Maternal and Child Health

Concerns about the Birth Tax cause some mothers to forego Medicaid enrollment and access to adequate prenatal care:

- **Concerns that the financial burden of a birth cost order will impact the father's willingness or ability to provide traditional child support;**
- **Concerns that a birth cost order will discourage the father from engaging in a parental role;**
- **Concerns that a birth cost order will deplete earnings available for the support of an intact family.**

21 Million Children's Health: Our Shared Responsibility, Medical Child Support Working Group Report to the Secretary of U.S. Dept. of Health and Hum. Svc's and Secretary of U.S. Dept. of Labor (June 2000).

What One Hand Giveth, the Other Hand Taketh Away: How New York's Pregnancy-Related Medicaid Recoupment Policy Hurts Low-Income Families, Greater Upstate Law Project, Inc. (Feb. 2000)



Birth Tax Negatively Impacts Fathers' Employment and Child Support

- **Birth cost orders reduce fathers' compliance with child support orders outside the formal employment sector.**
- **Birth cost orders reduce fathers' participation in the formal employment sector.**
- **Most fathers' lack legal representation in the process**

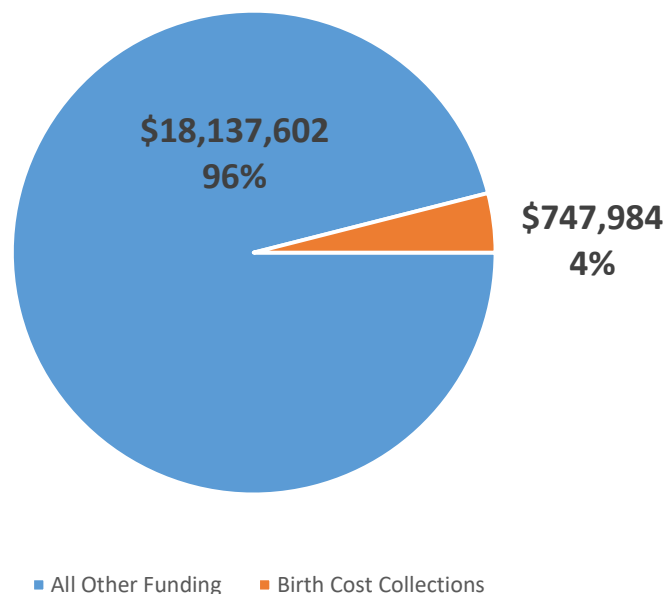
Judi Bartfeld, *Arrearages, Lying-in Orders, and Child Support Compliance among Fathers of W-2 Children in Wisconsin*, University of Wisconsin – Madison, Institute for Research on Poverty (Feb. 2005).

Maria Cancian, Carolyn Heinrich & Yiyoon Chung, *Does Debt Discourage Employment and Payment of Child Support? Evidence from a Natural Experiment*, University of Wisconsin – Madison, Institute for Research on Poverty, Discussion Paper no. 1366-09 (July 2009).

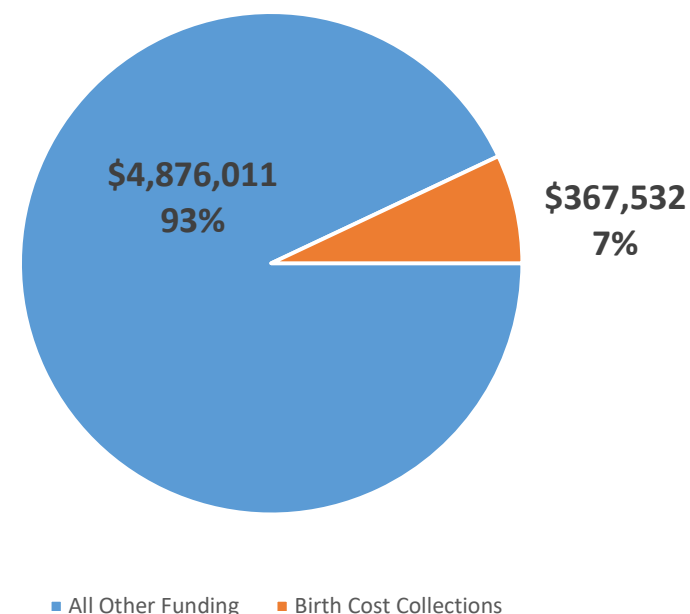


Birth Tax Collections Account for a Small Percentage of Child Support Budgets

Milwaukee Child Support Budget: 2016



Dane County Child Support Budget: 2016

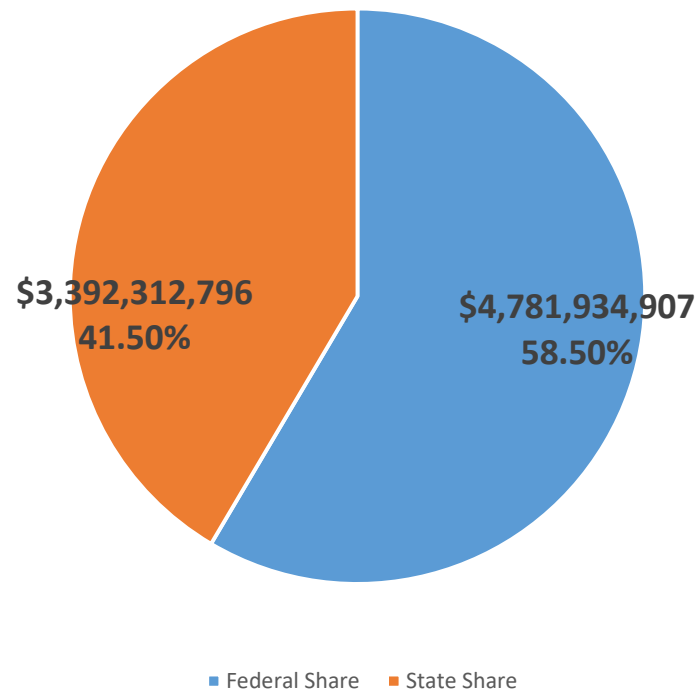


* Birth Tax collection figures include amounts actually collected plus 66% federal matching funds



Birth Tax Account for a Negligible Percentage of Wisconsin Medicaid Expenditures

2017 WI Medicaid Expenditures

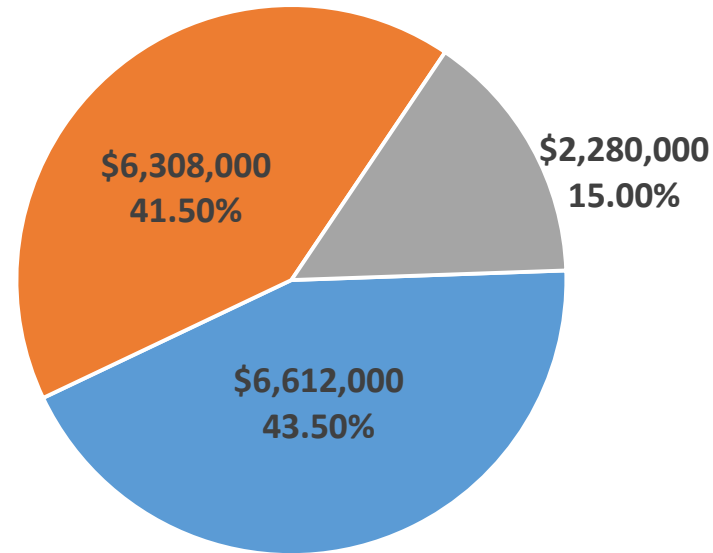


State Health Facts, Total Medicaid Spending, Henry J. Kaiser Family Foundation.



Birth Tax Reimbursements Account for a Negligible Percentage of Wisconsin Medicaid Expenditures

Division of Birth Cost Collections

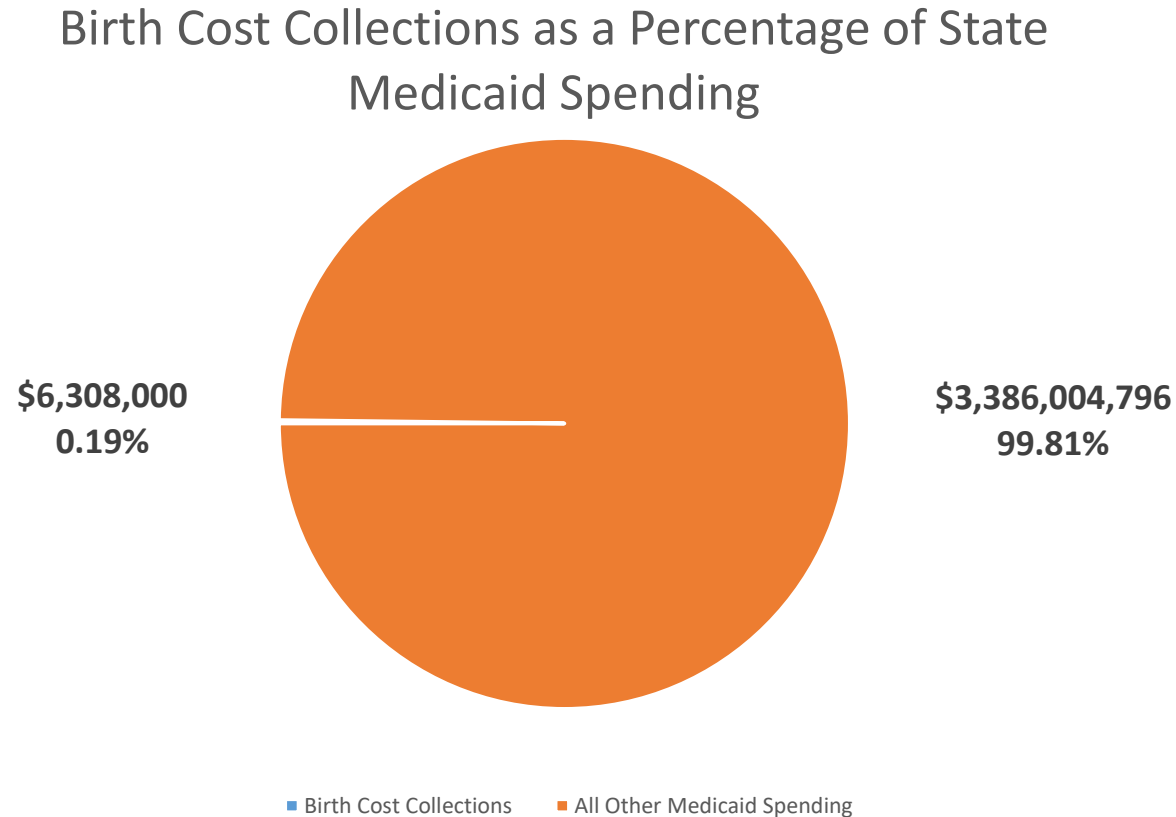


■ Federal Share ■ State Share ■ County Share

2017 Statewide Birth Cost Collections = \$15.2 million.



Birth Tax Revenues Account for a Negligible Percentage of Wisconsin Medicaid Expenditures

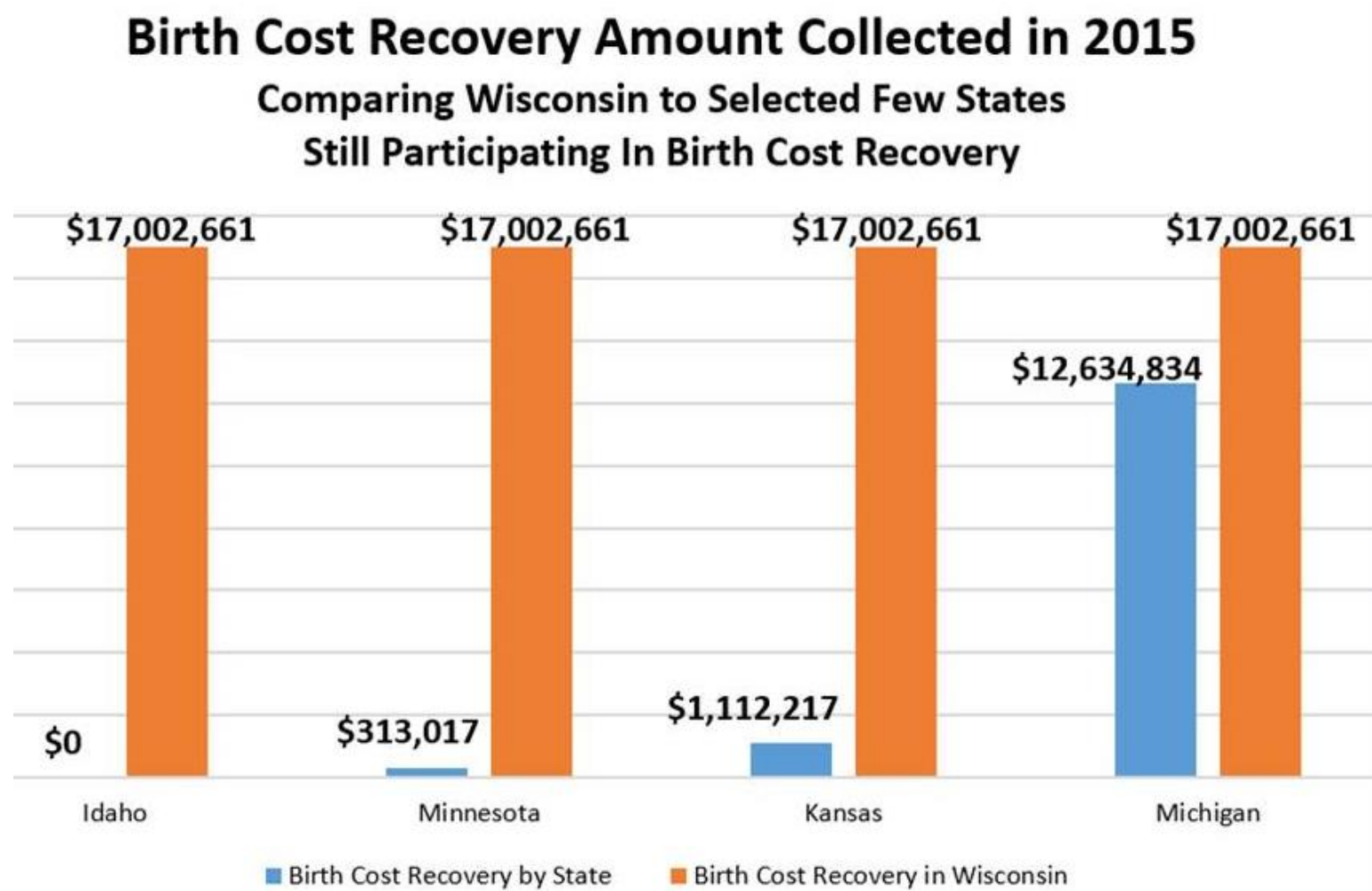


The Birth Tax: Bad Policy In Wisconsin

- WI leads the Country in assessing the Birth Tax
- Of the only 7 other states that pursue the Birth Tax, WI and MI are the only states that appear to have a significant program.
- Kansas and Minnesota ended or largely scaled back (Not in the best interests of the child)
- The Birth Tax ended in Idaho after a Court rules the Idaho Process violated the Equal Protections Clause of the US Constitution



The Birth Tax: Bad Policy In Wisconsin



Questions?

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