



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #889

Benefits for Pregnant Women (DWD -- Economic Support and Child Care)

Bill Agency

[LFB 2007-09 Budget Summary: Page 611, #7]

CURRENT LAW

A pregnant woman who would be eligible for a Wisconsin Works (W-2) employment position except that she is not a custodial parent of a dependent child is eligible for employment training, job search assistance services, and case management, provided by a W-2 agency. The pregnancy must be medically verified.

In addition, a person who meets the eligibility requirements for a W-2 employment position and who is a custodial parent of an infant who is 12 weeks old or less, may receive a monthly grant of \$673, unless another adult member of the W-2 group is participating in a W-2 employment position, or is employed in unsubsidized employment. The parent may not be required to participate in a W-2 employment position during the 12 weeks. Receipt of a caretaker of a newborn infant (CNI) grant does not constitute participation for purposes of time limits imposed on W-2 employment positions if the child was not born more than 10 months after the date the participant was first determined to be eligible for a W-2 employment position.

Participants in W-2 employment positions who receive temporary assistance for needy families (TANF) cash benefits are required to work a certain number of hours per week, and may be required to engage in education and training for a certain number of hours per week. Trial job participants do not have a number of required work hours, but are paid minimum wage for the number of actual hours worked. Community service job (CSJ) participants receive a grant of up to \$673 per month, may be required to work up to 30 hours per week, and may be required to participate in training activities for up to 10 hours per week. Participants in W-2 transitional placements receive a grant of up to \$628 per month, may be required to work up to 28 hours per week, and may be required to participate in education and training for up to 12 hours per week.

Grants to persons in both CSJs and transitional placements are reduced by \$5.15 per hour for missed work or education and training activities.

GOVERNOR

Increase funding by \$469,200 FED (TANF) in 2007-08 and \$938,500 FED in 2008-09 to extend W-2 grants beginning January 1, 2008, in the amount of \$673 per month, to women who do not have children and who are in their third trimester of an at-risk pregnancy.

Eligibility would be limited to an unmarried woman who: (a) would be eligible for W-2 except that she is not a custodial parent of a dependent child; and (b) is in the third trimester of a pregnancy that is medically verified and shown by medical documentation to be at risk, such that the woman is unable to participate in the workforce. A W-2 agency could not require such women to participate in any W-2 employment positions. Receipt of a grant under this provision would not constitute participation in a W-2 employment position for purposes of the time limits on program participation.

As under current law, the bill would make all other pregnant women, whose pregnancy is medically verified and who would be eligible for W-2 except that they are not custodial parents of a dependent child, eligible for employment training and job search assistance services provided by a W-2 agency.

DISCUSSION POINTS

1. Under federal TANF law, states have the option of making pregnant women eligible for cash assistance at any point during the pregnancy. Of the 50 states and the District of Columbia, 31 states and the District of Columbia offer TANF cash assistance to pregnant women who are not caring for a dependent child. Of the 31 states and the District of Columbia, pregnant women are eligible for cash assistance: (a) beginning in the first trimester of pregnancy in nine states; (b) beginning in the second trimester of pregnancy in 12 states and the District of Columbia; and (c) beginning in the third trimester in 10 states. Of the states that offer eligibility to pregnant women during the third trimester, two states, Florida and Vermont, offer eligibility only during the ninth month of pregnancy unless it is a high-risk pregnancy, in which case the pregnant woman is eligible during the entire last trimester of pregnancy. One state, Idaho, only offers eligibility to pregnant women during the last trimester if the woman is unable to work for medical reasons.

2. Similar to Idaho's policy, the Governor proposes to extend cash grants, beginning January 1, 2008, to eligible unmarried women who are not caring for a dependent child and who are in their third trimester of a medically verified, at-risk pregnancy, such that they cannot work. The grant amount would be the same as a CNI grant, which is \$673 per month. The bill provides \$469,200 FED in 2007-08 and \$938,500 FED in 2008-09 to fund grants for women who are in their third trimester of an at-risk pregnancy.

3. The funding provided under the bill reflects the grant amount for a monthly caseload of 134 unmarried pregnant women who are in their third trimester of an at-risk pregnancy at an average benefit level of \$585 per month. Although the grant amount would be \$673 per month under the bill, \$585 per month represents the average benefit amount paid per month for all W-2 placement types. The caseload assumes that 54.4% of the CNI grant recipients, which would be a caseload of 1,300 under the bill, would not have other dependent children (caseload of 707), and that 18.9% of these CNI grant recipients would have at-risk pregnancies (caseload of 134), based on information from the Centers for Disease Control and Prevention regarding the number of at-risk pregnancies.

4. However, a more recent estimate of the CNI caseload is 1,350 per month, rather than the 1,300 under the bill, a more recent estimate of CNI grant recipients who would not have other dependent children is 38%, rather than 54.4% under the bill, and a more recent estimate of the average benefit paid for CNI grant recipients is \$553. Due to the timing of when a CNI grant recipient enters or leaves the W-2 placement, the grant amount could be less than \$673 per month. The average all CNI grant recipients received from January, 2006, through March, 2007, was \$553 per month.

5. As a result, the caseload of pregnant women who are in their third trimester of an at-risk pregnancy would be 97. With a caseload of 97 and a benefit level of \$553 per month, benefits would total \$321,800 FED in 2007-08 and \$643,700 FED in 2008-09. The Committee could retain the statutory changes recommended by the Governor and reduce funding by \$147,400 FED in 2007-08 and \$294,800 FED in 2008-09 to reflect these revised estimates.

6. The Committee could also eliminate this provision. As indicated above, 19 states do not offer cash benefits to pregnant women. In addition, low-income pregnant women may receive services through a variety of programs, which could address basic needs such as medical care and food. However, these services are also provided to custodial parents of infants, and these custodial parents do receive cash benefits through CNI grants.

7. The bill would also exclude the receipt of grants of pregnant women in their third trimester of an at-risk pregnancy from the federal and state time limits imposed on TANF and W-2 recipients.

8. The Committee could require receipt of grants to pregnant women in their third trimester of an at-risk pregnancy to count towards the time limits. Although under current law receipt of CNI grants does not count towards the time limits if the child was not born more than 10 months after the date the participant was first determined eligible for a W-2 employment position, the bill would change current law so that receipt of grants would count towards the time limits. The Committee could treat receipt of grants to pregnant women in their third trimester of an at-risk pregnancy the same as the receipt of CNI grants under the bill.

ALTERNATIVES TO BILL

A. Funding Level

1. Adopt the Governor's proposal to provide \$469,200 FED in 2007-08 and \$938,500 FED in 2008-09 to extend grants, beginning January 1, 2008, to women who do not have children and who are in their third trimester of an at-risk pregnancy.

ALT A1	Change to Bill Funding	Change to Base Funding
FED	\$0	\$1,407,700

2. Modify the Governor's proposal to reduce funding by \$147,400 FED in 2007-08 and \$294,800 FED in 2008-09 to account for revised estimates of providing the grants.

ALT A2	Change to Bill Funding	Change to Base Funding
FED	-\$442,200	\$965,500

3. Delete provision.

ALT A3	Change to Bill Funding	Change to Base Funding
FED	-\$1,407,700	\$0

B. Time Limits

In addition to Alternative A1 or A2:

1. Adopt the Governor's proposal that receipt of a grant for women who do not have children and who are in their third trimester of an at-risk pregnancy would not constitute participation in a W-2 employment position.

2. Modify the Governor's proposal to specify that receipt of a grant for women who do not have children and who are in their third trimester of an at-risk pregnancy would constitute participation in a W-2 employment position.

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