



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #187

Children First (Children and Families - Economic Support and TANF-Funded Programs)

[LFB 2019-21 Budget Summary: Page 69, #13]

CURRENT LAW

The Children First program provides job training and work experience to noncustodial parents to promote the emotional and financial responsibility that noncustodial parents have for their children. A noncustodial parent who has no current means of meeting a child support obligation may be ordered to participate in the program by a court under an action to create or modify a support order or in a contempt of court proceeding to enforce a child support order. A court may order a noncustodial parent to a Children First program in another county if the program is reasonably close and the other county agrees to accept the parent.

A court may order a parent into Children First if it determines that the parent is able to work full-time, works on average less than 32 hours per week, is earning less than his or her ability to earn, and lives in a county offering Children First services. Participation in Children First does not reduce the parent's child support liabilities, which must still be paid. A participant successfully completes the program by fulfilling child support obligations for three consecutive months or by completing 16 weeks of employment and training activities. Participants are reimbursed a maximum of \$25 per month for transportation costs associated with participating in the program.

The Children First program is administered by the Department of Children and Families (DCF). However, DCF may contract with a county child support agency, county human/social services agency, tribal governing body, or Wisconsin Works (W-2) agency to administer the program locally. DCF is required to pay a W-2 agency, county, or tribal governing body administering the program up to \$400 per year to provide services to each participant. Additional program costs are paid by the agency, county, or tribal governing body.

In 2018-19, \$1,140,000 is budgeted for the program from federal funds under the Temporary Assistance for Needy Families (TANF) block grant.

GOVERNOR

Provide an additional \$1,140,000 FED (TANF) annually to increase funding for the Children First program, so that \$2,280,000 FED would be budgeted for the program annually. The funding is intended to double the maximum reimbursement to participating agencies, from up to \$400 per year for each participant, to up to \$800 per year for each participant.

DISCUSSION POINTS

1. Program participants receive services that are intended to improve their ability to pay court ordered support and to provide overall support to their children. These services may include case management, services to assist the noncustodial parent in finding and maintaining employment, skills training, and parenting. Local programs may offer additional services to enhance program outcomes, such as fatherhood and peer support services. However, Children First funding may only be used to support activities pertaining to employment. The activities of all Child First enrollees are tracked and monitored in the state's client assistance for re-employment and economic support (CARES) system.

2. In 2017, courts ordered 1,652 parents owing support to participate in Children First. Of those persons, 691 participants successfully completed the 16-week program and another 263 parents became consistent in making their child support payments.

3. DCF indicates that the current maximum payment of \$400 per participant per year does not fully fund program costs. As a result, a significant number of counties have discontinued their participation in the program.

4. The attachment provides information on current and past county participation in the program. The attachment shows that more than 40 local programs have discontinued offering the program since its inception in 1990, when two pilot counties, Racine and Fond du Lac counties, began offering services as part of the state's welfare reform initiatives, pursuant to 1987 Wisconsin Act 413. In 2008, 35 counties and 1 tribe contracted to administer a local program. In 2014, only 21 counties and 1 tribe administered the program.

5. For calendar year 2019, DCF contracted with 13 counties and two W-2 agencies to operate Children First in 22 counties: Dane, Jefferson, Kenosha, Marinette, Milwaukee, Oneida, Outagamie, Portage, Racine, Sheboygan, Walworth, Waukesha, Wood, Workforce Connections (WCI), and Workforce Resource (WRI). The contract with Outagamie County also serves Calumet County. Workforce Connections is under contract to serve Buffalo, Monroe, Juneau, Trempealeau, and La Crosse Counties. Workforce Resource is under contract to serve Ashland, Burnett, and Pierce Counties.

6. The reimbursement from DCF to participating local programs was most recently

increased from up to \$200 per year for each participant to up to \$400 per year for each participant in 1999 Act 9. Act 9 established the current annual funding level for the program (\$1,140,000), beginning in 1999-00. Thus, total state funding for the program and the annual maximum per capita reimbursement payments to local programs has not increased since then.

7. According to DCF, the proposed increase in payment from \$400 per participant to \$800 per participant would create a greater incentive for counties to participate in the program. On May 1, 2019, the Department of Administration submitted an errata seeking a modification to the bill to update the statutes relating to the children first program so that the \$400 limit would be increased to \$800, reflecting the administration's intent.

8. It is not known how many, or which, counties would choose to participate with the higher annual maximum per capita payments.

9. Based on the decline in local participation in the program, the Committee could approve the Governor's recommended funding increase for the program. As part of this alternative, the current annual maximum reimbursement limit would be increased from \$400 to \$800 per year (Alternative 1). Alternatively, the Committee could reduce funding in the bill by \$570,000 FED annually, and increase the annual per capita reimbursement limit from \$400 to \$600 (Alternative 2).

10. In recent years, DCF has not fully expended the TANF amounts budgeted for the program, due to decreasing local participation. TANF- funded program costs totaled \$673,600 in 2016-17 and \$596,200 in 2017-18 -- approximately 52% of the amount budgeted for the program.

11. Since DCF is not currently expending the full amount of the TANF allocation for the program, the Committee could maintain base funding for the program (\$1,140,000 FED), but increase the maximum reimbursement for currently participating counties from \$400 per year for each participant to \$800 per year for each participant (Alternative 3). This alternative would likely enable DCF to fully expend base funding for the program, and may encourage other counties and tribes to participate in the program in the future.

ALTERNATIVES

1. Approve the Governor's recommendation to allocate an additional \$1,140,000 FED annually from TANF block grant funds to increase payments to participating counties, W-2 agencies, and tribal governments, so that \$2,280,000 annually would be budgeted for the program. In addition, increase, from \$400 to \$800 the maximum annual per capita reimbursement rate.

ALT 1	Change to	
	Base	Bill
FED	\$2,280,000	\$0

2. Reduce funding in the bill by \$570,000 FED annually from TANF block grant fund to increase payments to participating counties, W-2 agencies, and tribal governments so that \$1,710,000

FED annually would be budgeted for the program. In addition, increase from \$400 to \$600 the maximum annual per capita reimbursement rate.

ALT 2	Change to	
	Base	Bill
FED	\$1,140,000	- \$1,140,000

3. Delete the funding increase in the bill (-\$1,140,000 FED annually). In addition, increase from \$400 to \$800 the maximum annual per capita reimbursement rate.

ALT 3	Change to	
	Base	Bill
FED	\$0	- \$2,280,000

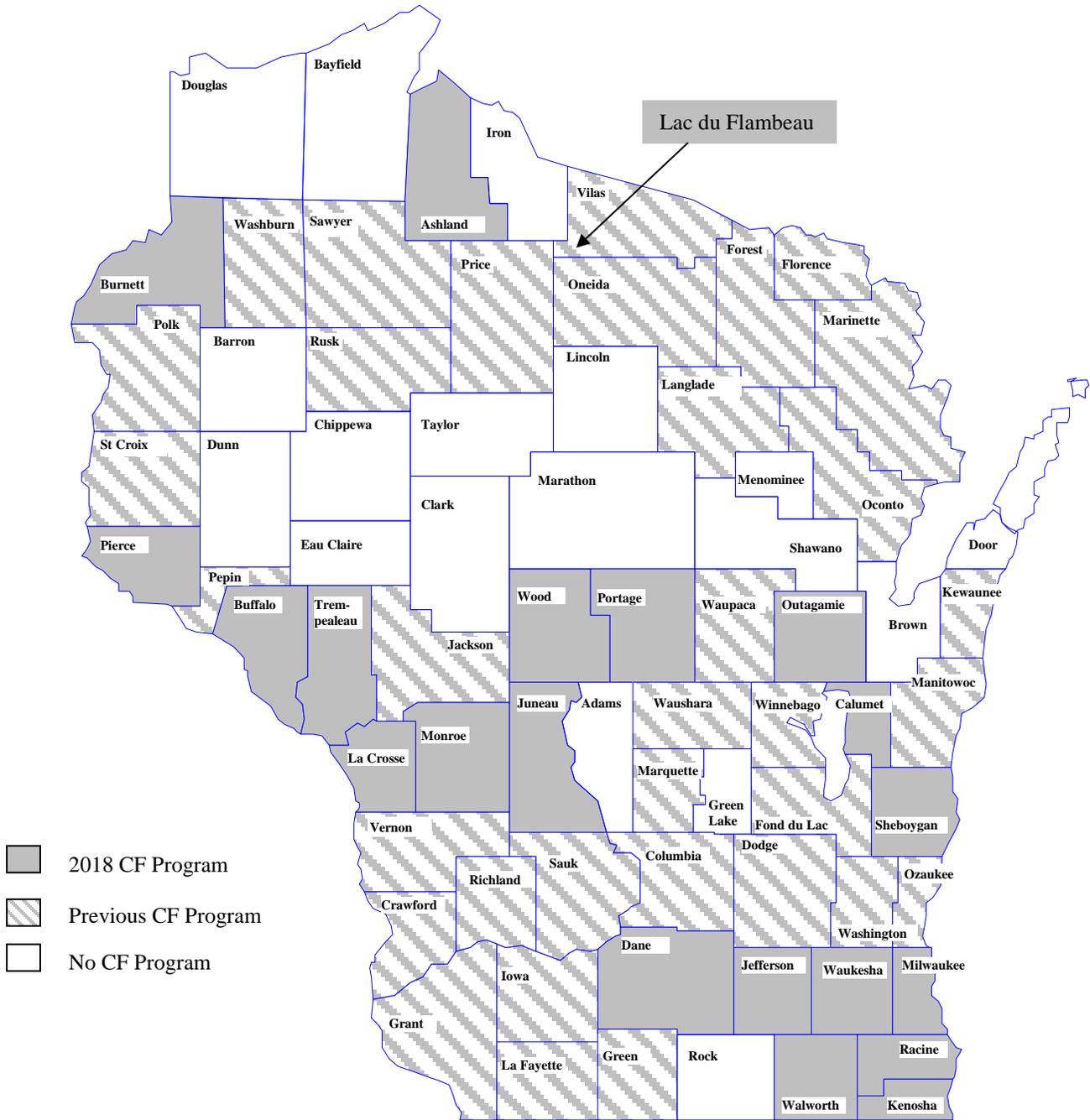
4. Take no action.

ALT 4	Change to	
	Base	Bill
FED	\$0	- \$2,280,000

Prepared by: John D. Gentry
Attachment

ATTACHMENT

Children First Programs



Counties and Tribes with 2018 Children First Programs		
Ashland	Buffalo	Burnett
Calumet	Dane	Jefferson
Juneau	Kenosha	La Crosse
Lac du Flambeau Tribe	Milwaukee	Monroe
Pierce	Portage	Outagamie
Racine	Sheboygan	Trempealeau
Walworth	Waukesha	Wood