



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #853

Temporary Assistance for Needy Families (TANF)

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

[LFB 2005-07 Budget Summary: Page 555, #11]

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 \$685,800 in 2005-06 and \$1,371,600 in 2006-07 to extend W-2 grants, beginning January 1, 2006, 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. Of these amounts, \$341,400 in 2005-06 and \$682,800 in 2006-07 would fund W-2 benefits, and \$344,400 in 2005-06 and \$688,800 in 2006-07 would fund W-2 services.

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.

As under current law, 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, would be 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) during the first trimester of pregnancy in eight states; (b) during the second trimester of pregnancy in 12 states and the District of Columbia; and (c) during the third trimester in 11 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 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, 2006, 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 caretaker of a newborn infant (CNI) grant, which is \$673 per month. The bill provides \$341,400 in 2005-06 and \$682,800 in 2006-07 to fund grants for women who are in their third trimester of an at-risk pregnancy.

3. In addition to the grant amount, the administration estimates that services would be

provided to this group of women in the amount of \$679 per month. Services would include case management, job search assistance, resume preparation, child care search, and counseling. The bill provides \$344,400 in 2005-06 and \$688,800 in 2006-07 to fund services for women who are in their third trimester of an at-risk pregnancy.

4. The funding provided under the bill, \$685,800 in 2005-06 and \$1,371,600 in 2006-07, reflects the grant and services amount for a monthly caseload of 85 unmarried pregnant women who are in their third trimester of an at-risk pregnancy. The caseload assumes that 49.83% of the CNI grant recipients, which would be a caseload of 900 under the bill, would not have other dependent children (caseload of 448), and that 18.85% of these CNI grant recipients would have at-risk pregnancies (caseload of 85), based on information from the Centers for Disease Control and Prevention regarding the number of at-risk pregnancies.

5. The CNI caseload is now estimated at 1,183 per month, rather than the 900 under the bill. As a result, the caseload of pregnant women who are in their third trimester of an at-risk pregnancy would be 111. With a caseload of 111, benefits would total \$448,200 in 2005-06 and \$896,400 in 2006-07. Services would total \$452,200 in 2005-06 and \$904,400 in 2006-07. The Committee could provide an additional \$214,600 in 2005-06 and \$429,200 in 2006-07 to fully fund cash benefits and services to pregnant women in their third month of an at-risk pregnancy.

6. The Committee could eliminate funding for services for pregnant women who are in their third month of an at-risk pregnancy. It could be reasonable to assume that if these women are medically unable to work, they would be unable to participate in services offered by the W-2 agencies. Further, some of these women may be unemployed due solely to their at-risk status. Therefore, after the birth of the child, they would be returning to the unsubsidized workforce, which would render the need for services unnecessary. Finally, if services were needed, they could be provided after the birth of the child, while the woman may be receiving a CNI grant, which occurs under current law. As a result, no further funding for services would be necessary. The Committee could reduce funding by \$237,600 in 2005-06 and \$475,200 in 2006-07 to eliminate funding for services, but fully fund cash grants for pregnant women who are in their third trimester of an at-risk pregnancy.

7. 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.

8. The bill would also exclude the receipt of grants to 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.

9. 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 CNI 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

A. Funding Level

1. Adopt the Governor's proposal to extend grants, beginning January 1, 2006, in the amount of \$673 per month, and services to women who do not have children and who are in their third trimester of an at-risk pregnancy, and provide additional funding of \$214,600 FED in 2005-06 and \$429,200 FED in 2006-07 to reflect a reestimate of the caseload of women who would receive such benefits.

<u>Alternative A1</u>	<u>FED</u>
2005-07 FUNDING (Change to Bill)	\$643,800

2. Modify the Governor's proposal to extend grants and services to women who do not have children and who are in their third trimester of an at-risk pregnancy, beginning January 1, 2006, to provide funding for grants (using the revised caseload estimate) and eliminate funding for services. Reduce funding by \$237,600 FED in 2005-06 and \$475,200 FED in 2006-07.

<u>Alternative A2</u>	<u>FED</u>
2005-07 FUNDING (Change to Bill)	- \$712,800

3. Delete provision.

<u>Alternative A3</u>	<u>FED</u>
2005-07 FUNDING (Change to Bill)	- \$2,057,400

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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