



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #895

### TANF Program Reduction Options (DWD -- Economic Support and Child Care)

#### *Bill Agency*

[LFB 2007-09 Budget Summary: Page 617, #17 and #18]

#### **CURRENT LAW**

Under current law, funds from the temporary assistance for needy families (TANF) block grant and child care development block grant (CCDBG) are used for a variety of programs to assist low-income families.

#### **GOVERNOR**

The following table shows base level funding, the Governor's recommended funding levels, and the proposed change to base for the TANF-related programs discussed in this paper.

<u>Program</u>	<u>Base Funding</u>	<u>Governor</u>		<u>Change to Base</u>	
		<u>2007-08</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2008-09</u>
Children First	\$1,140,000	\$1,140,000	\$1,140,000	\$0	\$0
Child Welfare Prevention Services	1,489,600	1,489,600	1,489,600	0	0
Educare Center of Milwaukee	0	750,000	750,000	750,000	750,000
Boys and Girls Clubs of America	<u>300,000</u>	<u>350,000</u>	<u>350,000</u>	<u>50,000</u>	<u>50,000</u>
Total	\$2,929,600	\$3,729,600	\$3,729,600	\$800,000	\$800,000

## **DISCUSSION POINTS**

1. As shown in a separate reestimate paper, W-2 and TANF-related programs show a deficit, which is primarily due to increased costs in the Wisconsin Shares program. In addition, the Governor, in SB 40, would implement several cost saving measures in the Wisconsin Shares program, including attendance-based reimbursement payments, a lower income eligibility threshold, and the establishment of a waiting list for non-Wisconsin Works (W-2) participants. The bill would also reduce TANF funding for the earned income tax credit so that more TANF funding would be available for other TANF-related programs, including Wisconsin Shares.

2. The Committee may not wish to adopt some or all of the cost saving measures for the Wisconsin Shares program, or may not wish to reduce TANF funding for the earned income tax credit, and could consider eliminating or reducing funding for several other programs in order to address the deficit in Wisconsin Shares or to increase funding for other TANF-related programs. These are discussed below.

### **Children First**

3. The bill would maintain base funding of \$1,140,000 FED annually for the children first program. The program provides job training and work experience to low-income or underemployed noncustodial parents to help them meet their child support financial obligations. A noncustodial parent who has no current means of meeting a child support obligation may be ordered by a court into the program. Children first participants often face significant barriers to meaningful employment, including low education achievement, poor work histories, alcohol and/or drug abuse problems, and criminal records. The program is administered through partnerships between county child support agencies, W-2 agencies, and the county or tribal judicial system. It currently operates in 39 counties and the Lac du Flambeau tribe.

4. Under the program, the Department of Workforce Development (DWD) reimburses the county child support or W-2 agency at a rate of up to \$400 per participant. Currently, about 3,300 persons participate in the program per year. Costs above those reimbursed by DWD are funded by the county.

5. The Committee could reduce the reimbursement rate from \$400 per participant to \$200 per participant and reduce funding by \$570,000 FED annually. Prior to 2000, the reimbursement rate was up to \$200. However, the rate was increased to the current level under 1999 Wisconsin Act 9 (the 1999-01 biennial budget act) in recognition of the actual costs of the program.

6. Alternatively, the Committee could eliminate the children first program and reduce funding by \$1,140,000 FED annually to offset the Wisconsin Shares deficit or increase funding for other programs.

7. However, in the past, concerns have been raised about the need to provide additional services to noncustodial parents to enable them to provide enhanced financial support to their

children. Increased child support payments could help some families achieve self-sufficiency and be less reliant on public assistance programs.

### **Child Welfare Prevention Services (Primary Prevention Grant Program)**

8. SB 40 would maintain TANF funding for the primary prevention grant program in the Department of Health and Family Services at \$1,489,600 FED annually. The TANF funding was first provided in 2000-01 and replaced GPR funding that was previously budgeted for the program. State (GPR) funding was initially provided as part of the state's assumption of child welfare responsibilities in Milwaukee County on January 1, 1998. The state agreed to continue funding this contract as part of its child welfare costs in Milwaukee County, since the county has supported this grant prior to the state assumption of child welfare activities in the county.

9. The TANF funding supports two initiatives to reduce the incidence of child abuse and neglect in Milwaukee County: (a) home visiting for at-risk pregnant women and families residing in part of Milwaukee County (\$912,100); and (b) community-based grants for prevention services (\$577,500). Through a competitive request for proposal process, DHFS allocated all of the 2007 home visiting program funding to the City of Milwaukee Health Department and \$387,800 of the 2007 community-based grant funds to Community Advocates. The remainder of the grant (\$189,700) was provided to La Causa in the City of Milwaukee to fund the Crisis Nursery and Respite Center.

10. The City of Milwaukee Health Department (MHD) administers the home visiting program in Milwaukee, known as Empowering Families of Milwaukee (EFM). The \$912,100 home visiting program funds 7.0 MHD nursing staff positions in the program, as well as community health and social workers in five additional community-based organizations. These organizations (Aurora Family Service, Children's Family and Community Partnership, La Causa, The Parenting Network, and St. Vincent de Paul Society of Milwaukee) provide home visiting services with the MHD nursing staff to six zip codes in Milwaukee County--53204, 53205, 53206, 53208, 53212, and 53233. Home visiting services are provided to: (a) first-time mothers who are eligible for medical assistance (MA); (b) MA-enrolled mothers who have had a previous poor birth outcome; (c) pregnant teens or other high-risk women who qualify for prenatal care coordination; and (d) undocumented pregnant women. As of March, 2007, 102 women are enrolled in EFM, including 38 pregnant women and 64 parenting women.

11. In 2006, home visitation providers who were subcontractees of MHD were reimbursed \$263,500 in federal MA funds through the child care coordination benefit to fund case management activities, in addition to the TANF funding they received.

12. In 2005 and 2006, Community Advocates allocated \$577,500 of the TANF grant from DHFS to nine providers in Milwaukee County to support prevention-related services: IMPACT, La Causa Crisis Nursery, Milwaukee Urban League, New Concept, Rosalie Manor, Task Force on Family Violence, The Counseling Center, The Parenting Network, and Walkers Point.

13. The Committee could consider reducing or eliminating funding for this program in order to provide TANF funds for other purposes. The Committee could choose to reduce funding for one or both prevention programs. Deleting all of the TANF funds for this program would free up \$1,489,600 annually that could be used offset the Wisconsin Shares deficit, replace other revenue sources, or increase funding for other programs.

14. Eliminating these funds, however, would reduce the number of services available for parents and families in Milwaukee County.

### **Educare Center of Milwaukee**

15. The bill would provide \$750,000 FED annually for the Educare Center of Milwaukee. Educare provides center-based developmental child care for children from birth to five years old. The first Educare Center was created in Chicago by the Ounce of Prevention Fund. Another center was opened in Omaha, Nebraska, and additional locations may be added. The Educare Center of Milwaukee opened in September, 2005. Currently, 150 children are enrolled.

16. The Educare model has the following characteristics: (a) uses research-based strategies; (b) emphasizes prenatal services and encourages the use of doulas (community women who are intensively trained to provide information and emotional support to pregnant and birthing teens, through the prenatal period); (c) implements reflective supervision and practice; (d) provides strong emphasis on social and emotional development; (e) provides enhanced focus on language and literacy; (f) maintains high teacher qualifications and intensive staff development (master teachers with advanced degrees supervise every three to four classrooms; lead teachers with a bachelor's degree and course work in early childhood; assistant teacher with an associate's degree that includes courses in early childhood; and teacher aides with high school diplomas and courses or credentials in child development or child care); (g) maintains high staff to child ratio (ratio of three to eight in infant-toddler rooms and ratio of three to 17 in three-five year old rooms); (h) provides continuity of care to help children develop secure relationships; (i) offers on-site family support; and (j) integrates the arts into the program to strengthen social and emotional development, language, and literacy.

17. The Committee could eliminate the grant for the Educare Center of Milwaukee and reduce funding by \$750,000 FED annually to offset the Wisconsin Shares deficit or increase funding for other programs. Funding in the amount of \$250,000 GPR in 2005-06 and \$750,000 GPR in 2006-07 was provided for Educare from the appropriation for aid for children-at-risk programs in the Department of Public Instruction (DPI). TANF funding for Educare would replace the GPR funding provided by DPI in 2006-07.

18. However, the grant to the Educare Center of Milwaukee is a part of the Governor's initiative to increase the quality of child care. The Educare Center of Milwaukee may serve as a high quality child care model for other child care providers in the state.

## Boys and Girls Clubs of America

19. Funding for the community youth grants program began in 1999-00, and was budgeted \$7,500,000. The program sought to improve social, academic, and employment skills, and to strengthen relationships between youth and their parents, schools, and neighborhoods. The program provided funds for targeted and competitive grants for services to youth ages five to 18 from TANF-eligible families with income at or below 200% of the federal poverty level. Services included parenting skills training, drug and pregnancy prevention, assessing and identifying learning disabilities, academic remediation and advancement, after-school care programs, cultural awareness programs, career counseling, and life management skills training.

20. Funding for the competitive grants was eliminated in 2002-03. Instead, \$300,000 annually was provided to the Boys and Girls Clubs of America to improve social, academic, and employment skills of TANF-eligible youth. The bill would provide an additional \$50,000 annually for the Boys and Girls Clubs of America, for a total of \$350,000 annually.

21. The Committee could reduce funding by \$50,000 annually. This would leave TANF grant funding for the Boys and Girls Clubs of America at the same level (\$300,000 annually) as it has been since 2002-03.

22. Alternatively, the Committee could eliminate funding of \$350,000 annually for the Boys and Girls Clubs of America to help offset the Wisconsin Shares deficit or increase funding for other programs.

23. However, funding for community youth, either through the community youth grants program or the Boys and Girls Clubs of America, has been reduced from \$7,500,000. Without the funds for the Boys and Girls Clubs of America, there would be no TANF funding targeted to improve social, academic, and employment skills of TANF-eligible youth.

## ALTERNATIVES TO BILL

### A. Children First

1. Approve the Governor's recommendation on the funding level for children first as provided under the bill in the amount of \$1,140,000 FED annually.

2. Reduce funding by \$570,000 FED annually to provide a reimbursement rate of \$200 per participant, rather than \$400 under current law.

ALT A2	Change to Bill Funding	Change to Base Funding
FED	- \$1,140,000	- \$1,140,000

3. Reduce funding by \$1,140,000 FED annually to eliminate the children first program.

Delete the statutory authority and allocation.

<b>ALT A3</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$2,280,000	-\$2,280,000

## **B. Child Welfare Prevention Services**

1. Approve the Governor's recommendation on the funding level for child welfare prevention services as provided under the bill in the amount of \$1,489,600 FED annually.

2. Reduce funding by \$912,100 FED annually to delete funding for the home visiting component of child welfare prevention services.

<b>ALT B2</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$1,824,200	-\$1,824,200

3. Reduce funding by \$577,500 FED annually to delete funding for the community-based grants component of child welfare prevention services.

<b>ALT B3</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$1,155,000	-\$1,155,000

4. Reduce funding by \$1,489,600 FED annually to eliminate TANF funding for child welfare prevention services. Delete the statutory allocation.

<b>ALT B4</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$2,979,200	-\$2,979,200

## **C. Educare Center of Milwaukee**

1. Approve the Governor's recommendation on the funding level for a grant to the Educare Center of Milwaukee under the bill in the amount of \$750,000 FED annually.

<b>C1</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	\$0	\$1,500,000

2. Reduce funding by \$750,000 FED annually to eliminate TANF funding for the Educare Center of Milwaukee. Delete the statutory allocation.

<b>ALT C2</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$1,500,000	\$0

#### **D. Boys and Girls Clubs of America**

1. Approve the Governor's recommendation on the funding level for grants to the Boys and Girls Clubs of America under the bill in the amount of \$350,000 FED annually. This alternative would increase base funding of \$300,000 FED by \$50,000 FED annually.

<b>ALT D1</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	\$0	\$100,000

2. Reduce funding by \$50,000 FED annually to maintain base funding of \$300,000 FED for grants to the Boys and Girls Clubs of America.

<b>ALT D2</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$100,000	\$0

3. Reduce funding by \$350,000 FED annually to eliminate grants to the Boys and Girls Clubs of America. Delete the statutory allocation.

<b>ALT D3</b>	<b>Change to Bill Funding</b>	<b>Change to Base Funding</b>
FED	-\$700,000	-\$600,000

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