



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #227

Eliminate Learnfare (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 156, #5]

CURRENT LAW

Dependent children age six through 17 in a Wisconsin Works (W-2) group that includes a participant in a trial job, community service job, or transitional placement are subject to the Learnfare school attendance requirement unless otherwise exempt. Each child must be enrolled in school, or must have been enrolled in the immediately preceding semester. In addition, minor parents, habitual truants (absent from school without an acceptable excuse for part or all of five or more school days during a semester), dropouts, and returning dropouts must participate in case management services.

The W-2 agency is required to verify enrollment during a case review. If the children and parents do not provide all information necessary for the W-2 agency to verify enrollment, the parent is not eligible for a W-2 employment position.

A financial penalty may be imposed if a child fails to meet the enrollment requirement or does not cooperate with case management services without good cause. The penalty is a reduction in the W-2 participant's cash benefit of \$50 per month per penalty, not to exceed \$150 per month. The penalty is imposed each month until the child complies with the Learnfare requirements.

The child or W-2 participant may request a review of an agency decision. If a review is requested within 10 days of the notice of a financial penalty, the penalty will not be imposed until after the review is completed, unless the petition is withdrawn or abandoned.

GOVERNOR

Eliminate the Learnfare program effective on the later of October 30, 2009, or the 30th day beginning after publication of the budget bill. As a result, the bill would also eliminate the following provisions: (a) the requirement for county departments of human/social services to make payments for training for Learnfare participants, or potential participants; (b) meeting school attendance requirements under Learnfare as an acceptable activity for the receipt of a child care subsidy (make attending school an acceptable activity instead); (c) the requirement for studies on the effectiveness of Learnfare; and (d) alternative education programs for Learnfare pupils.

The bill would not adjust funding for W-2 to reflect that the penalty for failing to comply with Learnfare requirements would be eliminated.

DISCUSSION POINTS

1. The Learnfare program is intended to encourage school enrollment, regular attendance, and high school graduation, or the completion of high school equivalency programs. Children who are truant or do not cooperate with case management services risk losing part of their families' monthly W-2 benefit if they do not maintain enrollment and acceptable school attendance. W-2 agencies are required to verify enrollment and provide case management services to returning dropouts.

2. A financial penalty of \$50 may be imposed on a W-2 participant's monthly benefit if a child fails to meet the enrollment requirement or does not cooperate with case management services without good cause. However, the total monetary amount for all penalties cannot exceed \$150 per month.

3. An April, 2005, a report prepared by the Legislative Audit Bureau (LAB), *Wisconsin Works (W-2) Program*, reviewed sanctions imposed under Learnfare as part of an overall review of the W-2 program. The LAB report found that from the period September, 1999, through June, 2004, seven W-2 agencies imposed 144 Learnfare sanctions, for a total of \$11,617 in monetary sanctions on 121 participants. Of the 144 sanctions that were imposed, 124 were imposed in 2001, and none were imposed in either 2003 or 2004. The average monthly paid benefit caseload during this 57-month period was 8,960. The LAB report noted that the Department of Workforce Development (DWD) just began to review W-2 agencies' use of Learnfare sanctions in 2005.

4. The LAB report recommended that DWD instruct W-2 agencies to comply with the statutory provisions relating to the imposition of Learnfare sanctions, recommend statutory changes to the Legislature to eliminate or modify these provisions. AB 75 would eliminate the Learnfare program.

5. The Committee could approve the Governor's recommendation. DCF states that Learnfare's basic intent was to address the correlation between lack of a high-school diploma and

chronic welfare dependency by providing a financial incentive for custodial parents to ensure their children's school attendance. DCF indicates that this policy lacks demonstrated effectiveness. Since the LAB report, only one case has been subject to Learnfare sanctions. That case had three separate months of sanctions. DCF also notes that enrollment in Learnfare decreased 86% from 1997 to 2006, and it has not improved school attendance or prevented poverty. Also, W-2 agencies have indicated a lack of resources with their funding levels to be able to provide the services required under Learnfare.

6. In addition, other provisions under current law penalize parents if their children do not attend school as required. Anyone who knowingly encourages or contributes to the truancy of a person 17 years of age or less is subject to a fine of not more than \$500, imprisonment for not more than 30 days, or both. In addition, a parent must ensure that his or her child attends school under the compulsory school attendance requirement. If a parent fails to do so, the parent may be fined not more than \$500 or imprisoned for not more than 30 days, or both, for a first offense. For a second or subsequent offense, the parent may be fined not more than \$1,000 or imprisoned for not more than 90 days, or both.

7. On the other hand, the Committee could retain the Learnfare program. As noted above, the intent is to require children to stay in school in order to receive a high school diploma or its equivalent. An educated child would be less likely to remain impoverished. If applied, the Learnfare sanction could provide an additional incentive to encourage parents who receive public benefits to ensure their children attend school. If Learnfare is retained, current law could be modified to specify that one of the duties that a W-2 agency must perform under the contracts between the W-2 agencies and DCF is to administer the Learnfare program and to impose sanctions as required under Learnfare.

ALTERNATIVES

1. Approve the Governor's recommendation to eliminate Learnfare.
2. Delete provision. Modify current law to specify that one of the duties that a W-2 agency must perform under the contracts between the W-2 agencies and DCF is to administer the Learnfare program and to impose sanctions as required under Learnfare.

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