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# ROBIN J. VOS

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SPEAKER OF THE WISCONSIN STATE ASSEMBLY

**Testimony on Wisconsin Works for Everyone Welfare Reform Package**  
*Senate Committee on Public Benefits, Licensing & State-Federal Relations and Assembly  
Committee on Public Benefit Reform*  
*January 31, 2018*

Thank you for the opportunity to testify on the Welfare Reform bill package. I'm pleased to come before you to support the ten bills that accomplish four basic goals: promote accountability, encourage personal responsibility, prevent fraud and abuse, and most importantly, get Wisconsinites off of government assistance and into the world of work.

Wisconsin has long been a leader in welfare reform and getting people back to work. Under Governor Tommy Thompson, Wisconsin led the nation in becoming a model for national welfare reform with the formation of Wisconsin Works (W-2). These bills further build upon those bold reforms that Wisconsin became known for.

President Ronald Reagan once said and it's still true today, "The best social program is a job." Opportunities for gainful employment and job skills will help lift individuals out of poverty.

Wisconsin is facing a worker shortage. Employers all over Wisconsin are looking for workers, and there are many able-bodied Wisconsinites who could potentially fill these positions. This legislative package works to bring these employers and unemployed individuals together—a win-win situation for all. With our strong Wisconsin economy and historically low unemployment rates, we need an "all-hands-on-deck" approach.

This legislation **promotes accountability** in our welfare programs, and requires positive outcomes and proven results. "Pay for success" contracting and performance-based payments for FSET ensure the state is only paying for successful outcomes and holds vendors accountable for their performance. If getting people back to work and learning the skills they need to do so is the number one goal, then it's vital that these taxpayer-funded programs are achieving that objective.

This legislative package **encourages personal responsibility** for those receiving public benefits. The pilot program for Earned Income Tax Credit (EITC) recipients will get dollars into people's pockets quicker and will work to improve financial stability for these families. The creation of a savings account program in the Medical Assistance (MA) program will help individuals become wiser consumers and assist in becoming familiar with the basic concepts of commercial health insurance. Finally, requiring child support compliance as a condition for Medicaid will ensure some of our most vulnerable children are being provided for.

These bills also **prevent fraud and abuse** by ensuring those who truly need these benefits will be able to receive them. A photo ID on QUEST cards for FoodShare recipients will simply add an additional layer of fraud deterrence. We will also further improve the integrity of these important programs by putting forth certain asset limits for FoodShare, Wisconsin Works, and Wisconsin Shares.

Finally, and most importantly, this package will **get more Wisconsinites back into the workforce** by further expanding the FoodShare Employment and Training (FSET) program and by creating employability plans for residents of public housing. The non-partisan Legislative Fiscal Bureau described the FSET program as providing “education, skills, and work experience to enable FoodShare recipients to obtain competitive employment and enhance earning potential.” We know the FSET program works. Since the initial work requirement began in April 2015, more than 25,000 people in the state have transitioned into the workforce. By requiring more people to participate, we’re further giving them the opportunity and the skills they need to move from government dependence.

Together, these special session bills will once again make Wisconsin a leader in comprehensive welfare reform. Public assistance was never intended to be permanent and this package will help us do our part in moving more people into the workforce and preventing fraud and abuse.

Thank you for your time and consideration. I would be happy to answer any questions.



# CHRIS KAPENGA

WISCONSIN STATE SENATOR

## **Testimony on Wisconsin Works for Everyone Welfare Reform Package**

*Senate Committee on Public Benefits, Licensing & State-Federal Relations and Assembly Committee on Public Benefit Reform*

January 31, 2018

Thank you committee members for being here today to hear the *Wisconsin Works for Everyone* bill package. After many months of work, I am proud of each of the bills before us today. I want to thank Governor Walker and Speaker Vos for being active partners in this process and leading on this package with me. Long before I ever began research on this issue, it was clear that our public assistance system was more of a web than a net, trapping people in the cycle of poverty and destroying their confidence. As I met with people at FSET offices, W-2 job centers, rescue missions, and non-profits we heard from administrators about how our programs inhibit personal growth. More importantly, I met with many people on public assistance who echoed the feelings of self-doubt and hopelessness. Many people feel trapped by their circumstances and just need a hand up to break the cycle.

*Wisconsin Works for Everyone* will help get people off of the sidelines and into the workforce. While the Wisconsin economy continues to boom, the demand for workers continues to rise. We cannot afford to have anyone on the sidelines. By enacting these bold, work first reforms, we can engage more people in the workforce and continue to build on our successes.

We have all heard from business leaders in our districts about their need for more workers, and how this is holding them back from growing. *Wisconsin Works for Everyone* is our chance to reengage people who receive temporary assistance back into the job market and on the path to self-sufficiency.

### **Special Session Senate Bill 1/ Special Session Assembly Bill 1**

SS SB 1 allows DHS to set the required work hours in FSET to the maximum allowable by the federal government for both the able-bodied without dependents and able-bodied with dependent population. The federal government allows for up to 30 hours per week for able-bodied recipients with children, but only 20 per week for those without. This bill would allow DHS to require 30 hours for both populations, contingent upon the federal government increasing its allowable hour's requirement for those without dependents, thus ensuring that both groups are treated equally. In addition to the added opportunity for employment, SS SB 1 requires that all able-bodied adults on the FoodShare program will get job and training assistance through FSET.

### **Special Session Senate Bill 2/ Special Session Assembly Bill 2**

SS SB 2 expands the work opportunity to able-bodied adults with school aged dependents. This change will ensure that all able-bodied participants will get free job and skill building services. The FSET program has already helped tens of thousands find work with an average salary of \$12.68/hour.

### **Special Session Senate Bill 3/ Special Session Assembly Bill 3**

In a continued effort to protect the integrity of our public assistance programs and prevent fraud and abuse, SS SB 3 builds on recent reforms to place reasonable asset limitations on recipients of public assistance. Specifically the bill states that for recipients of W-2, FoodShare, and Wisconsin Shares a primary residence

value cannot exceed 200 % of the statewide median value (Approximately \$361,000). The bill also adds a \$20,000 limit on the total equity value of non-work related vehicles for recipients of FoodShare and Wisconsin Shares. Those currently on Wisconsin Shares would be grandfathered in and the bill allows agencies to write rules for hardship exemptions.

#### **Special Session Senate Bill 4/ Special Session Assembly Bill 4**

SS SB 4 builds off of previous reforms by requesting the federal government to institute self-sufficiency and drug testing measures for certain public housing programs overseen by DOA. Under the plan, public housing authorities would be required to screen adult residents to determine if they are able-bodied and either unemployed or underemployed. For those who qualify, the housing authority would then work with the individual to develop and implement an employability plan, much like W-2. The bill would also require drug screening, testing, and treatment as a condition of eligibility. These measures will ensure able-bodied adults in government subsidized housing are healthy and have the tools to put them on the path to self-sufficiency.

#### **Special Session Senate Bill 5/ Special Session Assembly Bill 5**

SS SB 5 establishes a two-year pilot program whereby 100 Earned Income Tax Credit (EITC) claimants will receive monthly payments throughout the year rather than requiring these recipients to wait until after they have filed their returns. This model has been done on a bipartisan basis in other cities and states with outstanding outcomes. The Chicago study showed that 86% of periodic payments went to pay down debt, current bills, or to purchase necessities, confirming that this model helps recipients cover their ongoing budgetary needs on a more secure and predictable basis.

#### **Special Session Senate Bill 6/ Special Session Assembly Bill 6**

SS SB 6, would direct DCF and DHS to enter into performance contracts with vendors for the W2 and FSET programs. The bill gives departments flexibility to implement performance measures based on job placement, retention, and wages, to improve employment outcomes.

#### **Special Session Senate Bill 7/ Special Session Assembly Bill 7**

SS SB 7 introduces a framework for a relatively new concept, pay-for-success financing (sometimes known as social impact bonds) that leverages non-profit expertise with private capital to solve social problems in partnership with the state or local government. This bill also directs DHS, DOC, DCF, and DWD to conduct a study of current programming to determine whether, and how pay-for-success contracting could be implemented. This approach has enjoyed broad bi-partisan support in states across the nation.

#### **Special Session Senate Bill 8/ Special Session Assembly Bill 8**

SS SB 8 would set a child support and paternity compliance provision for Medicaid eligibility, similar to the same provision for FoodShare implemented by the 2017-19 budget. Under the bill Medicaid dependent children remain eligible under the proposal even if a parent or custodian becomes ineligible for the Medical Assistance program. Those making good faith efforts (e.g. court authorized payment plans or work programs) are not disqualified from coverage.

#### **Special Session Senate Bill 9/ Special Session Assembly Bill 9**

SS SB 9 would require DHS to request an amendment to its waiver request to allow for the addition of a Health Savings Account model to be implemented in Medicaid. Health Savings Accounts are a consumer driven model that encourages greater participation by consumers with health decisions. This often leads to more informed choices and better outcomes. A similar program in Indiana, Healthy Indiana, has helped participants familiarize themselves with the basic concepts of commercial health insurance.



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In closing, this comprehensive plan has the potential to connect thousands of Wisconsinites to life changing work opportunities, and we have the power to make that difference. As employers demand for labor continues to rise, we can no longer leave people behind. We aim to help people break down barriers to employment with drug treatment for those who have a drug dependency, job training for those in need of additional skills, work experience to help build up a resume, casework to address complex needs, and more. This plan will truly be a hand up to those who have lost confidence in their ability to succeed and find their purpose. We can all agree that work can be transformative for the individual and the family, and with these work first bills, we can make a generational impact.

Thank you committee members for hearing these bills today, I would be happy to answer any questions you may have.



## **Stephen L. Nass**

Wisconsin State Senator

### **January 2018 Special Session SB/AB 10 Photo Identification on FoodShare Cards**

Testimony of Senator Steve Nass

Joint Senate & Assembly Committees on Public Benefits Reform

January 31, 2018 • 412 East, State Capitol

Thank you Chairmen Kapenga and Krug for holding a public hearing on January 2018 Special Session Senate and Assembly Bill 10. This legislation will help deter fraudulent use of FoodShare benefits in Wisconsin by requiring photo identification to appear on FoodShare EBT cards, or the QUEST card as it is called in Wisconsin.

The QUEST card currently contains only the name of the head of household to which the card is issued and requires a unique PIN to access benefits on the card. The only built-in safeguard against fraudulent use of the card is knowing the card's PIN. If an individual wants to fraudulently sell a QUEST card, all they have to do is give that person the PIN to use it. This bill adds an additional level of fraud deterrence by adding the head of household's photo to the card.

This bill requires DHS to prepare and submit a comprehensive implementation plan and waiver request to the U.S. Department of Agriculture (USDA) allowing Wisconsin to issue EBT cards containing a photo to recipients of the FoodShare program. The final plan must also be approved by the Joint Finance Committee before being implemented. This will ensure implementation can be completed in a cost effective manner.

The FoodShare program is a beneficial program that assists lower-income residents in need with the purchase of food. However, there is also a significant amount of abuse in this program that needs to be addressed. Special Session SB 10 will continue to ensure we help those truly in need in our communities, while at the same time reduce the abuse and fraud in this program.

According to Wisconsin Department of Health Services (DHS) data, fraudulent FoodShare overpayments have been on the rise since the Department began tracking them in 2012. DHS reports more than \$32.67 million in fraudulent FoodShare

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11th Senate District

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overpayments since 2012, including: \$3.6 million in 2012, \$5.56 million in 2013, \$6.55 million in 2014, \$6.87 million in 2015, and \$10.09 million in 2016. These statistics reflect overpayments that were identified under the DHS Fraud Prevention and Investigation Program, both before and after the funds were provided to recipients.

Thank you for the opportunity to provide testimony in support of this legislation that will reduce fraud in the FoodShare program. If committee members have further questions, please do not hesitate to contact me.



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Governor Scott Walker  
Secretary Eloise Anderson

Secretary's Office

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Date: January 31, 2018  
To: Members of the Senate Committee on Public Benefits, Licensing and State-Federal Relations and Members of the Assembly Committee on Public Benefit Reform  
From: Brad Wassink, Assistant Deputy Secretary  
Re: January 2018 Special Session Senate Bills 3, 4, 5, 6, 7, 8  
January 2018 Special Session Assembly Bills 3, 4, 5, 6, 7, 8

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Chairman Kapenga and Chairman Krug, Members of the Senate Committee on Public Benefits, Licensing and State-Federal Relations and Members of the Assembly Committee on Public Benefit Reform:

Thank you for the opportunity to testify in support of the Wisconsin Works for Everyone Welfare reform legislation. My name is Brad Wassink and I am the Assistant Deputy Secretary at the Department of Children and Families.

Earlier this month, Governor Walker signed an Executive Order creating a Special Session on Welfare Reform to build on the reforms that he and the legislature advanced in the 2017-2019 biennial budget and in previous sessions. Broadly, the bills in the special session aim to:

- Help able-bodied adults receiving public benefits move toward self-sufficiency through employment;
- Improve outcomes for low-income families through innovative funding and financing mechanisms centered on performance;
- Ensure that both parents are asked to support their children when either parent is receiving public benefits; and,
- Safeguard taxpayer funds and bolster public trust in Wisconsin's safety net by protecting benefits from fraud and ensuring that benefits flow to those who need them most.

My testimony will focus on those bills that involve the Department of Children and Families.

*Special Session Senate Bill 3 and Assembly Bill 3: Asset Limits in Wisconsin Shares and Wisconsin Works*

- These bills reflect the principle that individuals with substantial financial resources should be asked to draw on those resources before turning to the state for assistance.
- The bills would establish generous, common-sense limits aimed at ensuring that state resources are preserved for those who need them most.
- For Wisconsin Shares, the state's child care subsidy program, the bills limit eligibility to those who own no more than one home, and whose principle residence is valued at no more than 200 percent of the median value home in the state. The same limit would be

established for Wisconsin Works. Agricultural land would be exempted. Currently, both programs exempt completely the value of any principal residence.

- In addition, the bill would limit eligibility to Wisconsin Shares applicants with no more than \$20,000 of equity value in vehicles, excluding business-related vehicles.

*Special Session Senate Bill 6 and Assembly Bill 6: Pay-for-Performance Measures in Wisconsin Works and FoodShare Employment and Training*

- These bills reflect the principle that in our state programs, taxpayer dollars should be used as efficiently and effectively as possible to achieve their stated outcomes.
- These bills require that Wisconsin Works and the Food Stamp Employment and Training program construct and implement performance-based contracting arrangements that pay for critical outcomes, such as employment starts and job retention.
- The bills would build on the move toward performance-based contracting that Wisconsin Works began implementing in 2013, and which has been successful in advancing employment outcomes.

*Special Session Senate Bill 7 and Assembly Bill 7: Pay-for-Success Fund*

- These bills reflect the principle that, where possible, social services programs should innovate in ways that improve outcomes for program beneficiaries, save taxpayer dollars, or both.
- The bills create a flexible fund to test new approaches in the delivery of social, employment, and correctional services, contingent on those approaches meeting established benchmarks.
- The bills would require relevant agencies to review their programs to identify opportunities to employ this innovative financing structure, and any contracts would be subject to passive review by the Joint Committee on Finance.

*Special Session Senate Bill 8 and Assembly Bill 8: Child Support Cooperation in Medicaid*

- These bills reflect the principle that parents are the natural providers for their children, and that they should be asked to support their children if they are receiving public benefits.
- These bills require custodial parents to cooperate in good faith with efforts to establish paternity for any child with a nonresident parent and establish and seek child support from the noncustodial parent. They also require that noncustodial parents be current, or complying with a payment plan, to maintain eligibility for Medical Assistance.
- The bills include common-sense exemptions to ensure that children or the other parent does not lose eligibility when one parent does not cooperate.
- When parents fulfill their financial obligations to their children, families are less reliant on public benefit programs, see the example of parents working and supporting their children, and generate savings for taxpayers.

*Special Session Senate Bill 4 and Assembly Bill 4: Housing and Work Requirements*

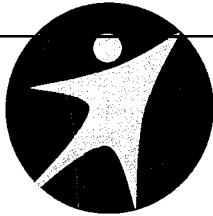
- These bills reflect the principle that for able-bodied adults, housing assistance should be a temporary benefit serving as a bridge to employment and self-sufficiency.

- In an environment where affordable housing is in short supply, we should ensure that the housing we do have serves to help people move in, move up through work, and move out into the private market so that others in need have access to assistance.
- These bills would require that the Public Housing Authorities implementing Wisconsin's state housing plan screen individuals receiving assistance for employability, develop employability plans, screen individuals substance abuse issues that may prevent them from working, and referred them to treatment as appropriate.

*Special Session Senate Bill 5 and Assembly Bill 5: Periodic EITC Payments*

- These bills reflect the principle that public benefits should provide assistance that is as useful as possible to low-income families given available funding.
- Currently, the state and federal earned-income tax credits reward work, but benefits are distributed in one lump sum at tax time. This reduces the utility of the benefit for the regular monthly expenses of working families.
- These bills would establish a pilot program, subject to federal approval, in which EITC payments would be distributed on a monthly basis. This would allow families greater certainty in budgeting for rent, utility, and food costs. The bill requires that the financial stability of those under the pilot be compared with the non-pilot program.
- Subject to federal approval, the bill would expand the program statewide for all eligible claimants.

The Department sincerely thanks the authors of the bill, Senator Kapenga and Speaker Vos, for their partnership with the Governor in continuing Wisconsin's tradition of leading the nation on welfare reform. I am pleased to answer any questions you may have.



State of Wisconsin  
Department of Health Services

Scott Walker, Governor  
Linda Seemeyer, Secretary

January 31, 2018

Dear Members of the Assembly Committee on Public Benefit Reform and Senate Committee on Public Benefits, Licensing & State-Federal Relations:

Wisconsin is open for business. Unemployment, at 3%, is now tied for the lowest in state history. The only other time it was this low was in May, June, and July of 1999. As of December 2017, 3,075,000 Wisconsinites were employed, more than ever before in the history of our state. But rather than rest on our laurels, we need to keep Wisconsin moving forward.

If you go to the Job Center of Wisconsin.com, you'll find there are more than 86,000 jobs currently available; and with the pending historic investment that Foxconn will be making in Wisconsin in the coming years, there will be even more job openings. We must invest in our citizens by providing employment training to fill those careers of today and the careers of tomorrow.

With this in mind, we are pleased to come before this joint committee in support of the special session Wisconsin Works for Everyone package. These bills will help further reform Wisconsin's welfare programs into workforce programs that help Wisconsinites who need assistance in obtaining good, family supporting jobs. It's no coincidence that the last time unemployment in Wisconsin was this low was off the heels of successful welfare reform proposals at the state level under the leadership of former-Governor Tommy Thompson, and at the national level under former-President Bill Clinton.

The bills we are supporting today underscore a number of new opportunities to further reform our state's welfare programs, preserving them as a safety net for people truly in need, but also ensuring the state helps our citizens reach their full potential and find dignity in work. These bills build on the success of reforms Governor Walker and the Wisconsin Legislature have already started. That includes expanding participation in our successful FoodShare Employment and Training program, which since implementation statewide on April 1, 2015, there have been 25,071 FSET participants who have gained employment. On average, FSET participants worked an average of 35 hours per week and earned \$12.68 per hour – well above the state minimum wage of \$7.25 per hour. It also includes protecting program integrity to deter the trafficking of benefits and helping to ensure that taxpayers are not subsidizing the lavish lifestyles of people who own mansions or expensive cars.

Thank you again for the opportunity to appear before you today. We would be happy to answer any questions.

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Scott Walker, Governor  
Ray Allen, Secretary

## **Senate Committee on Public Benefits, Licensing & State-Federal Relations**

### **Assembly Committee on Public Benefit Reform**

#### **Chytania Brown, Employment and Training Division Administrator, DWD**

Chairmen Kapenga and Krug, members of the Committees:

I am Chytania Brown, Employment and Training Division Administrator for the Department of Workforce Development (DWD). On behalf of DWD, I would like to thank you for allowing me to testify in support of the legislation related to welfare reform.

Thanks to Governor Walker and our partners in the Legislature, Wisconsin's unemployment rate is at 3.0 percent, a record low, and we outpace the nation in labor force participation. However, these strong economic indicators also illuminate the challenges we face. Wisconsin employers are struggling to find skilled talent to fill good-paying jobs. DWD's top priority is to continue to make smart, strategic investments in solutions that help meet employers' labor market needs.

Wisconsin will have close to a million job openings to fill from 2014-24 as the state's economy grows and expands, and as older workers retire. In fact, almost 78 percent of the openings will be to replace workers who move into retirement or into other opportunities.

Occupations such as registered nurses, heavy and tractor-trailer truck drivers and general and operations managers will offer robust growth, above-median pay and opportunities for career advancement in Wisconsin through at least 2024.

Under the leadership of Governor Scott Walker and the Legislature, DWD has partnered with state agencies, the K-12 system, technical colleges, four-year institutions, economic developers and others to attract, train and retain workers for these and many other high-demand, high-growth occupations.

Conversely, with the aging of our nation's workforce – which is even more evident in heavy-manufacturing Upper Midwest states like Wisconsin – the demographic trends suggest the size of the state's workforce won't keep pace with the need for skilled workers long term.

The employment and labor force projections, coupled with Wisconsin's high labor force participation rate and low unemployment rate, reaffirm the need for aggressive, innovative and effective strategies to support, expand and sustain a robust talent pool for Wisconsin's job creators.

These strategies include attracting and retaining talent in Wisconsin, targeting resources to develop in-demand skills, and tapping the skills of everyone who wants to work, such as those with identified barriers to



employment. With robust job projections and tens of thousands of jobs posted everyday on our JobCenterofWisconsin.com state labor exchange, Wisconsin can't afford to leave any talent on the sidelines.

Investments in programs like Wisconsin Fast Forward worker training grants and Registered Apprenticeship skill up our existing workforce, while investments in the Youth Apprenticeship program and Academic and Career Planning and Internship Coordination initiatives provide our future workforce with in-demand job skills and a solid path forward towards a successful career.

To this end, partnerships between economic development, education, Wisconsin businesses and talent development agencies are absolutely vital to keeping skilled talent here, preparing workers for opportunities today and in the future, and attracting more talented workers to Wisconsin.

We appreciate this Committee's interest in further strengthening workforce development and to ensure that no talent is left on the sidelines. Thanks to our partners in the Legislature, we have expanded investments to reach and help Wisconsin workers facing barriers. This includes veterans returning from military service and their families; job seekers with disabilities, the reentry population, the long-term unemployed, college students, youth apprentices, and many others. We need potential employees to "skill up" and "skill in" in order to secure good-paying jobs. And, with more employers looking to locate or expand current operations in Wisconsin, we've broadened our view of potential employees to include untapped talent pools including those who are receiving public benefits. The legislation before you today takes an important step forward in building Wisconsin's workforce.

I would be happy to answer any questions you may have. Thank you again for the opportunity to testify today in favor of the welfare reform legislation.



To: Committee on Assembly Organization

Date: January 31, 2018

Re: January 2018 Special Session Assembly Bill 8, requiring child support compliance in the Medical Assistance program.

Dear Committee Members,

I am writing to comment on AB 8, requiring child support cooperation and compliance in order to participate in the Medical Assistance (MA) program. I am the Director of the Family Court Clinic, at the University of Wisconsin Law School. Students enrolled in the clinic provide information, forms, and assistance to unrepresented litigants who are involved in the family court system. Many of those individuals come to the clinic with issues relating to setting, changing, or terminating child support. Often those individuals have received a notice from the department regarding their compliance with the child support office in providing or obtaining support for their child.

We have encountered several instances where people received notices that services were being terminated for lack of cooperation where the person named is not the same as the person whose location is sought by the department. In other words, a case of mistaken identity results in a termination of benefits. Since the child support process takes so long, cases are not resolved until well after individuals are sanctioned and benefits are terminated.

In addition, the proposed bill, AB 8, does not contain a notice provision. Thus, participants in the Medical Assistance program may lose their benefits without being provided the opportunity to contest the termination. Many non-English speaking individuals participate in the MA program. The notices they receive from the Department and from the Child Support enforcement office are written in English. By the time the individual receives assistance with translating the form and gathering the necessary information, the sanction could be imposed.

Organizations that address barriers faced by men and women returning to the community from prison, such as Madison Urban Ministry, believe that the proposed bill will place additional barriers to a successful return to the community. Presently, the individuals with whom MUM works who are delinquent in their child support can access MA if they qualify. It is critical particularly for those with a history of mental illness or addiction, that they access support services and transportation to those services. Research demonstrates that access to appropriate substance abuse and/or mental health services is key in successful returning to the community and in remaining engaged parents. This bill adds stress to individuals already facing incredibly stressful situations, individuals who often also have extensive histories of trauma. The coercive nature of the bill will add to that stress. Suspension of driver's licenses is a no-win for the individual, family and tax-payer if a parent is unable to get to and from work, if a parent has their supervision revoked and is sent back to prison at the cost of \$38,000 per year to the taxpayer.

**Economic Justice Institute**

Consumer Law Clinic • Family Court Clinic

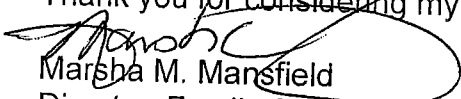
Immigrant Justice Clinic • Neighborhood Law Clinic

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Although the bill exempts MA for children, a parent's inability to receive medical care has a direct negative impact on their ability to care for their children. Of course, this bill has a disproportionate impact on those most in need of medical assistance; however, the most costly consequence will be the utilization of hospital emergency rooms for medical care because individuals will no longer be able to use Medical Assistance to obtain treatment or medication. Thus, the cost to our state will increase as a direct result of termination of MA benefits.

Thank you for considering my testimony.

  
Marsha M. Mansfield  
Director, Family Court Clinic  
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# Wisconsin Council of Churches

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Church Women United  
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The Leadership Conference of  
Women Religious Region 9  
Madison-area Urban Ministry

January 31, 2018

**TO:** Assembly Committee on Public Benefit Reform  
Senate Committee on Public Benefits, Licensing, and State-  
Federal Relations  
**FROM:** Peter Bakken, Coordinator for Public Policy  
Wisconsin Council of Churches  
**RE:** January 2018 Special Session Bills AB1/SB1 through AB10/SB10

The Wisconsin Council of Churches (WCC) is a community of Christian denominations that covenant to pray and work together for the unity and renewal of the church and the healing and reconciliation of the world. The Council encompasses 19 denominations with approximately 2,000 congregations and over one million church members.

The Council's efforts to promote social and economic justice for Wisconsin's most vulnerable residents are grounded in the belief that every human being bears the indelible image of God. Those who find themselves in need of public assistance are our neighbors, friends, family members, and fellow worshippers. They all deserve to be respected and to live with dignity, health, and hope as full members of our community.

A self- or family-supporting job is the best solution to poverty for those who are able to work. The legislation proposed for this session purports to alleviate the hardship of poverty by helping people find work. However, these bills will not accomplish that purpose and instead will increase hunger, homelessness, ill health, and other hardships for many people – making it even more difficult for them to escape poverty through work.

We are concerned that many of these bills impose new burdens on people who are already facing challenging financial and personal circumstances, add to the stigma of poverty, and create additional obstacles that can prevent people from receiving the benefits they need and for which they qualify. They impose work requirements without providing adequate job supports or taking into consideration the real situations of people in poverty, which is manifestly punitive and unfair. They fail to address barriers to employment such as lack of transportation, lack of childcare, and low wages.

Some of the bills are promising, but fall short in certain respects, particularly provisions for evaluation and criteria for success.

Comments on the specific January 2018 Special Session bills follow:

Rev. Kerri L. Parker  
Executive Director

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*We pray and work together for the unity and renewal of the church  
and the healing and reconciliation of the world.*

**Assembly Bill 1/Senate Bill 1: Required hours of participation in the FoodShare employment and training program (OPPOSE), and**

**Assembly Bill 2/Senate Bill 2: Statewide FoodShare employment and training program requirement for able-bodied adults (OPPOSE)**

Together, these bills require parents of school-age children and adult students enrolled less than half time to participate in FoodShare Employment and Training at the maximum allowed by the federal government. This will likely cause some parents and students to lose FoodShare benefits without being helped to find stable, self-supporting jobs. The federal maximum of 30 hours of work or job training per week would not be feasible for a parent of a school-age child if the parent's work schedule doesn't align with the child's school schedule or can't accommodate school vacations or in-service days, which is often the case for low-wage service jobs. Adult students who are taking classes less than half time might be unable to stay in school due to this increased work requirement.

**Assembly Bill 3/Senate Bill 3: Asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin (OPPOSE)**

Placing asset restrictions on low-income people is counterproductive if the goal is to improve their economic security and stability over the long run. Saving for the future – for example, to weather unexpected events or get more education to get a better job – should be encouraged, not penalized. Many people need public benefits in order to get through a temporary crisis or loss of income; they should not be forced to lose ground or get trapped in a downward spiral by selling off assets that they will need in the future. Moreover, the need to collect and process additional information to establish eligibility for these programs may prevent some people from applying, and will increase administrative costs to the state.

**Assembly Bill 4/Senate Bill 4: Employment screening of residents in public housing (OPPOSE)**

We see many reasons to doubt that requiring drug screening and testing for housing assistance applicants will really help them to become employed. Subjecting applicants for federal assistance to drug screening and testing adds to the stigma of applying for public assistance, and may discourage some from seeking the very help they and their families need.

The bill states only that persons who test positive will be offered the opportunity to participate in treatment. If a person refuses or if treatment is unsuccessful, what are the consequences? Will children be deprived of housing because of a parent's drug problem? How many treatment opportunities will be offered? Drug addiction is a chronic illness that requires ongoing support and treatment. Nor is it a relatively simple problem that can be solved with one or two courses of treatment. Given the limited availability of treatment programs for persons of modest means, the lack of adequate funding, and long waiting lists, it is likely that many persons who are jobless or in poverty would be simply punished, rather than helped, by this policy.

Depriving people of stable housing will weaken our communities by increasing poverty, food insecurity, and health care costs. Drug testing programs for public benefits in other states have proved very expensive and provided meager results. There are better ways to use our limited public funds to help people overcome drug addictions and prepare for jobs that will support themselves and their families.

**Assembly Bill 5/Senate Bill 5: Periodic payments of the earned income tax credit (OTHER)**

The earned income tax credit (EITC) is an extremely valuable policy for making work pay for low-income workers. There are advantages to allowing recipients to receive payments periodically during the year rather than as one lump sum. However, it is difficult to understand why the bill does not provide for an evaluation of the pilot program before making it permanent and statewide. There may also be reasons why someone may wish to receive the credit all at one time, and it is not clear why that option is not provided.

**Assembly Bill 6/Senate Bill 6: Pay-for-Performance for Wisconsin Works and FoodShare employment and training programs (OTHER)**

The bill appears to aim at strengthening the outcome requirements for the providers of employment and training providers, which would be an improvement in program accountability and stewardship. What will be critical is whether those standards ensure that participants are placed good jobs with adequate wages that will enable them to become more economically secure. There also needs to be robust evaluation of the program and greater support for Technical Colleges and Transitional Jobs programs as ways to move people into better jobs.

**Assembly Bill 7/Senate Bill 7: Pay-for-success contracting (OTHER)**

Pay-for-success is considered by many to be a promising way to improve the cost-effectiveness of social programs, but is not without controversy. We would need more time to study the pros and cons and potential pitfalls of this approach before taking a position.

**Assembly Bill 8/Senate Bill 8: Child support compliance in the Medical Assistance program (OPPOSE)**

This appears to be counterproductive and unnecessary. Losing health insurance would make it harder for a non-custodial parent to make child support payments, if they then have to pay for health care out-of-pocket, or lose a job or are unable to work because of a medical condition for which they cannot afford treatment. Wisconsin has other ways to enforce child support that do not involve depriving people of assistance with meeting basic needs. Also, there will be significant costs for enabling the relevant computer systems, CARES and KIDS, to share information as this bill requires.

**Assembly Bill 9/Senate Bill 9: Savings account program in the Medical Assistance program (OPPOSE)**

Making health savings account (HSA) payments could be an obstacle for lower income people, who are less likely to have access to bank accounts, debit or credit cards, or the internet. Participants might lose coverage or have their coverage downgraded if they miss a payment. There is some evidence that people with HSAs might delay necessary care or skip preventive care, resulting in more use of more expensive care and hospitalization.

**Assembly Bill 10/Senate Bill 10: FoodShare ID cards (OPPOSE)**

AB10/SB10 runs counter to the progress Wisconsin has made in streamlining the FoodShare application process through its online, multi-program application system. It creates new hurdles for people who have challenges finding the time or the means to travel to a public benefits office during its service hours to have a photo taken. Those most affected would include those who need assistance the most: seniors, people with disabilities, families with children, and low-income workers. People who need help will be discouraged or prevented from applying.

This bill also introduces an added burden for business. If FoodShare participants are required to show a photo ID at the checkout line, federal rules require that everyone else using a debit or credit card would have to do the same – an added burden for retailers and an inconvenience for customers. If the requirement for everyone to show a photo ID is sidestepped, people in poverty will be singled out and stigmatized. One of the reasons that FoodShare is such a valuable program is that it allows people who receive it to shop for food like everyone else. They are able to use their EBT card at grocery stores just like a debit card. The EBT card provides people with access to food without setting them apart, allowing them to obtain it with dignity, freedom of choice, and personal responsibility.

This special session on public benefits programs provides an opportunity to raise awareness that poverty continues to be a problem in Wisconsin, and that state government has a role to play in enabling people struggling with poverty to meet their basic needs for food, clothing, and shelter, and to obtain gainful employment.

We are disappointed, however, that these bills do little to address the real challenges faced by underemployed and unemployed people in obtaining good jobs; that their likely result for many people will be to increase the burdens of poverty, hunger, homelessness, and health problems; and that they will increase administrative expenses and bureaucratic red tape.

Poverty and unemployment are issues that require much more serious, evidence-based, and well considered responses than are being offered by the bills in this special session. We can and must do better than this for the people of Wisconsin.

Thank you for considering our position on these bills.



January 30, 2018

To: Senate Committee on Public Benefits, Licensing and State-Federal Relations  
Regarding: SB 1-10

Dear Senator Kapenga and Committee Members,

I am representing the Lutheran Office for Public Policy in Wisconsin (LOPPW), a statewide advocacy ministry of the Evangelical Lutheran Church in America. We advocate for just policies, especially related to hunger and poverty based on our social statements and Christian scripture.

LOPPW would like more information on three of the bills: SB 5, SB 6, SB 7. These bills may offer very positive programs but we'd like to have more time for public questions and input.

We are registering against the other bills because of the barriers they place before people receiving food and/or because they stigmatize individuals and families experiencing poverty. SB 10 requiring a Photo ID for FoodShare recipients, for example, will place barriers before elderly and disabled recipients who rely on others to help them to purchase food. In the case of households that rely on FoodShare and in which anyone can use the ID, we don't understand how having a photo ID for one person will function.

Adding this process to our state budget will be expensive. Also according to the Urban Institute, photo IDs do not curb fraud. By far, the biggest form of SNAP fraud occurs with the participation of retailers who are authorized to accept SNAP benefits.

Even though fraud exists, we're concerned about the types of images of people in poverty our society has perpetuated. The vast majority of able bodied recipients of public benefits receive them for a short period of time. We need to ask ourselves, what kinds of images do we have of people in poverty that would compel us to put up more barriers before for people to receive nutrition? Where do these images come from and do they help us to love our neighbor with responsibility or unintentionally harm them and perpetuate myths?

Thank you for your consideration.

Sincerely,

Pastor Cindy Crane, Director





## **Legislative Proposals in the Governor's Special Session on Welfare Reform**

Investing in the programs that help our friends and neighbors with the training, skills, and resources to gain employment is a goal that we all support. A good job with healthcare and stable housing are the best antidotes to hunger and we support policies that provide the supports and create the pathways and opportunities for Wisconsinites to achieve these goals.

While we support some of the proposals in the package, we are concerned that many of the legislative proposals place untargeted, untested and overly-broad requirements that do not address the real challenges that low-income individuals and families face in participating with the workforce and will put the ability for these individuals to receive and utilize vital nutrition assistance at-risk, making them and their families less healthy and less ready for work.

### **Proposals we support**

- **Special Session Assembly Bill 5: Relating to: creating a pilot and permanent program for making periodic payments to eligible recipients of the earned income tax credit and making an appropriation.**

The Earned Income Tax Credit is an important benefit for working Americans with low-wages. Currently, EITC recipients receive their benefits annually when they file their taxes. While this structure creates a mandatory savings program, having periodic payments could help families living paycheck to paycheck use the extra money to buy food or pay utilities. Advance EITC (AEITC) was a federal program that made monthly payments to EITC recipients. It ended in 2011 due to low uptake and administrative complexity.

We support the spirit of giving people the independence to choose having their EITC benefits paid on a monthly basis or annually. The pilot should aim to build on the learnings from AEITC to understand how to best implement this program in a way that fits into the lives and helps working families.

The program should be a voluntary option and it shouldn't inadvertently penalize recipients due to the variable nature of their work. For example, taking an annual expected credit of \$4,000 and splitting it up into 12 monthly payments may not take into account real time worked and so some workers may find themselves owing taxes when they file. Rather, the program should be built in a way accurately pays recipients for the credit they are eligible for within the most recent month.

- **Special Session Assembly Bill 7: Relating to: pay for success contracting, establishment of pay for success trust fund, and making an appropriation.**

Social impact bonds (SIB) - or pay for success contracting - are an emerging financing and contracting model to address deep social issues and shift the measurements in social service delivery from outputs to outcomes.

While some of the initial SIB projects have not yielded the levels of success that many have hoped for, we believe that there is more that needs to be learned about how pay for success could work and how it can be implemented more successfully.

Our concern is that no matter how successful SIBs are, they should not be seen as a replacement for public funding of social services. The private sector, including businesses and NGOs, can be a useful partner for deliver services, but funding for quality public services like schools, public healthcare, and other social safety net programs still must have reliable public funding since they often do not offer quick financial returns.

- **Special Session Assembly Bill 6: Relating to: payments based on performance for Wisconsin Works and FoodShare employment and training program contractors.**

Last year, we released four principles that state and federal policymakers should follow for positive FoodShare reform. The second principle was that work training has to work.

Over the last two years, Wisconsin has reinstated a 20-hour work requirement for single adults without children. While over 20,000 people were connected to jobs, more than 100,000 didn't enroll in FSET, many of whom also then lost their food benefits.

We know from our FoodShare outreach work, that a population that is extremely hard to reach is childless adults. Many are dealing with undiagnosed disabilities or have other challenges that make it difficult for them to engage with the labor force.

Success metrics must ensure that:

1. Cases are determined with a high rate of accuracy
2. Client are connected to good paying jobs within a certain timeframe
3. When clients may not be eligible for W2 or FSET that there are warm hand-offs and proper diversion into other programs
4. Clear, consistent and accurate application of work requirement exemption policy
5. The program adequately addresses the existing barriers to participating in the labor market, such as access to childcare and transportation
6. Contractors engage with stakeholders to further refine program administration, including clients

Success metrics should not simply be based on capitation, where contractors are paid for the number of people being referred and processed.

## **Proposals we oppose**

### **Increasing and Expanding Work Requirements in FoodShare**

- **Special Session Assembly Bill 1: Relating to: required hours of participation in the FoodShare employment and training program.**
- **Special Session Assembly Bill 2: Relating to: statewide FoodShare employment and training program requirement for able-bodied adults.**

While a good paying job with enough hours is the best anti-hunger program, FoodShare is not a jobs program. It is a nutrition program that supports people with the food they need to work, learn and support themselves and their families.

FoodShare Employment and Training (FSET) has shown some promise connecting FoodShare participants to jobs, but with 1 in 9 people referred to FSET losing FoodShare benefits, there is still opportunity for improvement to fine tune the program. Our support of Special Session Assembly Bill 6 is our hope that working together, we can improve the FSET program so that it works for all people opting to utilize it as a way to meet the existing work requirement for single adults.

Overly broad work-requirements such as the ones being proposed here do not address the many variables in participant employability, geographic distribution of jobs, availability of hours and other supports needed for successful employment.

One of the most common things our FoodShare specialists report when talking to clients is that many of them want more hours at work but that there aren't any more available.

We are concerned that by expanding the required work hours would hurt the vast majority of FoodShare participants who are working hard, playing by the rules, and waiting for the extra hours on the job.

By increasing the work hours required for individuals to meet the work requirement, it may actually create disincentives for work, especially if the work opportunities or hours may not be available where people live, or if they have to take on additional costs for childcare.

We urge the Public Benefits Reform Committee to:

- Amend these proposals to be regional pilots, with rigorous evaluation studies to understand the local labor market, the challenges to employment, including availability of reliable transportation and quality childcare, and the potential

impact on program participation. These evaluation studies should be conducted in conjunction with local stakeholders, employers, and FoodShare participants.

### **Asset Testing**

- **Special Session Assembly Bill 3: Relating to: asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares.**

Asset limits discourage families from saving and since the average FoodShare participant has only \$333 in savings, this proposal creates an unnecessary administrative barrier for people to essentially prove that they are poor.

High asset limits, such as the ones proposed here, may force families in temporary need to liquidate their hard-earned assets in order to seek some basic safety net assistance to get through a tough time.

During the Great Recession hundreds of thousands of Wisconsinites who had worked hard and played by the rules lost their jobs. If a similar asset test had been in place, many of them would have had to potentially sell a car or a house just to qualify for very basic nutrition assistance, making it much harder for them to make it through an already tough time.

The way asset limits are implemented also create disincentives for families to honor their obligations. For example, if a family falls onto hard times and they are a few payments away from the \$20,000 equity value of their car, an asset limit such as the one being proposed becomes a disincentive for the family to continue paying off their loan.

Good policy ought to provide incentives for families to build assets in order to achieve self-sufficiency, not the other way around.

We urge the Public Benefits Reform Committee to:

- Amend this asset test to fully exempt the elderly, blind and disabled (EBD)
- Ensure that the burden of verification is low enough to ensure that the vast majority of program participants who do not own homes or cars with values that would trigger the asset limit are not caught up in a bureaucratic paper chase to prove that they are poor

### **FoodShare Photo ID**

- **Special Session Assembly Bill 10: Relating to: photo identification cards for FoodShare recipients**

We support policies and efforts to reduce fraud and increase program accountability. We are opposed to FoodShare Photo IDs because these laws do not accomplish either objective.

FoodShare Photo ID reduces program accountability by shifting the burden of verification and fraud detection from the federal and state government to private businesses, specifically super market store cashiers. In addition, since federal law allows anybody in a household to use the FoodShare card to buy food, it puts supermarket cashiers in an impossible position to accurately determine whether the person using the card is in a qualified assistance group with the person in the photo.

The major source of FoodShare fraud is known as benefit trafficking and it involves the exchange of benefits for cash. FoodShare Photo ID does not adequately address this because benefit trafficking requires another person, often an employee at a store processing EBT benefits, to agree to exchange the benefits into cash. A photo on an EBT card would be ineffective at preventing this type of fraud.

Nationally, the SNAP program enjoys historic highs in program accuracy (96.2% in 2010) and historic lows in program fraud (1.5 cents per benefit dollar). The transition to EBT cards, which utilize advance data matching and audit techniques to track and flag transactions in real-time, has been credited with this increased program integrity. In Wisconsin, total annual overpayments due to fraud amount to less than 1% of the entire program.

The USDA has ramped up efforts to address both of these types of most common fraud and is aggressively pursuing repayment of benefits that may have been fraudulently obtained.

If the committee decides to pursue FoodShare Photo ID, we strongly urge the committee to consider the following amendments:

- Amend the bill to include adding a photo to all debit cards in Wisconsin. If the state believes that adding a photo to EBT cards fights fraud, it should cover all holders of debit banking cards to ensure that all Wisconsinites have the same protection against fraud.
- Create a system to train and monitor store cashiers to ensure accurate and proper administration of the law, which allows anyone in the assistance unit to utilize the card, and not just the person pictured.
- Amend the bill to ensure that FoodShare photo ID cards are a valid form of voter ID. If the state issues these Photo FoodShare ID cards, they be a state issued identification card and people who receive one should be able to use it to vote.

For more information, please contact David Lee, Executive Director, Feeding Wisconsin, at [dlee@FeedingWI.org](mailto:dlee@FeedingWI.org)



**WRITTEN TESTIMONY OF  
JORDAN WILDERMUTH  
GOVERNMENT RELATIONS MANAGER, NURSE-FAMILY PARTNERSHIP**

**BEFORE THE  
SENATE COMMITTEE ON PUBLIC BENEFITS, LICENSING AND STATE-FEDERAL  
RELATIONS**

**JANUARY 31, 2018**

Good afternoon Chairman Kapenga and members of the committee. Thank you for the opportunity to testify on behalf of the Nurse-Family Partnership (NFP) program serving Adams, Chippewa, Columbia, Dane, Dunn, Eau Claire, Green, Juneau, Kenosha and Sauk Counties and in the City of Milwaukee in support of Special Session Senate Bill 7. Additionally, on behalf of the mothers, children and families served by Nurse-Family Partnership, I want to thank many members of this Committee for calling on the Wisconsin Congressional Delegation to reauthorize the Maternal, Infant and Early Childhood Home Visiting (MIECHV) program. Your work is paving the way for a healthier, brighter future for at-risk children and families.

NFP is a voluntary program that provides regular home visits to first time, low income mothers by registered nurses beginning early in pregnancy and continuing through the child's second year of life. The program is free and voluntary to the women that enroll. The children and families NFP serves are young, living in poverty, and at the highest risk of experiencing significant health, educational and employment disparities that have a lasting impact on their lives, their families, and communities.

In Wisconsin, NFP is supported by the state's Family Foundations Comprehensive Home Visiting Program led by the Department of Children and Families in collaboration with the Wisconsin Department of Health Services. Additional funding for NFP comes from tax levy dollars, Medicaid reimbursement, and private foundations. The first program was established in Milwaukee in 2007 and today, four agencies have a capacity to serve approximately 968 families in 11 counties across the state. A multitude of unfortunate factors in the community make NFP a critical element of the state's continuum of services for prevention and families in need. Still, we only reach about 7% of the population who could benefit from our services.

With the growing number of families falling into poverty, the demand for NFP services is outpacing our ability to grow with existing public and private resources. NFP strongly supports Pay for Success to expand the life-changing potential of evidence-based programs like NFP. Private capital can bring NFP to the highest risk communities, including rural and other underserved areas lacking funding for critical services. In 2016, NFP launched the nation's first Pay for Success project to improve maternal and child health in South Carolina, extending services statewide to 3,200 Medicaid-eligible first-time moms and their children over a six-year period. Pay for Success feasibility work has been undertaken in Tennessee, Texas, New Jersey

and San Francisco. Funding for the \$30 million South Carolina project included \$13 million by a 1915(b) Medicaid waiver and the remaining \$17 million is supported by philanthropic investors. South Carolina will make up to \$7.5 million in success payments to sustain our services in South Carolina only if the independent evaluator, J-PAL of North America, finds positive results when the program is evaluated in January 2020.

We believe that Pay for Success represents an opportunity for smart policy to incentivize the growth of evidence-based programs. Dr. Ted Miller's analysis<sup>1</sup> of NFP outcomes across more than 40 NFP evaluation reports reveal that in Wisconsin, enrolling 1000 low-income families in NFP produces the following outcomes:

- 33% reduction in emergency department use for childhood injuries
- 40% reduction in language delay
- 47% reduction in infant mortality
- 25% reduction in smoking during pregnancy
- 32% reduction in pregnancy-induced hypertension
- Reductions in TANF payments and Medicaid costs realized around 13-15-year post-partum

Independent evaluations have found that investments in NFP lead to significant returns to society and government (Washington State Institute for Public Policy, 2004 & 2008; 3 RAND Corporation studies 1998, 2005, 2008; Blueprints for Violence Prevention, Office of Juvenile Justice and Delinquency Prevention; and Pacific Institute for Research & Evaluation). At a total average cost of \$6,060, per family in Wisconsin per year, Miller's model predicts that by a child's 18th birthday:

- State and federal cost savings due to NFP will average \$21,481 per family served or 2.5 times the cost of the program.
- 7.6 to 1 benefit-cost ratio for every dollar invested in Nurse-Family Partnership.

The Nurse-Family Partnership thanks the Committee for your continued interest in harnessing the ability of evidence-based programs to improve the daily lives of people who need it most and as you continue to explore Pay for Success we want to be a partner and resource for sharing our experiences and ensuring a successful rollout and implementation. Programs like NFP improve a host of conditions that hinder children and families from becoming healthy, thriving in school and achieving economic success, and smart implementation and expansion can save scarce taxpayer resources and produce tangible results. I hope that the Committee will continue to support and expand funding streams that promote evidence-based social programs. Please feel free to contact me with any questions ([Jordan.wildermuth@nursefamilypartnership.org](mailto:Jordan.wildermuth@nursefamilypartnership.org)/224-605-1793).

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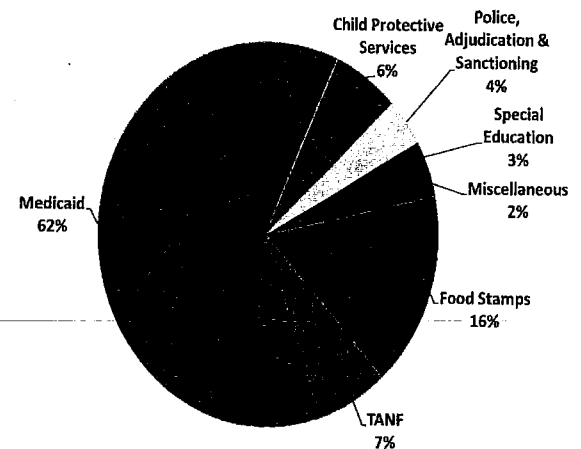
<sup>1</sup> Miller, T.R. (2015). Projected outcomes of Nurse-Family Partnership home visitation during 1996-2013, USA. *Prevention Science*. 16 (6). 765-777. This fact sheet relies on a state-specific return on investment calculator derived by Dr. Miller from published national estimates to project state-specific outcomes and associated return on investment. The calculator is revised periodically to reflect major research updates (latest revision: 3/27/2017).



## PAY FOR SUCCESS: AN OPPORTUNITY TO SERVE MORE FAMILIES

Too many low-income, first-time pregnant mothers and their children suffer from chronic poverty, poor health and other social conditions that carry a high price tag in terms of their human toll and monetary costs. Nurse-Family Partnership (NFP) is an evidence-based nurse home visiting program focused on the health, well-being, and self-sufficiency of low-income, first-time mothers and their children. Four decades of research have shown NFP's favorable impact on pregnancy outcomes, child health and development, as well as mother's life course development. With approximately 33,000 families enrolled at any point in time, NFP is currently reaching only 9% of eligible families. By recruiting private capital to partner with providers and government, **Pay for Success (PFS)** presents a powerful opportunity to bring NFP to more families and help break intergenerational cycles of poverty.

Distribution of Government Cost Savings per Family Served by NFP in the United States\*



### HOW PAY FOR SUCCESS WORKS

PFS is performance-based contracting where government pays only if key results are achieved. Private financing is used to bridge the timing gap between government payments and the upfront capital needed to run the programs. PFS (also called Social Impact Bonds) is one kind of social innovation financing in which funds are raised from investors to supply a service provider with the working capital to deliver their services that will benefit society. While structures vary, at the core of PFS is a three-way contract between government, a provider and investors in which investors provide funding upfront to pay for program services. Government is only required to pay back investors if and when the provider meets agreed-upon outcome metrics as determined by an independent evaluator.

NFP's Cost Savings and Return on Investment\*

NFP Cost per Family Served	\$ 9,403
Savings to State Government at age 18	\$11,738
Savings to Federal Government at age 18	\$15,160
Total Government Savings at age 18	\$26,898
Total Societal Savings <sup>1</sup>	\$60,428

<sup>1</sup>NFP's benefits to society are estimated to be \$60,428 taking less tangible savings (like potential gains in work, wages and quality of life) into account along with resource cost savings (cost offsets to government, insurers, and out of pocket payments by families).

### NFP AND PAY FOR SUCCESS

- With growing number of families falling into poverty, the demand for NFP services is outpacing our ability to grow with existing public and private resources.
- "Top Tier" evidence: Well-designed and implemented randomized controlled trials have shown that NFP produces sizable, sustained benefits to participants and society, as well as return on investment to government.
- Community-based, experienced service providers have the capacity to deliver NFP on a larger scale.
- The NFP National Service Office offers a performance-driven and outcomes-based infrastructure that supports replication with fidelity.
- As of March 2017, NFP has served 256,751 low-income mothers in 42 states, the U.S. Virgin Islands and 6 Tribal organizations in 574 counties nationwide.
- In 2016, NFP launched the nation's first PFS project to improve maternal and child health in South Carolina, extending services statewide to 3,200 Medicaid-eligible first-time moms and their children over a six-year period.
- PFS feasibility work has been undertaken in Tennessee, South Carolina, Texas, New Jersey and San Francisco, California.
- NFP supports federal PFS legislation that would offer federal financial support to states for federal value achieved through state PFS projects.



**BENEFITS OF PAY FOR SUCCESS**

**Reach More Families**

Private capital can bring NFP to the highest risk communities, including rural and other underserved areas lacking funding for critical services. Private capital can fuel targeted expansions large enough to demonstrate the population-based benefits that NFP promises.

**Pay for Results**

Government benefits from a successful PFS project by only paying for results. The risk of paying for ineffective programs is shifted from government to investors. Government, families, and society benefit from positive outcomes and associated savings.

**Multi-year Funding Upfront**

Service providers receive multi-year, predictable funding upfront to support growth.

**Positive Social Impact**

Investors in PFS benefit from generating both a positive social impact and a potential return on their investment.

“If Pay for Success works at a larger scale, then NFP can realize a vision that we’ve shared with supporters for years: reaching every mom who needs us, sparking multi-generational change, and creating pathways out of poverty.”\*\*

Tamar Bauer and Roxane White, Nurse-Family Partnership

**EXPECTED LIFE STATUS AND FINANCIAL OUTCOMES WHEN FIRST-TIME, LOW-INCOME MOTHERS RECEIVE NURSE-FAMILY PARTNERSHIP HOME VISITATION SERVICES IN THE U.S.\***

OUTCOME	CHANGE
Smoking During Pregnancy	25% reduction in tobacco smoked
Complications of Pregnancy	33% reduction in pregnancy-induced hypertension
Preterm First Births	15% reduction in births below 37 weeks gestation (22 fewer preterm births per 1,000 families served)
Infant Deaths	48% reduction in risk of infant death (3.0 fewer deaths per 1,000 families served)
Closely Spaced, High-Risk Pregnancies	37% reduction in closely spaced, high-risk pregnancies within 15 months postpartum during 4 years after the first birth
Very Closely Spaced Births	25% reduction in second births within 15 months postpartum
Subsequent Preterm Births	37.0 fewer subsequent preterm births per 1,000 families served
Breastfeeding	12% increase in mothers who attempt to breastfeed
Intimate Partner Violence	17% reduction in assaults, prenatal to child age 5
Child Maltreatment	33% reduction in child maltreatment through age 15
Childhood Injuries	34% reduction in injuries treated in emergency departments, ages 0-2
Language Development	41% reduction in language delay; 0.14 fewer remedial services by age 6
Youth Criminal Offenses	25% reduction in crimes and arrests, ages 11-17
Youth Substance Abuse	56% reduction in alcohol, tobacco, & marijuana use, ages 12-15
Immunizations	14% increase in full immunization, ages 0-2
TANF Payments	7% reduction through year 13 post-partum; no effect thereafter
Food Stamp Payments	10% reduction through at least year 15 post-partum
Person-months of Medicaid Coverage Needed	8% reduction through at least year 15 post-partum due to reduced births and increased program graduation
Costs if on Medicaid	10% reduction through age 18
Subsidized Child Care	Caseload reduced by 3.7 children per 1,000 families served

\*Ted Miller, Ph.D., Pacific Institute for Research and Evaluation, “Projected Outcomes of Nurse-Family Partnership Home Visitation during 1996- 2013, USA” (2015) and “Return on Investment in Nurse-Family Partnership Home Visitation in Scaled- Up Implementation” (2017). Associated Return on Investment Calculator dated 3/26/17.

\*\*Tamar Bauer & Roxane White, *What Matters: Investing in Results to Build Strong, Vibrant Communities* (2017); Joint project of the Federal Reserve Bank of San Francisco and Nonprofit Finance Fund.

**FOR MORE INFORMATION**

Please contact Tara Jethwani at [tara.jethwani@nursefamilypartnership.org](mailto:tara.jethwani@nursefamilypartnership.org).



FOR IMMEDIATE RELEASE

Media Contact:  
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303.668-0636

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## Fact Sheet: South Carolina Nurse-Family Partnership Pay for Success Project

South Carolina is launching the nation's first Pay for Success initiative focused on improving health outcomes for mothers and children living in poverty. The project will expand Nurse-Family Partnership's services to an additional 3,200 first-time, low-income mothers across the state.

### Project Overview:

- More than 280,000 children in South Carolina — or 27 percent — live in poverty.<sup>1</sup> And more than half of babies in the state are born to low-income mothers who qualify for Medicaid. Growing up in poverty can be harmful to a child's cognitive development, health, school performance, and social and emotional well-being. Research on brain development has shown that giving children a strong start in life begins before they are born, during a mother's pregnancy. Mothers struggling with poverty are at higher risk for poor birth outcomes such as delivering premature babies or those who weigh too little.
- The South Carolina Department of Health and Human Services (SCDHHS) will lead the project.
- Nurse-Family Partnership, a nationwide evidence-based program, currently serves 1,200 families in South Carolina. The Pay for Success project will pair nurses with an additional 3,200 first-time, low-income mothers over the next four years, marking the first statewide Pay for Success project in the U.S.
- Nurse-Family Partnership pairs vulnerable first-time parents with specially trained nurses. During home visits from early pregnancy through the child's second birthday, the nurses support first-time moms to have healthy pregnancies, become knowledgeable and responsible parents, and give their babies the best possible start in life. By strengthening families and improving early child development, Nurse-Family Partnership strengthens communities and aims to improve the health and well-being of residents.

Nurse-Family Partnership has a nearly 40-year track record of successfully improving outcomes for mothers and children — including multiple randomized controlled trials in different geographic regions of the U.S. (For more information on the research, click [here](#).)

### Overview of Pay for Success:

- Pay for Success projects, also called Social Impact Bonds, combine nonprofit expertise, private sector funding, and rigorous measurement and evaluation to transform the way government and society respond to chronic social problems. In a Pay for Success project, funders provide upfront capital to expand social services and government pays for all or part of a program only if it measurably improves the lives of participants. In some Pay for Success projects, investors earn a

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<sup>1</sup> "Kids Count: 2015 Data Book, State Trends in Child Well-Being," The Annie E. Casey Foundation, <http://www.aecf.org/m/resourcedoc/aecf-2015kidscountdatabook-2015.pdf>

small return on their investment. In this case, the funders are recycling any returns back into Nurse-Family Partnership services in South Carolina.

- Independent evaluators measure the providers' impacts based on pre-determined outcomes that benefit both individuals and society — and generate value for taxpayers.
- The evaluation of the South Carolina project will be led by J-PAL North America, a research center at the Massachusetts Institute of Technology. For all partners, click [here](#).
- The project includes a new randomized controlled trial, which will evaluate how well Nurse-Family Partnership is working and whether a 25 percent reduction in the cost of services affects how well the mothers and children do.
- Social Finance, a nonprofit intermediary, supported the design, negotiation and financial structuring of the project. Social Finance also managed the capital raise, and will coordinate performance management services for the duration of the project alongside SCDHHS, NFP and the Harvard Kennedy School Government Performance Lab.
- The Government Performance Lab (GPL) at the Harvard Kennedy School conducts research on how governments can improve the results they achieve for their citizens. An important part of this research model involves providing pro bono technical assistance to state and local governments. The GPL advised the SCDHHS throughout the phases of project development – including project design, data analysis and contract negotiations.

#### **Project Metrics for Evaluation:**

- Reduction in preterm births
- Reduction in child hospitalization and emergency department usage due to injury
- Increase in healthy spacing between births
- Increase in the number of first-time moms served in predetermined ZIP codes with high concentrations of poverty

#### **Funding:**

The South Carolina Pay for Success initiative mobilizes \$30 million to expand Nurse-Family Partnership's evidence-based services. Philanthropic funders have committed \$17 million to the project. Medicaid will fund approximately \$13 million via a 1915(b) Medicaid Waiver, awarded to the South Carolina Department of Health and Human Services by the federal Centers for Medicare and Medicaid Services.

The philanthropic funders include:

- BlueCross BlueShield of South Carolina Foundation (\$3.5 million)
- The Duke Endowment (\$8 million)
- The Boeing Company (\$800,000)
- Greenville First Steps (\$700,000)
- Laura and John Arnold Foundation (\$491,000)
- Consortium of additional private funders (\$4 million)

**Success payments:** South Carolina will make up to \$7.5 million in success payments to sustain Nurse-Family Partnership's services only if the independent evaluators, J-PAL North America, find positive results.

#### **Goals of the South Carolina Nurse-Family Partnership Pay for Success Project:**

- **Long-term and Lasting Results for Families Statewide:** Support first-time mothers to have healthy pregnancies and become great parents, setting up children for successful early childhood development, in rural and urban areas across South Carolina.
- **Sustainability:** Build a pathway for sustaining these effective services. The philanthropic funders have agreed to reinvest 100 percent of South Carolina's success payments, if earned, in Nurse-Family Partnership in South Carolina to provide the program to more mothers in need beyond the life of the Pay for Success project. Furthermore, braiding Medicaid funding with the Pay for Success project provides a pathway for South Carolina to sustain home visiting services if the project generates positive results.
- **Innovation and Learning:** Use a rigorous evaluation to understand the efficacy of the Nurse-Family Partnership model after implementing strategies to improve the delivery and lower the cost of the program. This learning will provide important insight on how best to provide this evidence-based program at scale while minimizing taxpayer cost and maximizing impact.
- **Government Accountability and Results:** Bring an added level of accountability for results for the families served. With \$17 million in private philanthropic funding to finance Nurse-Family Partnership's expansion upfront, South Carolina taxpayers transfer a portion of the performance risk away from the government. The State pays for a greater portion of program costs **only** if independent evaluators find that Nurse-Family Partnership's services produce positive societal outcomes and value for South Carolina.

#### **Geographic Area Served:**

This project will serve mothers and children in 29 of South Carolina's 46 counties — positively impacting families statewide.

**About Nurse-Family Partnership:** Nurse-Family Partnership ([www.nursefamilypartnership.org](http://www.nursefamilypartnership.org)) empowers first-time mothers living in poverty to change their lives and the lives of their children through an evidence-based nurse home visiting program. Nurse-Family Partnership is the most rigorously tested maternal and early childhood health program of its kind. Randomized, controlled trials conducted over 39 years demonstrate multi-generational outcomes that benefit society and reduce long-term social service expenditures. Nurse-Family Partnership is headquartered in Denver, Colo. Follow Nurse-Family Partnership on Twitter [@NFP\\_nursefamily](https://twitter.com/NFP_nursefamily) and Facebook at [facebook.com/nursefamilypartnership](https://facebook.com/nursefamilypartnership)

## Nurse-Family Partnership *in Wisconsin*



Nurse-Family Partnership® (NFP) is an evidence-based community health program that helps transform the lives of vulnerable mothers pregnant with their first child. Each mother served by NFP is partnered with a registered nurse to receive home visits from prenatal through the baby's second birthday. Mothers, babies, families and communities all benefit.

### NURSE-FAMILY PARTNERSHIP GOALS

- 1 Improve pregnancy outcomes by helping women engage in good preventive health practices, including thorough prenatal care from their healthcare providers, improving diet and nutrition as well as reducing the use of cigarettes, alcohol and illegal substances.
- 2 Improve child health and development by helping parents provide responsible and competent care.
- 3 Improve the economic self-sufficiency of the family by helping parents develop a vision for their own future, plan future pregnancies, continue their education and find work.

**88%**

**babies born at a healthy weight (5.5 lb)**

**91%**

**babies received all immunizations by 24 Months**

**80%**

**mothers initiated breastfeeding**

### POSITIVE OUTCOMES FOR Wisconsin

*Cumulative data as of 12/31/16, clients served by Wisconsin's Nurse-Family Partnership.*

### MOM'S DEMOGRAPHICS AT ENROLLMENT

● **MEDIAN AGE: 20**

● **82% RECEIVE MEDICAID**

*cumulative as of 12/31/16*

● **RACE**

43% Black/African-American

46% White

1% American Indian/Alaska Native

2% Asian/Pacific Islander

6% Multi-racial

2% Declined to self-identify

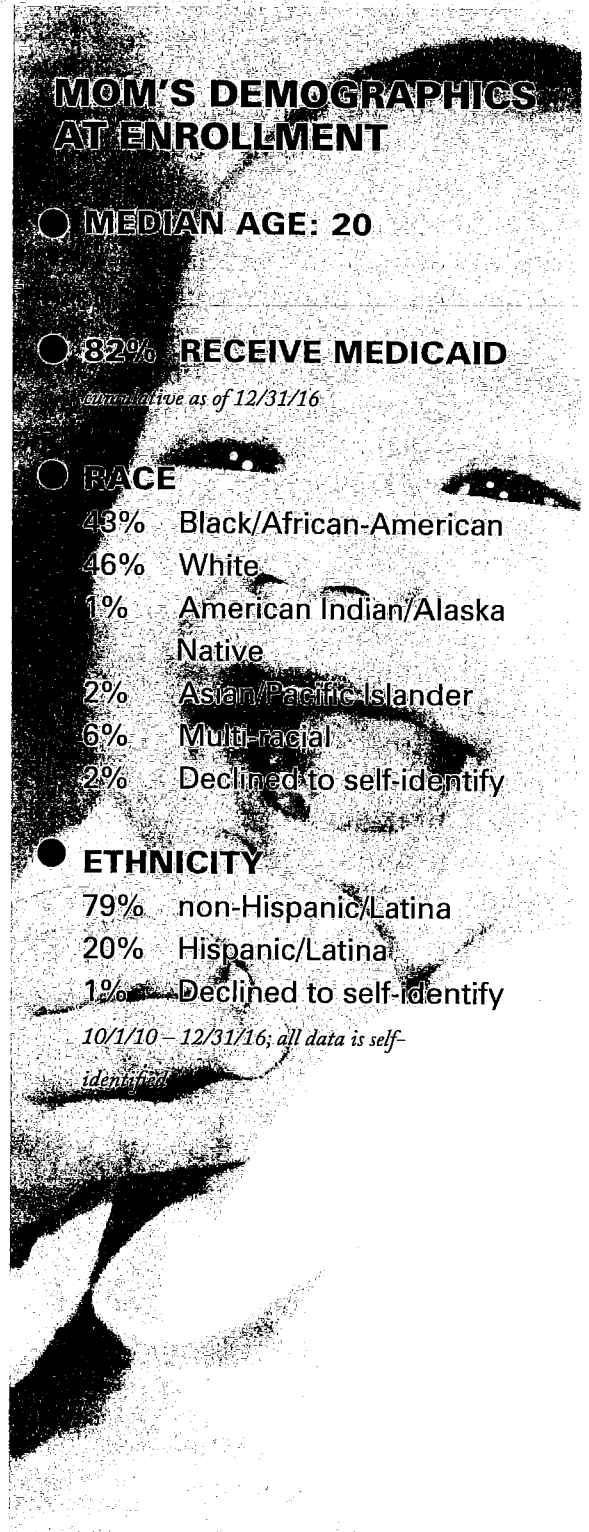
● **ETHNICITY**

79% non-Hispanic/Latina

20% Hispanic/Latina

1% Declined to self-identify

*10/1/10 - 12/31/16; all data is self-identification*



## Nurse-Family Partnership *in Wisconsin*

**Established In 2007**  
**1374 Families Served**  
**11 Counties Served**  
**4 Agencies**

**Based on a review of 41 NFP evaluation studies, Dr. Ted Miller of the Pacific Institute for Research and Evaluation predicts that nationwide every dollar invested in NFP will yield a return on investment to government of \$2.90 and to society of \$6.40.**

### **NFP IN WISCONSIN**

In Wisconsin, Nurse-Family Partnership serves clients in Adams, Chippewa, Columbia, Dane, Dunn, Eau Claire, Green, Juneau, Kenosha and Sauk Counties and in the City of Milwaukee.

All four sites (City of Milwaukee), Madison- Dane (with Adams, Juneau and Sauk Counties), the Western Wisconsin Consortium (Eau Claire, Chippewa and Dunn Counties) and Kenosha are housed in health departments. In particular, the top priority for Milwaukee Mayor Tom Barrett when implementing NFP was to reduce the city's infant mortality disparity gap among African-Americans and Hispanics.



### **FUNDING AND POLITICAL CONTEXT**

The Milwaukee Nurse-Family Partnership is funded by the Wisconsin Partnership Fund from the UW School of Medicine and Public Health and a Title V MCH Block grant from the State. Both the Madison-Dane (Adams and Juneau Counties) and Kenosha sites are funded with federal dollars through the Maternal, Infant and Early Childhood Home Visiting program. The Western Wisconsin Consortium is funded through tax levy dollars, Medicaid reimbursement, United Way of Greater Chippewa Valley and the Dunn County Community Foundation.

### **NATIONAL RECOGNITION**

**"Programs such as the Nurse-Family Partnership — in which nurses visit first-time, low-income mothers to provide information on nutrition and parenting — may be a more focused (and cost-effective) way to increase the school readiness of at-risk kids."**

*Michael Gerson, "Discipline, With Love," The Washington Post, Oct. 2, 2014*

**"...the Nurse-Family Partnership, one of my favorite groups fighting poverty in America. It sends nurses on regular visits to at-risk first-time moms. The nurses warn about alcohol or drug abuse and encourage habits of attentive parenting, like reading to the child."**

*Nicholas Kristof, "Cuddle Your Kid!" The New York Times, Oct. 20, 2012*

*"Another example is the Department of Health and Human Services' Home Visiting Program. It funds evidence-based approaches to home visiting, such as the Nurse Family Partnership, to help first-time, low-income mothers ensure their children are healthy and ready to learn. As a result, more disadvantaged mothers are receiving quality help at a critical period in their children's lives."*  
- American Enterprise Institute, February 2017



National Service Office:  
1900 Grant Street, Suite 400 • Denver, CO 80203-4304 • [nursefamilypartnership.org](http://nursefamilypartnership.org)

**Interested in learning more about NFP in WI?**  
**Please contact us at:**  
[businessdevelopment@nursefamilypartnership.org](mailto:businessdevelopment@nursefamilypartnership.org)

# Nurse-Family Partnership: Outcomes, Costs and Return on Investment in Wisconsin



Nurse-Family Partnership® (NFP) offers significant benefits to the families it serves and significant cost savings to society and government funders. Based on a review and analysis<sup>1</sup> of **more than 40 NFP evaluation studies, including randomized controlled trials, quasi-experimental studies and large-scale replication data**, Dr. Ted Miller of the Pacific Institute for Research and Evaluation predicts that when NFP achieves scale in Wisconsin, it can produce the following outcomes:



- Smoking in pregnancy ↓25%
- Pregnancy-induced hypertension ↓32%
- Closely spaced births (15 months postpartum) ↓25%



- Emergency department use for childhood injuries ↓33%
- Full immunization ↑13%
- Language delay ↓40%



- First pre-term births ↓15%
- Infant mortality ↓47%
- Moms who attempt breastfeeding ↑12%



- TANF payments ↓7% (13 years post-partum)
- Person-months on Medicaid ↓8% (15 years post-partum)
- Costs if on Medicaid ↓8% (through age 18)



## NFP's Cost Savings and Return on Investment

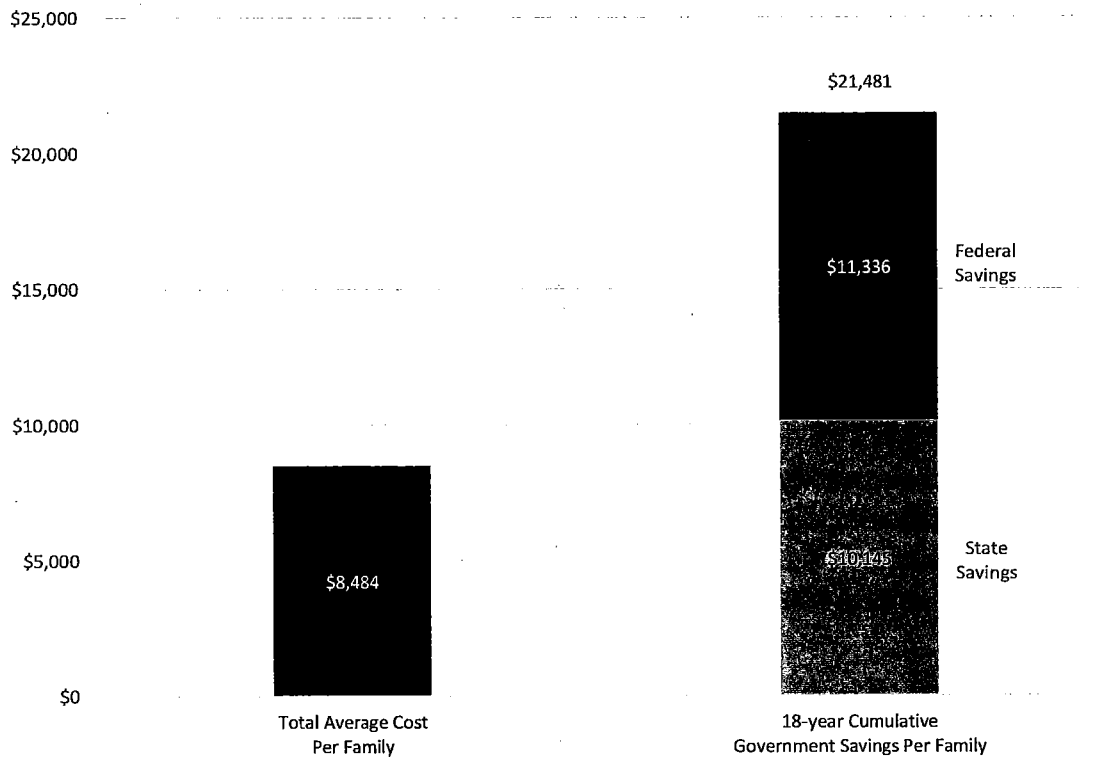
At a total average cost of **\$8,484 per family in Wisconsin** (over an average enrollment of 508.4 days,<sup>2</sup> present value at a 3% discount rate, see Figure 1), Miller's model predicts that by a child's 18<sup>th</sup> birthday:

- State and federal cost savings due to NFP will average **\$21,481 per family served** or **2.5 times** the cost of the program.
- Analyzing broader savings to society, Miller takes into account less tangible savings (like potential gains in work, wages and quality of life) along with resource cost savings (out-of-pocket payments including savings on medical care, child welfare, special education, and criminal justice) to calculate:
  - NFP's total benefits to society equal **\$64,569 per family served**
  - This yields a **7.6 to 1** benefit-cost ratio for every dollar invested in Nurse-Family Partnership.

<sup>1</sup> Miller, T.R. (2015). Projected outcomes of Nurse-Family Partnership home visitation during 1996-2013, USA. *Prevention Science*. 16 (6). 765-777. This fact sheet relies on a state-specific return on investment calculator derived by Dr. Miller from published national estimates to project state-specific outcomes and associated return on investment. The calculator is revised periodically to reflect major research updates (latest revision: 3/27/2017).

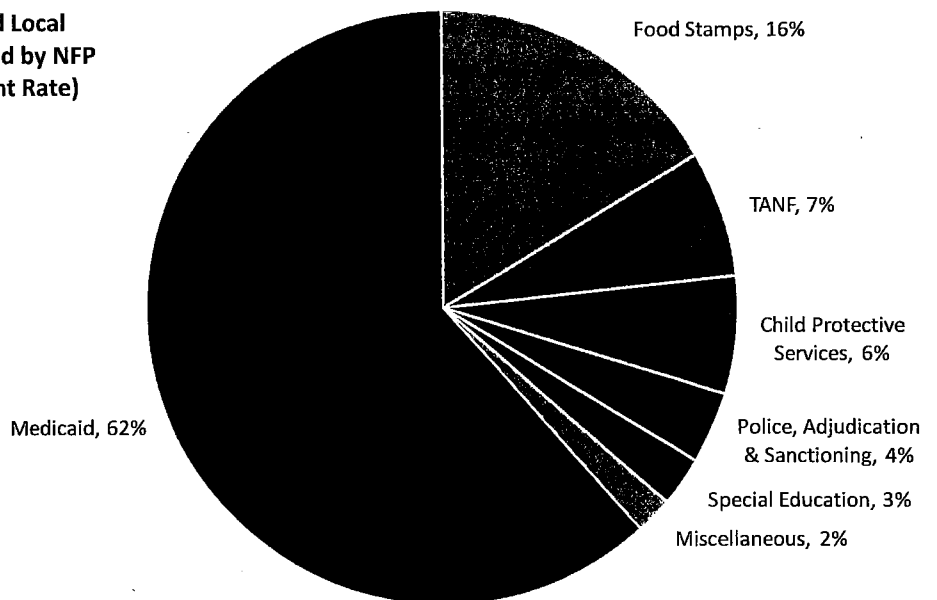
<sup>2</sup> In Wisconsin, the average cost to serve a family for a year is \$6,212 (2015 dollars).

**Figure 1: Total Average Per-Family Cost and Estimated Government Savings of Nurse-Family Partnership Implementation in Wisconsin (Present Value at a 3% Discount Rate)**



Nationwide, Medicaid will accrue 62% of the government cost savings per family served by NFP. If Medicaid fully funded NFP in Wisconsin, each level of government would reap Medicaid savings that exceed its share of undiscounted NFP costs when the child was age 9. By the child's 18th birthday, Medicaid would recoup \$1.60 per dollar invested (undiscounted).

**Figure 2: Distribution of Federal, State, and Local Government Cost Savings per Family Served by NFP Nationwide (Present Value at a 3% Discount Rate)**





# OSP

OPPORTUNITY ■

## Solutions Project

### TESTIMONY ON WISCONSIN WORKS FOR EVERYONE

Senate Committee on Public Benefits,  
Licensing and State-Federal Relations

and

Assembly Committee on Public Benefit Reform

Wednesday, January 31, 2018

Jonathan Ingram  
Senior Research Fellow  
Opportunity Solutions Project

In 1996, President Clinton called Wisconsin's welfare reforms "one of the boldest yet attempted in America." This package of reforms will ensure that legacy continues for decades to come. The bills discussed today represent significant improvements to the welfare system and further three core objectives: moving able-bodied adults from welfare to work, preserving resources for the truly needy, and helping poor children get more of the support they need. Opportunity Solutions Project urges these Committees to advance this package of bills forward, providing hope and opportunity for thousands of individuals trapped in dependency.

## **The proposed reforms will move able-bodied adults from welfare to work.**

This package of reforms underscores a commonsense principle: those who can work should work or train for work. Without work requirements in place, thousands of able-bodied adults in Wisconsin are trapped in dependency, with no hope of a better life. According to federal data, most of the adults likely to be impacted by these changes do not work at all. Although full-time employment is critical to becoming self-sufficient, just one in five are working 30 or more hours per week. The status quo is failing them.

But work requirements have an impressive track record of reducing dependency. After work requirements were implemented in other states, other programs, and for other groups of able-bodied adults, those adults went back to work, finding jobs in more than 600 different industries, including everything from manufacturing to nursing to I.T., and everything in-between. More employment led to higher incomes, with those leaving welfare seeing their wages more than double on average. As a result, fewer able-bodied adults remained dependent on welfare and the average time spent on the program was cut in half.

Moving people from welfare to work changes lives for the better. It provides a path out of dependency and into self-sufficiency. But those individuals gain so much more than merely a paycheck—they also gain the social capital and dignity that come through work.

Wisconsin has already taken significant steps to move able-bodied adults from welfare to work, including restoring the work requirement for able-bodied childless adults under the age of 50. These proposed reforms will build on past successes and will provide hope and opportunity to thousands of able-bodied adults still languishing on the program.

## **The proposed reforms will preserve resources for the truly needy.**

This package of bills also ensures that funds meant for the truly needy are not siphoned away by able-bodied adults with significant financial assets. After all, every dollar spent on individuals with substantial resources is a dollar that cannot be spent on the truly needy, including seniors, poor children, and individuals with disabilities.

These reforms are an essential step forward in preserving resources for the truly needy. But more work remains to be done. Efforts to improve program integrity, for example, could help further this core objective. Regularly crosschecking welfare enrollees against state and federal death records, as well as against lottery winning databases, could free up additional funds for the most vulnerable. Opportunity Solutions Project recommends adding an amendment to ensure this crosschecking occurs.

Wisconsin has already taken significant steps to move able-bodied adults from welfare to work, including restoring the work requirement for able-bodied childless adults under the age of 50. These proposed reforms will build on past successes and will provide hope and opportunity to thousands of able-bodied adults still languishing on the program. In 1996, President Clinton called Wisconsin's welfare reforms "one of the boldest yet attempted in America." This package of reforms will ensure that legacy continues.

## **The proposed reforms will help poor children get more of the support they need.**

This package of bills also provides additional tools to help children receive the support they deserve from absent parents. Child support can be a critical tool to help reduce dependency and child poverty. Single-parent families who do not receive child support, for example, are 45 percent more likely to be on Medicaid than the families who receive the full amount of owed support.

Children also miss out on thousands of dollars in support from absent parents. When single-parent families on Medicaid receive the child support owed to them, it increases their incomes by an average of nearly 65 percent—providing them with more than \$6,700 in additional support. But far too many children in Wisconsin do not get the support they deserve.

States have successfully used child support cooperation requirements in other programs, including cash assistance and food stamps, to get poor children more of the support they deserve. Building on this success in Wisconsin could mean millions of dollars in additional support provided by absent parents.

## **The proposed reforms will move Wisconsin forward.**

This package of bills builds on past successes and will move Wisconsin forward. These measures will move thousands of able-bodied adults from welfare to work, preserve limited resources for the truly needy, and help poor children get more of the support they deserve. While more work remains to be done to protect program integrity, these bills represent a monumental step forward in providing hope and opportunity for those trapped in dependency. Opportunity Solutions Project urges these Committees to move this package of bills forward and cement Wisconsin's legacy as a national leader on welfare reform.



## WISCONSIN CATHOLIC CONFERENCE

### **TESTIMONY ON JANUARY SPECIAL SESSION WELFARE REFORM BILLS Presented to the Senate Committee on Public Benefits, Licensing and State-Federal Relations, and Assembly Committee on Public Benefit Reform**

**By Barbara Sella, Associate Director**

**January 31, 2018**

On behalf of the Wisconsin Catholic Conference (WCC), thank you for this opportunity to testify on the welfare reform bills of January 2018 Special Session.

When welfare reform was first being debated 23 years ago, the Catholic bishops issued a statement (*Reforming Welfare By Valuing Families, A Statement From The Roman Catholic Bishops Of Wisconsin*, September 1995), in which they emphasized that “welfare programs must be ordered to helping people realize their potential, not because society owes them a living but because every person must satisfy basic needs in order to fulfill their personal and social obligations.” It is with this principle in mind and based on the practical experience of our Catholic Charities agencies and Society of St. Vincent de Paul councils, who regularly minister to families in need, that we offer our evaluation of several bills in this package.

First, we have some concerns with JR8 Senate/Assembly Bill 1 and JR8 Senate/Assembly Bill 2. These bills alter the FoodShare employment and training program requirements. The federal government altered its requirements and gave states the ability to adjust the number of hours of employment and training participation for the federal Supplemental Nutrition Assistance Program (SNAP) due to a recognition that states need flexibility to achieve program success. The WCC requests that before enacting a statutory provision that removes that flexibility, there should be a broader conversation with stakeholders, especially local government entities, to ensure that they can assist individuals in meeting these new requirements. The bills are silent on the fiscal, transportation, and other resources necessary to make compliance possible and not punitive. We are concerned that an increasing focus on serving the most employable clients might result in a failure to adequately serve those with the greatest need for assistance and with the greatest barriers to employment. This includes those who care for adult family members or children over the age of 6, or who have chronic conditions that are limiting, but do not constitute a “disability” as defined in statute. These pressures may increase if payment structures are increasingly performance-based.

We oppose JR8 Senate/Assembly Bill 3, which alters or institutes new limitations on eligibility for certain public benefit programs based on the ownership of assets. While the WCC supports the inclusion of a hardship exemption from asset eligibility restrictions, there is still the likelihood that families of fairly limited means may be prevented from accessing benefits, especially large families who, out of necessity, have larger family vehicles or families who have children with special needs, and therefore, have homes and vehicles that may be more expensive because of necessary modifications.

We oppose JR8 Senate/Assembly Bill 4, which institute drug screening for all public housing authority residents. While the WCC supports helping people escape drug dependency and embrace healthy and responsible lifestyles, these kinds of measures fail to recognize that drug abuse afflicts all income levels and that most of those in drug treatment programs relapse several times before achieving lasting recovery. The bill does not address whether individuals will continue to receive treatment upon relapse or if there are sufficient community resources necessary to make compliance with this restriction possible.

We oppose JR8 Senate/Assembly Bill 10, which create and require the use of a photo identification card when making a purchase using the FoodShare program. The Church teaches that food is a human right. Wisconsin's FoodShare program must offer support to those facing hunger, not judgment or presumption.

Families facing poverty and limited means must depend upon one another to fulfill daily tasks and meet daily needs. This means children or other members of the household may be tasked with making food purchases for the home. Limiting such purchases to a FoodShare recipient or their "authorized representative" could have disastrous effects. The process would likely require verifying photo identification with a program participant while surrounding customers are present at a store. The stigma and embarrassment of increased scrutiny could deter some eligible individuals from participating in the program or utilizing their full FoodShare allocation. It could also drive participants to refrain from making food purchases at facilities that do not serve large populations of FoodShare participants, but that may offer healthier or more economical options, for fear of being questioned or identified.

We support JR8 Senate/Assembly Bill 5, which create a pilot and permanent program to make Earned Income Tax Credit (EITC) payments periodic. Our only suggestion is that the Legislature consider, not just a pilot involving monthly payments, but also one involving quarterly payments, since the latter may demonstrate that recipients are more likely to save or make essential purchases when they receive larger payments.

We support JR8 Senate/Assembly Bill 7, which establish a pay for success trust fund to contract with private funders in order to provide improved services for those in need. This model has been used successfully in several other states to combat homelessness and reduce recidivism. We believe that the public/private partnerships it establishes and the performance metrics it requires are vital to addressing our state's long-standing social, economic, and correctional challenges.

There are several other bills that the WCC is not commenting on at this time because there has not been sufficient time to analyze them or to contact the stakeholders who are best able to assess their impact.

In conclusion, reforming welfare so as to reduce poverty and dependency requires the involvement of government and the private sector working cooperatively. Reforms must ensure that people in poverty do not become targets, but rather that they receive the supports and services appropriate to their needs. Self-sufficiency and self-determination require that those in poverty be listened to and respectfully engaged. Overly bureaucratic and punitive measures to

reduce fraud and encourage responsibility all too often have the opposite effect of deepening hopelessness and further impoverishing the most vulnerable. The problem of poverty requires a holistic approach, something that our Catholic Charities agencies and Society of St. Vincent de Paul councils have been doing for decades.

We respectfully urge committee members to support Senate Bills 5 and 7, but to oppose the bills indicated above. We strongly recommend that an overhaul of our state's welfare system not be rushed, but instead be developed with the help of a broader coalition of stakeholders, either through a Legislative Study Committee or a special Task Force. For our part, the Catholic Church in Wisconsin stands ready to help in this and any other efforts to serve the common good and protect human dignity.

Thank you.



WISCONSIN BOARD FOR PEOPLE  
WITH DEVELOPMENTAL DISABILITIES

January 31, 2018

Senate Committee on Public Benefits, Licensing, and State-Federal Relations  
Senator Kapenga, Chair  
State Capitol, Room 15 South  
Madison, WI 53707

Assembly Committee on Public Benefit Reform  
Representative Krug, Chair  
State Capitol, Room 207 North  
Madison, WI 53708

Dear Senator Kapenga, Representative Krug and members of the committees:

Thank you for the opportunity to provide public comment on JR8 SB3 (FoodShare, Wisconsin Works, and Wisconsin Shares Asset Restrictions), JR8 SB2 (FoodShare Employment and Training Program requirements), JR8 SB1 (FoodShare Hours of Participation), and JR8 SB9 (Medical Assistance Savings Account) included within the welfare reform package. The Wisconsin Board for People with Developmental Disabilities' (BPDD) has the same concerns with all four of these bills and concludes that people with disabilities could be disproportionately harmed if these bills remain in their current form.

These bills intend to exempt the "elderly, blind, and disabled," or people who are not "able-bodied." However, there is no exemption for caregivers; we believe this is a serious omission that could negatively impact many people with disabilities and their families.

Many people with disabilities—especially in the context of Wisconsin's growing caregiver crisis—rely on family members to provide some or a large proportion of the caregiving needed. Families often provide daily supports including personal care, supervision, service coordination, and medical and financial management<sup>1</sup>. Often, some combination of paid and unpaid caregiving is used, and multiple family members may contribute hours to meet all caregiving needs. A 2016 AARP report found more than half of family caregivers reported a work-related strain, such as having to take unpaid time off. We hear from families across the state that they have often had to rearrange schedules and even leave their jobs to fill in caregiving gaps.

When caregivers work fewer hours or leave their jobs to do caregiving work, their reduced income may make them financially eligible for public assistance programs like FoodShare, Medicaid, and Public Housing. Wisconsin absolutely needs these caregivers to keep older adults and people with disabilities in their homes and out of expensive Medicaid-funded institutional settings.

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<sup>1</sup> An estimated 40% of the overall community workforce includes family members. Nationally, families provide more than \$475 billion per year in unpaid direct care for their family members, which would otherwise have to be paid for by Medicaid.

**We recommend amending these bills (JR8 SB1, JR8 SB2, JR8 SB3, JR8 SB9) to include a caregiver exemption for caregivers taking care of a person with a disability, a child, or a person who is aging and cannot care for himself or herself.**

Despite the legislative intent to exempt people with disabilities from the provisions included in these bills, BPDD believes many people with disabilities—including those with I/DD—could inadvertently be impacted without clearer exemptions and clarifying what is needed to demonstrate qualification for exemption. There are always people with disabilities who fall through the cracks, especially when they do not have a robust support system.

**JR8 SB1, JR8 SB2, JR8 SB3, JR8 SB9 should include clear exemptions for:**

- People who receive Social Security Disability Insurance (SSDI).
- People with disabilities are waiting for a disability determination from the Social Security Administration; it may take two years for an initial determination, and many people with disabilities find it necessary to take additional time in an appeals process before receiving a formal recognition of their disability.
- People with intermittent disabilities (multiple sclerosis, for example) or disabilities that are progressive or may increase in severity and lead to functional limitations over time.
- People with a primary diagnosis of mental health conditions or Substance Abuse Disorder.
- A person who is physically or mentally unable to work.

BPDD is concerned that without clarification, programs may impose different bureaucratic requirements on people with disabilities to prove they are exempt. Having documentation acceptable to the agency's requirements, getting it signed by an acceptable source, and having that documentation accepted and processed by an Income Maintenance staff that can sometimes excessively scrutinize those verifications, can all be barriers for people with disabilities.

There is a population of people with disabilities who lack formal documentation of their disability prior to age 18 or who were diagnosed after age 18. It is important to note that underserved populations, including those from culturally and linguistically diverse communities, are less likely to have a formal documented diagnosis of their disability prior to age 18 due to lower health care access and other barriers, which may impact their ability to obtain an adult disability determination. We support the current practice of Income Maintenance workers accepting many forms of documentation of disability.

**BPDD recommends that documentation requirements are consistent across programs and that the current written documentation (a doctor's note, a form available online, a therapist or social worker letter, a paper signed by an M.D.) accepted by the FSET program is the standard for all programs.**

BPDD cautions that any changes to program requirements or administrative process will cause participant confusion—and potentially loss of eligibility should they, or the workers advising them, not understand how they can comply and the timeframe by which they must complete requirements to remain eligible.

This is especially true among populations—including people with intellectual and developmental disabilities—who may be non-readers, non-verbal, use adaptive or responsive technology (including touchpads), have large print needs, may not have access to the internet, etc. In addition, changes in housing location, lack of access to transportation, shortened hours at welfare offices, and other common barriers for people with disabilities make



it imperative that any changes have multi-pronged communications approach that makes every effort to locate and inform participants in plain language what they must do to maintain eligibility for needed programs.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Beth Swedeen". The signature is written in dark ink and is positioned above a horizontal dashed line.

Beth Swedeen, Executive Director  
Wisconsin Board for People with Developmental Disabilities



WISCONSIN BOARD FOR PEOPLE  
WITH DEVELOPMENTAL DISABILITIES

January 31, 2018

Senate Committee on Public Benefits, Licensing, and State-Federal Relations  
Senator Kapenga, Chair  
State Capitol, Room 15 South  
Madison, WI 53707

Assembly Committee on Public Benefit Reform  
Representative Krug, Chair  
State Capitol, Room 207 North  
Madison, WI 53708

Dear Senator Kapenga, Representative Krug and members of the committees:

Thank you for the opportunity to provide comment on JR8 SB4. The Wisconsin Board for People with Developmental Disabilities' (BPDD) analysis of this bill concludes that people with disabilities would be disproportionately harmed.

38% of public housing households include a member who has a disability<sup>1</sup>.

The bill requires Public Housing Authorities to assess whether an individual is able-bodied, whether they are unemployed or underemployed, create an employability plan, and conduct substance abuse screenings. Public Housing Authorities do not have the expertise to accurately assess residents in any of these areas. BPDD is concerned that people with disabilities—especially those with invisible disabilities—will be incorrectly assessed as able-bodied and subjected to additional scrutiny regarding employment and substance abuse.

This proposal invites litigation. Public housing does not require residents to disclose any disability; federal anti-discrimination laws as well as the Americans with Disabilities Act (ADA) protect individuals from being compelled to do so<sup>2</sup>. Requiring a Public Housing Authority to assess whether someone is able-bodied also means that they must determine that the individual does not have a disability, without asking and individual's disability status.

Determining able-bodied status is subjective and is based on the perceived absence of disability. Public Housing Authorities do not have expertise in diagnostics, familiarity with health conditions and disabilities that can impact, and may not have any experience interacting with people with disabilities. BPDD is concerned that people with mental health conditions, epilepsy, autism, mild intellectual and developmental disabilities who are

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<sup>1</sup> U.S. Department of Housing and Urban Development (HUD), Resident Characteristics Report as of December 31, 2017 ([https://hudapps.hud.gov/public/picj2ee/Mtcsrcr?category=rcr\\_ttp&download=false&count=0](https://hudapps.hud.gov/public/picj2ee/Mtcsrcr?category=rcr_ttp&download=false&count=0)).

<sup>2</sup> People with disabilities have suffered a long history of residential discrimination and exclusion. Discrimination is still common. The majority of discrimination complaints the Housing and Urban Development's Fair Housing Enforcement Office receives are from people with disabilities who feel they have been victims of housing discrimination. A 2005 HUD report found that the net measures of systemic discrimination against persons with disabilities are generally higher than the net measures of discrimination on the basis of race and ethnicity.

physically sound, intermittent or degenerative health conditions, and other disabilities that are not visible or immediately recognizable to an untrained layman could be assessed as able-bodied.

If a person with a disability is assessed as able-bodied, it is unclear how the individual could appeal or contest the Public Housing Authorities' assessment. Furthermore, it is unclear how a person with a disability would be able to prove their disability without disclosing disability status and/or health information they are legally protected from being required to disclose.

It is also unclear—once a person has been determined to be able-bodied—how quickly other steps—determining employment or underemployment status, employability plans, and substance abuse screening—would be imposed. Could all of these steps occur in the same meeting with the Public Housing Authority? If a person with a disability is incorrectly assumed to be able-bodied, could they be subjected to immediate questions about employment and subjected to drug screening?

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Beth Swedeen".

Beth Swedeen, Executive Director  
Wisconsin Board for People with Developmental Disabilities



WISCONSIN BOARD FOR PEOPLE  
WITH DEVELOPMENTAL DISABILITIES

January 31, 2018

Senate Committee on Public Benefits, Licensing, and State-Federal Relations  
Senator Kapenga, Chair  
State Capitol, Room 15 South  
Madison, WI 53707

Assembly Committee on Public Benefit Reform  
Representative Krug, Chair  
State Capitol, Room 207 North  
Madison, WI 53708

Dear Senator Kapenga, Representative Krug and members of the committees:

Thank you for the opportunity to provide comment on JR8 SB 10. The Wisconsin Board for People with Developmental Disabilities' (BPDD) analysis of this bill concludes that people with disabilities would be disproportionately harmed if the Photo ID requirement is implemented. While this bill requires DHS to develop an implementation plan, the disability population faces significant barriers that impact the ability of individuals to obtain IDs, is unclear on how household members or care providers may legally use the card on behalf of beneficiaries, and will result in confusion and perhaps denial of sales to people who are legally purchasing food on behalf of FoodShare recipients with disabilities.

Many people with disabilities in Medicaid programs are also FoodShare recipients<sup>1</sup>. 25% of FoodShare recipients are elderly, blind, or have a disability.

Many people with disabilities do not have driver's licenses or photo ID photos on file with DOT, which will require people either to obtain a photo ID or need a photo taken for an EBT card in order to receive food benefits. DHS prepared a fiscal estimate for a similar FoodShare Photo ID bill this session that estimated that 60% of current FoodShare recipients would need to have a photo added to their EBT card.

Lack of reliable transportation options is a real barrier for many people with disabilities; a recent BPDD survey found that 75% of people with disabilities said limited access to transportation impacted their ability to get to where they need to go in the community. Requiring a population that have few or no transportation options and limited funds to pay for transportation to physically get to a DMV or welfare offices will discourage low-income people with disabilities from accessing assistance to purchase food.

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<sup>1</sup> People with physical, intellectual/developmental, and mental health disabilities often are participants in Wisconsin's Elderly Blind and Disabled Medicaid health insurance (BadgerCare, SeniorCare) or long-term care (Family Care, Family Care Partnership, and IRIS) programs. Income at or below 100% of the Federal Poverty Level (\$11,770 annual income for an individual) and an asset limit of \$2000 is threshold for eligibility for Medicaid these programs; 100% FPL is also the income threshold to qualify for FoodShare.

Federal law requires that a FoodShare household has the right to designate a trusted relative, friend or social agency to food shop for them. All members of the household are legally able to use a FoodShare card, whether or not their ID is on the card, and non-household members authorized<sup>[2]</sup> by the card holder to use the card may do so on their behalf. Many people with disabilities have staff, family members, neighbors, or others in their support network that purchase food for them. A Photo ID picture of one individual does not reflect the entire household or a designee who can use the card.

This bill does not include any exemptions to the Photo ID requirement or provisions to include additional photos or other verification that the person using the FoodShare card has been authorized by the recipient to do so.

The DHS fiscal estimate for a similar FoodShare Photo ID bill this session outlined tremendous administrative costs to the state to implement a Photo ID (estimated one-time costs at \$7.6 M and ongoing costs at \$1.6 M). BPDD cautions that any changes to requirements and administrative process will cause participant confusion, especially among populations who may be non-readers, non-verbal, use adaptive or responsive technology (including touchpads), have large print needs, may not have access to the internet, etc. Participant confusion will lead to loss of access to food. BPDD suggests that DHS's fiscal estimate on outreach to FoodShare clients will be insufficient to meet the communication needs for the Intellectual/Developmental Disability population.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,



Beth Swedeen, Executive Director  
Wisconsin Board for People with Developmental Disabilities

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<sup>[2]</sup> Permission from the card holder is considered authorization.

# Hunger Task Force Position Paper

## Hunger Task Force Position

- Photo ID EBT does not reduce fraud. Photo ID EBT is expensive, ineffective and a waste of taxpayer dollars.
- Mandating FoodShare Employment & Training (FSET) for parents will increase childhood hunger in Wisconsin.
- Wisconsin passed an asset test for FoodShare last summer. This new punitive measure will needlessly take away a family's car.
- Requiring 120 hours per month of FSET participation for an average monthly FoodShare benefit of \$105.97 is a violation of federal law.
- The best way to end hunger is with family-sustaining jobs and high-quality job training that can provide a path to independence. However, rewarding contractors by providing bonuses for part-time and temporary employment, without any set benchmarks, does not help families. There should be a required evaluation for all contractors to measure impact. FSET should incentivize meaningful training that moves families toward careers.
- We need to fix Wisconsin's FSET program before we expand it.

## **Hunger Task Force OPPOSES the dramatic Special Session changes to FoodShare.**

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### **BACKGROUND**

FoodShare is Wisconsin's name for the Supplemental Nutrition Assistance Program (SNAP). SNAP is a program of the U.S. Department of Agriculture (USDA), administered in Wisconsin by the Department of Health Services (DHS). FoodShare benefits may only be used to purchase food, not including hot or prepared items. 43% of FoodShare recipients are minors. 40% of FoodShare households have a member who is either elderly, blind or disabled. 100% of FoodShare benefits are federal dollars coming into the State of Wisconsin. None of the Governor's proposed changes to FoodShare would save taxpayer dollars. In fact, some of these proposals would cost Wisconsin tens of millions.

The Governor's call for a special session of the legislature dramatically changes the FoodShare program in Wisconsin, gutting protections for families that truly need help. FoodShare helps the most vulnerable people in our state. The best way to end hunger is with family-sustaining jobs. Taking away access to food does not increase independence, it only increases hunger.

### **ANALYSIS**

#### **JR8 SB10 / JR8 AB10 – Relating to: photo identification cards for FoodShare recipients**

Requires DHS to prepare and submit an implementation plan to USDA's Food Nutrition Service (FNS) to approve issuance of Electronic Benefit Transfer (EBT) cards, the card that FoodShare recipients receive their benefits on, which contain a Photo ID of recipients.

- FoodShare Photo ID EBT is expensive.
  - SB624 and AB702 propose adding a photo on Wisconsin's EBT card. The fiscal analysis demonstrated this proposal would cost taxpayers nearly \$10 million dollars, including millions of dollars in annual maintenance.
  - In Pennsylvania, the cost of each EBT card went from \$0.23 to \$8 with a similar proposal. Pennsylvania ultimately did not add a photo ID to their EBT cards due to cost.
- Photo ID EBT is ineffective.<sup>1</sup>
  - Federal regulations require FoodShare recipients to be treated the same as other shoppers.<sup>2</sup> Additionally, 7 CFR §278.2(h) states: Retailers must accept payment from EBT cardholders who have a valid PIN regardless of which State the card is from or whether the individual is pictured on the card. Where photo EBT cards are in use, the person presenting the photo EBT card need not be pictured on the card, nor does the individual's name need to match the one on the card if the State includes names on the card. However, benefits may not knowingly be accepted from persons who have no right to possession of benefits. If fraud is suspected, retailers shall report the individual to the USDA OIG Fraud Hotline.
  - States across the country have tried to add photo ID in various ways. All have failed.
- Photo ID EBT is bad for business.
  - JR8 SB10 / JR8 AB10 states DHS' plan "shall require an individual to show an electronic benefit card when making a purchase using food stamp benefits."
  - This bill puts the onus on grocery store clerks to carry out this law by checking the photo EBT of every customer who comes through the line with an EBT card. Since FoodShare benefits are for the household, each household member can use the benefits. How will grocery store clerks deal with children or a grandparent purchasing food for their family when the parent isn't present?
  - This bill puts grocery store clerks in the position of possibly denying someone food who is legally able to purchase it and opens up grocers to potential lawsuits.

**JR8 SB2 / AB2 – Relating to: statewide FoodShare employment and training program requirement for able-bodied adults.**

Require statewide FoodShare employment and training program requirement for able-bodied adults.<sup>3</sup>

- This mandate will increase childhood hunger in Wisconsin.
  - FoodShare is a program to provide food aid to vulnerable families. It is not a jobs program.
  - Children, between ages 5-9 make up 13.2% of FoodShare recipients in Wisconsin, making them the largest percentage for any five-year grouping. 50% of FoodShare recipients are 24 and younger.
  - While the changes to FoodShare are intended for adults, kids will be the ones who suffer. When parents lose access to food aid, their children go hungry.

<sup>1</sup> **7 CFR 273.2(n) (3) Using benefits.** A household may allow any household member or nonmember to use its EBT card to purchase food or meals, if authorized, for the household.

<sup>2</sup> **7 CFR 278.2(2)(b):** No retail food store may single out coupon users for special treatment in any way.

<sup>3</sup> §49.49, Wis.Stats defines able-bodied adult as 18 to 50 years of age, not pregnant, not exempt from the work requirement under federal law, and not determined mentally or physically "unfit" for employment. 7 CFR 273.24(c)(5) and §273.7(b) exempts: a person caring for a dependent child under 6 or an incapacitated person; a person who applied for or is receiving unemployment, a participant in an AODA program, employed or self-employed person working 30 hours weekly, or a student enrolled at least half-time in any recognized school, training program or institution of higher education.

- FSET is broken. Mandating work does not create family-sustaining jobs.
  - FSET needs to be fixed before it is expanded. The data clearly shows that FSET has failed to help current participants gain employment. Taking away FoodShare for not complying with a failed program will not help struggling parents get a job. We need to ensure that parents have access to quality training and education, child care and reliable transportation that will help them to get and keep a job.
  - 84,267 FoodShare recipients have lost their benefits due to time-limited benefits between April 2015 and November 2017.
  - 9 FoodShare recipients lose access to food aid for every 1 FSET job reported. Adding 87,600 more participants to an already broken system will lead to more people falling through the cracks, losing FoodShare and needing emergency food.
  - Even while spending tens of millions of Wisconsin taxpayer dollars on FSET, an average of 41% of FSET enrollee program activity is categorized as “Job Search”.
  - Evidence shows that work requirements *do not* increase employment outcomes or reduce poverty.<sup>4</sup>
- There is no assurance that FSET placements would occur during the school day, leading parents to require adequate childcare when children are not in care of the school. Parents would have to choose between complying with FSET and spending time with their children.

**JR8 SB3 / AB3 – Relating to: asset restrictions on eligibility for FoodShare, Wisconsin Works and Wisconsin Shares.**

Creates an asset test for non-exempt<sup>5</sup> adult participants of FoodShare. Participants have a \$20,000 limit on total equity of non-work-related vehicles, and a primary residence must be worth less than 200% of the median value of Wisconsin homes (\$321,000). The asset testing does not apply to individuals with hardship exemption IF DHS promulgates rules regarding a hardship exemption.

- This asset test will eliminate a family’s ability to have safe, reliable vehicles for both family and work obligations.
  - Welfare reform is intended to promote financially stable households. Eliminating a second family car that allows one parent to take kids to school, the doctor, church services or grocery shopping while the other parent is at work will not decrease hunger in Wisconsin or have a positive impact on families.
  - Taking away the family car will not lead the second parent to employment – decreasing transportation will hinder the second parent’s ability to attend job interviews, job training or other work related activities.
- Implementing this asset test will only add additional bureaucracy to the program.
  - The paperwork required to prove eligibility is daunting. Pennsylvania stopped their asset test after 111,000 households were denied benefits because they had trouble producing all of the required documentation.
  - This will increase bureaucratic oversight for an already streamlined and efficient program and would require DHS to do significantly more work without adding any means to their budget.
- Implementing this asset test will disproportionately impact individuals living in rural areas in our state.
  - Individuals who live in rural areas do not have access to reliable public transportation. By mandating a choice between food and a car, Wisconsin would be taking away an individual’s freedom and sense of independence to safely travel throughout their community.

<sup>4</sup> <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>

<sup>5</sup> Exempts elderly, blind and disabled (EBD) FoodShare recipients and children from the new asset test.





- Most families are on FoodShare for short periods of time. Choosing between a car and putting food on the table will deny families an asset that improves their chances of finding work and becoming independent from FoodShare.
  - Asset limits do not help people move from benefits to self-sufficiency. Eligibility requirements that penalize savings and ownership are counterproductive to the goal of helping families achieve economic security.
  - Research suggests that access to a vehicle improves the likelihood that SNAP recipients will gain employment, obtain higher wages and transition off of public assistance.<sup>6</sup>

**JR8 SB1 / AB1– Relating to: required hours of participation in the FoodShare employment and training program.**

Requires DHS to set required hours of participation in FoodShare Employment and Training to coincide with the maximum allowed under federal law.

- The average monthly FoodShare benefit for an individual in 2017 was \$105.97.
- DHS may not set the maximum hours required for FSET at a level that exceeds the minimum wage. The Wisconsin minimum wage in 2017 was \$7.25. If an individual is receiving the average monthly benefit of \$105.97, they cannot be required to work more than 14.62 hours a month under this new proposal.
  - 7 CFR 273.7(e)(3)(ii) states: The time spent by the members of a household collectively each month in an E&T work program (including, but not limited to, those carried out under paragraphs (e)(1)(iii) and (e)(1)(iv) of this section) combined with any hours worked that month in a workfare program under paragraph (m) of this section must not exceed the number of hours equal to the household's allotment for that month divided by the higher of the applicable Federal or State minimum wage. The total hours of participation in an E&T component for any household member individually in any month, together with any hours worked in a workfare program under paragraph (m) of this section and any hours worked for compensation (in cash or in kind), must not exceed 120.
- Part-time college students would be the most vulnerable group who would likely drop off of the program.
  - Adding 30 hours a week of FSET on a part-time college course load can cause a major burden, especially when considering transportation, class scheduling and costs.

**JR8 SB6 / AB6 – Relating to: payments based on performance for Wisconsin Works and FoodShare employment and training program contractors.**

Requires DHS and DCF to implement performance-based payment systems for Wisconsin Works (W-2) and FSET contracts.

- The requirement that the department establish outcomes for FSET is a step in the right direction. However, FSET contractors should not provide incentives for temporary employment and part-time placements.
  - *FSET contractors should have meaningful benchmarks that incentivize moving people toward careers, not temporary jobs.*
  - *FSET should remove real barriers to employment by connecting FoodShare recipients with drivers licenses, vocational certifications, GEDs or high school diplomas.*
  - *FSET should individualize employment plans based on skill set, location and need instead of handing out generic print-outs of temporary job openings.*

<sup>6</sup> <http://web.utk.edu/~dbruce/jue05.pdf>

- *FSET participation should not be a mandate. Wisconsin should eliminate time-limited FoodShare benefits. 10 counties and 3 cities in Wisconsin are designated as "labor surplus areas" where there are significantly more people looking for work than jobs available. Mandating work does not create jobs.*
- *FSET funding should be directed toward the Wisconsin technical colleges. Wisconsin technical colleges and the Wisconsin Transitional Jobs Program have proven track-records of creating real paths toward sustainable employment.*
- FSET lacks evaluation for contractors.
  - We fully support strong investment in high quality job-training that helps people obtain family-supporting careers. While this bill does have some performance outcome indicators, it fails to provide adequate benchmarks or, at minimum, a standardized form to report on those indicators.
  - During the 2017-19 State Budget process, Governor Walker line-item vetoed evaluation reports to be conducted on the FSET program.
  - Due to Governor Walker's veto, DHS does not need to produce an "Outcome Report" to the Joint Finance Committee nor report any needed improvements and contract modifications for FSET. Taxpayer money is being used to pay vendors that are not held to any sort of evaluation or benchmark.
- Performance-based payments need to be transparent.
  - If taxpayer money is going to be used to incentivize companies to provide employment or job-training opportunities, the evaluation system should be easy to understand and navigate.
  - A standardized evaluation form with benchmarks set by the state will provide much of the transparency needed for accountability. If there are no parameters or rules, contractors may be more likely to cycle individuals through meaningless volunteer or temporary positions than work to find real careers for FoodShare recipients to achieve their bonus payment from the state.
- Individualized employment assessments and customized job-training sessions need to be a factor in performance-based payment.

Every Wisconsin resident deserves the opportunity to receive a great education and a family-supporting job. We should not take away a struggling family's food in a rushed special session without real opportunity for input from those impacted by these proposals. FSET funding should be transparent and contractors should be accountable for how taxpayer money is spent. FSET contractors should not be rewarded for cycling vulnerable folks in and out of temporary jobs. Wisconsin should fix FSET before we expand it. Spending tens of millions of dollars on tactics that have failed across the country will cut people off the program, stretch income maintenance workers to their limit, and create a bureaucracy that pushes vulnerable families into dependence on food pantries and charities. This proposal will increase hunger in Wisconsin.

## FOODSHARE FACTS:

- SNAP participation has been found to reduce food insecurity for households.<sup>1</sup>
- Food insecurity has been found to have many negative impacts on the health of individuals including higher rates of diabetes, heart disease, and depression.<sup>2</sup>
- About 670,764 people (one in nine) in Wisconsin currently use SNAP / FoodShare benefits.<sup>3</sup> In 2016, more than 967 thousand people (17%) in Wisconsin received SNAP / FoodShare.<sup>4</sup>
- In 2017, about 68% of FoodShare recipients are either minors (43%) or elderly, blind or disabled (25%).<sup>5</sup>
- In 2017, about 32% of FoodShare households have at least one person working. 40% of adult recipients are employed.
- About 35% of FoodShare recipients are female adults and about 22% are male adults.
- Between 2009 and 2012, SNAP kept 125,000 people out of poverty in Wisconsin, including 54,000 children.<sup>6</sup>
- In 2016, the average allotment per SNAP/FoodShare individual in Wisconsin was about \$105.89 per month.<sup>7</sup>
- 100% of FoodShare benefits are paid by the federal government. Program administration is shared equally between the state and federal governments.<sup>8</sup>
- \$1.00 of FoodShare generates \$1.70 in local economic activity.<sup>9</sup>
  - Over 900 Million in FoodShare benefits were redeemed by 4,154 Wisconsin retailers in 2016.<sup>10</sup> This generated over 1.5 Billion dollars in the local economy.

<sup>1</sup> *Does SNAP decrease food insecurity?*; USDA Economic Research Service Report Number 85, October 2009

<sup>2</sup> Olson, C.M. (1999). *Nutritional and Health Outcomes Associated with Food Insecurity and Hunger*. The Journal of Nutrition, 129: 521524.

<sup>3</sup> Wisconsin Department of Health Services (December, 2016)

<sup>4</sup> Wisconsin Department of Health Services (October, 2017)

<sup>5</sup> *FoodShare Wisconsin Program at a Glance, March 2017*. Wisconsin Department of Health Services.

<sup>6</sup> SNAP Factsheets. [http://www.cbpp.org/sites/default/files/atoms/files/snap\\_factsheet\\_wisconsin.pdf](http://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_wisconsin.pdf)

<sup>7</sup> Wisconsin Department of Health Services (December, 2016)

<sup>8</sup> *Wisconsin Legislative Fiscal Bureau "Food Share Wisconsin"*. January 2011, pg. 5

<sup>9</sup> *Policy Basics: Introduction to the Supplemental Nutrition Assistance Program (SNAP)*. (2016). CBPP.

<https://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-snap/economic-linkages/>

<sup>10</sup> <https://fns-prod.azureedge.net/sites/default/files/snap/2016-SNAP-Retailer-Management-Year-End-Summary.pdf>

Hello. My name is Bianca Shaw. I live in Milwaukee with my 6 yr old daughter Olivia. We live in Sherman Park and I work full time.

I am not here to ask for a hand out or a hand up. Legislators and the Governor seem to be asking families like mine to pick ourselves up by our bootstraps. Well, I've picked myself up by my own bootstraps again and again and I'm here to tell you that making the decision to break a generational cycle of poverty and work myself off public benefits is not as easy a task as you seem to think it is.

Reaching self-sufficiency is a struggle that I face every single day. I am in need of a system that allows women like me to work ourselves off of benefits and unfortunately these proposed bills will not help me or others like me around the state do that.

Here's my reality: I work hard. I thought I was getting somewhere when I obtained a job that paid well above minimum wage. But my net monthly income is only \$2100. I earn \$374 too much for Wisconsin Shares child care so I have to pay the full \$1100 per month in child care costs. Add to that \$150 for health care and \$200 per month for food for myself and my daughter. Our rent is \$700 per month. I couldn't afford my car payment and auto insurance if I was also going to pay for quality childcare for Olivia.

So that supposedly "good" job I got meant that I put myself in a position of having to choose between reliable transportation and quality child care. Because my budget didn't allow for both. We experience regular food insecurity and levels of stress that cause health and relationship issues.

To legislators supporting these bills I ask you to think about what it's like to have to choose between child care and transportation, even when you're working full time. I ask you to think about what it's like to have to feed your child ramen noodles three nights a week because you live paycheck to paycheck. Think about what happens to families like mine when one crisis happens and you have to choose between paying your rent or your energy bill. Before you make assumptions about what we need and propose legislation that's based almost entirely on stereotypes and judgments, I ask that you genuinely ask us what is it that we need.

I can tell you that I need parental supports including access to quality childcare for my child while I work in ONE position. I need that one job to pay me enough money to meet my basic needs and maybe save a little for my children's education and for emergencies. I ask that you help me get reliable transportation so I can get myself and my daughter to school and work. I ask that you make Wisconsin's employers pay decent wages so that if I'm working full-time, I can provide quality and stable housing for myself and my daughter.

I need these supports far more than I need the drug screening and additional hoops and barriers you're proposing that will keep me and my child from having a little extra help with getting nutritious food on our table and meeting our basic needs.

I ask that you think of my child as if she were your own. That you think of me as a brother or sister. This is not an us versus them issue. We are all one WI; we all have a responsibility to one another to put in place the best, proven solutions, not ideas that make it even harder for those who are working so hard already to pull ourselves up.

Thank you.



## MEMORANDUM

January 31, 2018

TO: Members, Senate Committee on Public Benefits, Licensing and State-Fed Relations and Assembly Committee Public Benefit Reform

FROM: Brandon Scholz & Michelle Kussow

RE: 2018 Special Session Assembly/Senate Bill 10: Photo ID on FoodShare cards

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The Wisconsin Grocers Association would like to commend the authors and co-sponsors of 2018 Special Session Bill 10 in their attempts to reduce FoodShare fraud by requiring photo identification on EBT cards. However, we wish to highlight several areas of concern with the legislation that would not result in addressing FoodShare fraud, and would only place additional requirements on Wisconsin retailers.

As a federally regulated program, FoodShare is administered by states on behalf of the federal government, which also grants state-requested changes to the program through approved waivers. In order to accept EBT for FoodShare purchases, retailers must meet all federal requirements and be authorized by the USDA. If Wisconsin received a waiver and implemented photo ID requirements, there are two specific federal regulations that would result in increased regulations on retailers and would negate the impetus:

### Equal Treatment and Showing ID with SNAP Cards

The Code of Federal Regulations at 7 C.F.R. 278.2(b) states that "No retail store may single out [EBT SNAP card] users for special treatment in any way." This means that SNAP recipients must be treated the same as any other customer in transactions.

In 2014, Maine implemented a photo ID requirement, and in response USDA wrote, "Retailers (must) understand that if photos are checked on EBT cards, they must also check cards of credit and debit customers in order to avoid unequal treatment violations."

Credit card users are not required by MasterCard and Visa to show ID when a properly signed card is presented. In fact, VISA's merchant contract states "Although Visa rules do not preclude merchants from asking for cardholder ID except in the specific circumstances discussed in this guide, merchants cannot make an ID a condition of acceptance. Therefore, merchants cannot as part of their regular card acceptance procedures refuse to complete a purchase transaction because a cardholder refuses to provide ID."

As referenced above, this could be in direct violation of state law and also with agreements between merchants and banks, with respect to credit card rules.

### **Ensuring Recipient is Pictured on Card**

A SNAP card can be issued to an individual, or to an entire family for use. A SNAP card may also be used by another; for example, an approved caregiver for an elderly person; authorized representatives for those in medical treatment facilities or for those recipients in group living arrangements.

In response to ensuring benefits are used by SNAP recipients as depicted in photo ID, USDA wrote that "Household members and authorized representatives who are not pictured on the card can continue to access SNAP benefits." Therefore, regardless of whether the individual presenting the card is pictured on the card, the cashier cannot deny the transaction.

### **Responsibility of Cashiers**

The purpose of requiring photo identification on FoodShare cards is to ultimately prevent individuals from using cards not issued to them and in which they are not pictured, however, the enforcement would be the responsibility of the cashier.

In addition to the additional training that would be required, expecting a cashier to deny an individual the ability to purchase food using an EBT card could subject young and inexperienced cashiers to potentially volatile situations. In addition, as with other identifications requirements, we are concerned that cashiers and/or retailers could be subject to fines and penalties.

Finally, USDA FNS authorizes SNAP retailers for participation in the SNAP program. States cannot compel retailers to check photo ID's as it is outside of their scope of authority.

We are asking for the committee to take into consideration the concerns of retailers that are on the front lines of delivering these benefits. In addition, we believe it is helpful to review past experiences from states that have either implemented similar requirements and subsequently repealed the photo ID provision as well as states that have completed feasibility studies on requiring photo ID and determined that the cost and practical implications of implementing the measure does not reduce fraud and defeats the purpose.

January 31, 2018  
Committee on Public Benefits  
Sen. Kapenga (Chair)  
Welfare Reform Package  
Opposed

Courtney Waller  
158 Cherry St.  
Williams Bay, WI  
262.729.7785

In 2013 Theodora Elise came into the world with an ultra-rare disease, Timothy Syndrome. Affecting only 20 children world wide, the diagnosis carries a long, multi-system list of health and neurological issues, most of which can be managed with medications. Theodora appears, to most, to live her life like a normal 4 year old. There is always the danger of sudden cardiac arrest; the leading cause of death of a condition for which the life expectancy is only 6 years.

We anticipate that she will be able to attend school full time, with full inclusion.

Yet, there remain so many barriers to my ability to find and retain employment.

Theodora sees seven specialists. These specialists are not available during after hours, or on the weekends, and they are often not in clinic on the same day of the week. The clinic best equipped for her needs (Children's Hospital WI) is over an hour drive each way. This alone amounts to many hours of missed work per appointment, with appointments with each specialist needed monthly to every 3 months.

Timothy Syndrome affects her immune system as well. As the youngest of 4 children, Theodora is exposed to countless colds and viruses. In her siblings, these illnesses may only last a few days. For Theodora, they often mean 10 or more days in the Cardiac Intensive Care Unit, on oxygen, and unable to take the medications that most children are able to take because of the effects of Timothy Syndrome on her heart. This equals many missed days of work, sometimes several times a year.

Finally, in the four years since her birth, Theodora has had 6 surgeries. There are more that will need to be scheduled as she ages. There are others, like her last heart surgery, that will come as complete surprise, as an emergency. This will also equal days of missed work.

Prior to Theodora being born, I spent 20 years in executive positions in the restaurant industry. I understand the challenges to employers in having an employee that requires so much time off, often without any warning.

Since Theodora was born, I understand the challenges to the parents of children who are medically fragile in adequately being able to perform their jobs. Or unable to keep jobs due to the number of emergency or planned hours they must miss.

If I am lucky enough to find employment that is very forgiving of the medical emergencies, appointments and surgeries Theodora has, I must find someone to care for her. When Theodora was first born, we quickly found that not a single day care in the area would accept her. They felt they were not adequately prepared for her emergency situations. As she gets older, we would need to find qualified care for her, which will either come at such an expense, it does not reduce our need for aid through the state, or it will come from programs offered by the state, at state expense.

It is imperative that any work requirements considered by the Assembly take into account families like ours and the barriers to finding and retaining employment we face. To do otherwise comes at the expense of, not only our family and Theodora's health, but of taxpayers and employers.





# Survival Coalition

of Wisconsin Disability Organizations

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*P.O. Box 7222, Madison, Wisconsin 53707*

To: Members, Assembly Committee on Public Benefit Reform  
Members, Senate Committee on Public Benefits, Licensing and State-Federal Relations

From: Survival Coalition of Wisconsin Disability Organizations

Date: January 31, 2018

Re: Welfare Reform Package: Special Session Assembly Bills 2, 3, 4, 9, 10

People with disabilities rely on key public assistance programs to live their daily lives; even minor changes can have major unintended consequences. Research has found that disproportionately many people hurt by work requirements and other restrictions similar to those proposed in these bills are in fact people with disabilities, those with health conditions not eligible for Social Security Disability Income (SSDI)/Supplemental Security Income (SSI), and care providers.

People with disabilities and many of their care providers in Wisconsin are disproportionately poor – with working age individuals with disabilities experiencing a poverty rate of 25.2% compared to 9.1% for those without disabilities. As a result, many rely on public assistance programs like FoodShare, Medicaid and public housing.

Limiting or restricting food supports, housing or other assistance will only make it harder for people with disabilities and their families to work – instead, we need to invest in job training for people with disabilities, and ensure access to healthcare so people can access the supports and services they need to work and be successful.

Survival Coalition makes the following recommendations to the proposed legislation to ensure that people with disabilities in Wisconsin are not negatively impacted.

**Overall asks:**

1. Form and facilitate extensive input from a stakeholder advisory committee that includes program participants.
2. That all bills include clear exemptions for people with disabilities and other individuals, such as care providers, who have a unique need for public assistance and may be unable to meet the new eligibility criteria. Survival Coalition supports the exemptions outlined in the recently submitted BadgerCare waiver with a few modifications:
  - The member is diagnosed with a mental illness and/or Substance Use Disorder.
  - The member receives Social Security Disability Insurance (SSDI).

- The member is a primary care provider for a person with a disability, a child, or a person who is aging and cannot care for himself or herself.
- The member is physically or mentally unable to work.
- The member is receiving or has applied for unemployment insurance.
- The member is taking part in or has applied for an alcohol or other drug abuse (AODA) treatment program.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older, attending high school at least half-time.

**Special Session Assembly Bill 10 - Relating to: photo identification cards for FoodShare recipients**

Survival Coalition is concerned that, unlike many of the other bills in this package, this legislation does not include an exemption for people with disabilities. According to the Department of Health Services, 25% of FoodShare recipients are either elderly, blind, or have a disability; 46% of households receiving FoodShare benefits contain at least one individual that is either elderly, blind, or has a disability. Many people with disabilities have limited access to reliable transportation and must rely on family members, neighbors, paid care providers, or others in their support networks to assist them with purchasing food. Many people do not drive because of their disability, poverty, or lack of accessible transportation services in their community. Others have very limited mobility and ability to leave their home, due to the nature of their disability. Physical access to grocery stores can be difficult for people of low incomes, especially if the stores are distant, the store is not on a bus line, or the consumer has no vehicle. Carrying food from grocers can also be a challenge for individuals who must take public transit, walk long distances, or have other physical limitations.

The proposal to require photos of individual FoodShare recipients on their Electronic Benefits Transfer (EBT) cards will create barriers for people with disabilities for two significant reasons.

1. Federal rules require that all members of the FoodShare household and anyone permitted by the household to use the EBT card to purchase food for the household may use the card, irrespective of whose photo is on the card. Older adults and people with disabilities can designate a family member or non-household member to use their ID card and benefits to purchase food or meals for the household [7 CFR §273.2(n)(1)]. The name of the authorized representative must be recorded in the household's case record. Under federal law, a photo ID on the EBT card of the head of household must not prohibit an authorized representative from using the card. The proposal to add a photo to their EBT card does not recognize the unique needs of people with disabilities, and they would be disproportionately harmed if they lose the ability to have a designated support person purchase food for them using an EBT card.
2. This legislation would also require additional visits to the county income maintenance office to obtain the photo ID. This may be difficult for persons with disabilities, older adults, and

others with limited access to transportation, and may cause some of the most vulnerable to drop off the program entirely.

Survival Coalition is pleased that prior to implementation, this plan must be submitted to the Joint Finance Committee. We have been concerned by past FoodShare photo ID bills that would have resulted in implementation costs as high as \$7 million and yearly administrative costs as high as \$1.6 million.

- **Ask:** Please include a clear exemption for people with disabilities.

**Special Session Assembly Bill 4— Relating to: require drug screening, testing, and treatment and employment screening of and employability plans for residents in public housing**

Survival Coalition seeks clarity regarding the definitions of “able-bodied” and “underemployed” as they are not outlined in the proposed statutory language. We are concerned about leaving these determinations up to the housing authority, which could create inconsistency and unintended consequences for individuals with disabilities.

Survival Coalition also seeks clarity as to what is meant by an employability plan and what types of supports would be included in these plans. Individuals with disabilities, including mental illness, need specific supports to work, such as job coaches, transportation and other employment supports. Survival questions if the public housing authority has the expertise to appropriately support individuals in developing an employability plan.

Survival Coalition is pleased that this statutory language appears to imply that residents who test positive for controlled substances will be given the opportunity to undergo treatment and not required to enter treatment as a condition of remaining in the housing arrangement. Individuals with disabilities, specifically those with mental illness, are extremely likely to have a co-occurring diagnosis such as a substance use disorder. Our overarching concern related to this provision is that individuals will fear the repercussions of testing positive on a drug test and not apply for public housing or leave housing if asked to fill out a drug screen. We know that addiction is a chronic disease that frequently includes relapses. If Wisconsin chooses to move ahead with drug testing requirements, Survival asks that there be no limits on how many times an individual can re-start treatment and still maintain eligibility for public benefits.

Survival agrees with Wisconsin’s goal to “identify individuals with unmet substance use disorder treatment needs and connect them with appropriate treatment.” However, we think that there are better ways to achieve this goal than tying access to public assistance programs to the ability to complete a drug screening or pass a drug test. The evidence-based program of Screening, Brief Intervention and Referral to Treatment (SBIRT) has been utilized widely in Wisconsin. SBIRT relies on motivational interviewing, not drug testing, to help individuals move through the stages of change needed to truly address their addiction issues. Survival recommends fully funding this

effective, evidence-based treatment program so that access to treatment in Wisconsin is readily available statewide.

- **Ask:** Define able-bodied, underemployed and employment plan. Also include exemptions for individuals who are care providers for people with disabilities. Ensure that individuals who may test positive on a drug test can continue living in public housing.

### **Special Session Assembly Bill 3 – Relating to: asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares**

Survival Coalition is pleased to see language creating a hardship exemption to the new asset limit requirements created by this bill. However, we would like to see more direction provided in the statutory language about what constitutes a hardship exemption. We believe it is important to have clear statutory/legislative intent to ensure that this is implemented fairly. We also have concerns about the housing value requirement. People don't have control, necessarily, over the value of their homes. We are concerned that this bill could create a scenario where someone would have to choose between their home and FoodShare, especially if they're a person with a disability that makes moving a life-threatening proposition. Individuals may come upon hard times, especially during economic downturns, and go without an income for several months. We don't believe that these individuals should be denied public assistance due to the value of their home.

### **Special Session Assembly Bill 9 – Relating to: creation of a savings account program in the Medical Assistance program**

Survival Coalition seeks clarity regarding the intent of this new requirement. Will individuals be required to contribute a set amount of money to these accounts? If this is the intent of this legislation, Survival Coalition has significant concerns. All individuals who are using BadgerCare have incomes below the Federal Poverty Level. A recent federal waiver request would require childless adults enrolled in BadgerCare to pay monthly premiums and co-pays for certain visits. We believe that additional financial requirements would significantly impact access to health coverage for low-income Wisconsinites.

Additionally, this legislation currently includes exemption language for "any individual who is elderly, blind, or disabled and any child." Survival Coalition again supports exemptions outlined in the BadgerCare waiver with some modifications, specifically, related to family care providers.

- **Ask:** Clarity around the legislative intent of this proposal and clear exemption language as outlined in the beginning of this document.

### **Special Session Assembly Bill 2 – Relating to: statewide FoodShare employment and training program requirement for able-bodied adults**

Disability advocates report that the current-law definition of able-bodied adults for the FSET program has worked well. However, people with disabilities have experienced bureaucratic challenges in proving that they are exempt – getting the proper documentation, getting it signed by an acceptable source, and having that documentation accepted and processed by an IM staff that can

sometimes excessively scrutinize those verifications. Care providers face significant barriers in providing documentation to prove their exemption.

Survival Coalition also seeks clarity related to several current-law exemptions for FSET, which do not appear in this bill draft language. We would like to make sure that the current exemptions remain for people living with kids under the age of 18, regardless of relationship, and people who are “caring for a person who cannot care for themselves.”

- **Ask:** Clear exemption language as outlined in the beginning of this document.

Thank you for considering these recommendations.

Sincerely,

Survival Co-Chairs:

Maureen Ryan, [moryan@charter.net](mailto:moryan@charter.net); (608) 444-3842;

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To: Assembly Committee on Public Benefit Reform and Senate Committee Public Benefits,  
Licensing, and State-Federal Relation  
From: Disability Rights Wisconsin, Amy Devine, Public Policy Coordinator  
Date: January 31, 2018  
Re: January 2018 Special Session Bills

Disability Rights Wisconsin (DRW) is the designated Protection and Advocacy system for Wisconsinites with disabilities. DRW is charged with protecting and enforcing the legal rights of individuals with disabilities, investigating systemic abuse and neglect, and ensuring access to supports and services, so that all Wisconsinites can learn, work, and live full lives in our communities free of abuse, neglect, and discrimination. Access to benefits is an important issue for people with disabilities, both in terms of preventing neglect and promoting integrated community living.

Our comments will focus on the impact of the proposed bills for people with disabilities and their families because they are our constituency. However, these proposals have the potential to deprive vulnerable community members, including children and adults with disabilities and their families, of the most essential basic needs – foods and shelter. These measures do not reflect our Wisconsin values and will put the health and safety of our community members at risk. We share the goal of helping people find and maintain family-supporting jobs, and we share the goal of breaking down the barriers that all too often stand between individuals and sustainable, good jobs. But many of these bills will not accomplish those shared goals. These bills will instead significantly increase administrative costs and barriers to needed assistance for struggling families.

DRW is concerned that a number of these bills will lead to the loss of crucial benefits that help people with disabilities and their caregivers who are living in poverty. Adults with disabilities already make up a disproportionate share of those living in poverty. In 2015, adults with disabilities made up 21 percent of those in poverty, while making up only 12.6 percent of the population as a whole. People with disabilities currently face a number of barriers in daily life, including finding accessible and affordable transportation, securing employment at a living wage, and finding affordable and accessible housing. We need to make sure all people have the tools to get trained and the transportation to get to work. These bills, by implementing further barriers to accessing benefits, will only lead to a reduction in benefits and an increase in poverty.

While many bills are written to apply only to “able-bodied adults” and provide exemptions for people with disabilities, people with disabilities may have difficulties demonstrating an exemption, especially where there are not consistent exemptions for people with disabilities across benefits. Many Wisconsinites with disabilities access public benefits, including individuals with mental illness, cognitive disabilities, and chronic disabling conditions. Many individuals with significant mental illness and/or other chronic disabling conditions, including those who have experienced homelessness, have not had consistent access to healthcare over the years, and have difficulty providing the needed documentation and thus may fall into the “able-

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bodied adult” definition. Research has shown that people with disabilities, chronic health conditions, and caregivers are disproportionately hurt by work requirements.

There are also limited exemptions for people who are caregivers for adults and children with disabilities. Stated exemptions should include anyone who is a primary caregiver for a person with a disability, a child, or a person who is aging and cannot care for himself or herself. Wisconsin is currently experiencing a severe shortage of direct care providers that is putting at risk the ability of some Wisconsinites with disabilities to live in the community. The role of unpaid family caregivers is essential to ensuring children and families with significant disabilities can continue to live in the community. Any proposals must recognize and exempt the important service provided by unpaid caregivers who may be unable to maintain paid employment because of the hours of essential care they provide to a child with a disability, a family member with dementia, and many other complex medical conditions which require intensive support.

#### Special Session AB 1/SB 1 and AB 2/SB 2

These bills would require all able-bodied adults to participate in the FoodShare employment and training (FSET) program and to participate with the maximum allowed by the federal government. People with disabilities face bureaucratic challenges in proving that they are exempt: getting the proper documentation, getting it signed by an acceptable source, and having that documentation accepted and processed by an Income Maintenance (IM) staff that can sometimes excessively scrutinize those verifications. Although, DRW has found that in the current FSET program, most written documentation (such as a doctor’s note, a form available online, or a letter from a therapist or social worker) has been largely accepted by Income Maintenance., some people with disabilities are unable to navigate the bureaucracy or secure the needed documentation and lose access to FoodShare as a result.

With work requirements and exemptions becoming more widespread if these bills are enacted, we also raise the question as to whether there will be more issues with documentation. Will requirements be consistent for all benefits? In terms of implementing this legislation, DHS will be permitted to codify verification requirements for individuals to prove that they qualify for a medical exemption. Will these requirements be more stringent than currently accepted under the FSET program? If this bill were to become law, DRW would recommend that the current FSET documentation process be adopted so that people with disabilities can continue to obtain appropriate exemptions with the caution that even with these exemptions, people with disabilities will fall through the cracks and may go hungry because they lose their FoodShare.

#### Special Session AB 3/SB 3

This bill places asset restrictions on Wisconsin Works, Wisconsin Shares, and FoodShare. People who meet the federal definition of “elderly, blind, and disabled” and receive FoodShare would be exempt from these restrictions. There are people with disabilities who will not meet this definition or are not able to provide the right documentation to meet this definition and under the bill as currently drafted, will only be exempt from these asset restrictions if they meet a “hardship exemption.” The bill allows DHS to promulgate rules outlining a hardship exemption;

this rule would have to be spelled out in specificity in order to fairly implement those restrictions for people with disabilities.

Under this bill, a person with a home worth more than 200% of the statewide median home value is ineligible to participate in the FoodShare program, even though individuals generally have little control over the value of their home. The notion that someone will be forced to choose between their home and FoodShare is concerning, especially if the person has a disability that makes moving a life-threatening proposition.

#### Special Session AB 4/SB 4

This bill requires the public housing authority to screen residents to determine whether a resident is “able-bodied” and “either unemployed or underemployed.” The bill does not provide any guidance as to what “able-bodied” or “underemployed” means. The PHA does not currently make these determinations and it is unlikely the PHA could take up these additional responsibilities without extensive training. The bill also requires the PHA to create an employability plan for each able-bodied and underemployed or unemployed resident. Again, there are no definitions of these key terms, and the PHA does not have the expertise to manage this responsibility.

Additionally, the PHA is required to screen residents for drug use, using a “screening tool” or “questionnaire.” Then, the PHA is to determine whether there is “reasonable suspicion” that the resident is using drugs. The PHA is not a law enforcement entity, and terms like “reasonable suspicion” have a very specific legal definition which has been litigated for decades. The bill fails to state how PHAs will determine “reasonable suspicion” of a controlled substance without a *valid* prescription. For example, if an applicant had a prescription for pain medication from several months prior and continues to take pain medication sporadically as needed, would this be considered a *valid* prescription, even though the prescription is several months old? History of drug or alcohol abuse, as opposed to current use or abuse, is a recognized disability protected under the ADA and Section 504. There are also a number of costs that come with drug testing residents and privacy concerns that arise within the PHA.

While DRW appreciates the desire to address substance use problems, potentially denying housing to people who have such disorders simply because they decline to subject themselves to a treatment regimen mandated to them by the government is not the way to address the problem. The main barrier to substance use treatment is a shortage of substance use disorder treatment and prevention programs. There are long waitlists of people in need of treatment. It would be more impactful to use funds to develop provider capacity, rather than compelling people to “accept” treatment that does not exist because the network of providers is wholly inadequate.

#### Special Session AB 9/SB 9

This bill requires DHS to submit a waiver request to the federal government to establish and implement a savings account for people on Medicaid, exempting people who are elderly, disabled, blind, or children. All individuals who are using BadgerCare have incomes below the Federal Poverty Level. A recent federal waiver request would require childless adults enrolled in BadgerCare to pay monthly premiums and co-pays for certain visits. We believe that additional

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financial requirements would significantly impact access to health coverage for low-income Wisconsinites. Additionally, while this legislation currently includes exemption language for “any individual who is elderly, blind, or disabled and any child,” people with disabilities who use BadgerCare but do not meet the criteria of “elderly, blind, or disabled” will be subject to further requirements that could impact their ability to access health care.

Special Session AB 10/SB 10

This bill requires all participants in the FoodShare program to have a photo ID on their Electronic Benefits Transfer (EBT) card. According to the Department of Health Services, 25 percent of FoodShare recipients are either elderly, blind, or have a disability. Forty-six percent of households receiving FoodShare benefits contain at least one individual that is either elderly, blind, or has a disability. Given the high percentage of people with disabilities who are very poor, there is heavy reliance on the FoodShare program to help provide access to nutrition for people with disabilities.

The proposal to require photos of individual FoodShare recipients on their EBT cards will create significant barriers for people with disabilities. There isn’t any language in the bill about the process of getting photos taken, the timeline and process for issuing the cards, or any hardship exemptions for people with disabilities. The most significant issue with this proposed legislation is that many people with disabilities rely on others to assist them with purchasing food as many people with disabilities have limited access to reliable transportation. Many people do not drive because of their disability, poverty, or lack of accessible transportation services in their community. The 2013 Transportation Survey for People with Disabilities in Wisconsin found that 75% of respondent said that transportation services impact their ability to shop and support local businesses, and 26% of respondents reported that there is no accessible transportation in their community. Others have very limited mobility and ability to leave their home, due to the nature of their disability.

Federal rules require that a FoodShare household has the right to designate a family member or nonmember to use their ID card and benefits to purchase food or meals for the household [7 CFR §273.2(n)(1)]. The name of the authorized representative must be recorded in the household’s case record. A photo ID on the EBT card of the head of household must not prohibit an authorized representative from using the card. Federal law prohibits retailers from giving any additional scrutiny to people on food stamps. If retailers do not ordinarily ask shoppers to give photo IDs for credit card transactions, they are prohibited from scrutinizing photo IDs on EBT cards.

The proposed legislation does not address the unique needs of people with disabilities, who would be disproportionately harmed if they lose the ability to have a designated support person purchase food for them using an EBT card. In addition, this initiative would require additional visits to the county income maintenance office to obtain the photo ID. This may be difficult for persons with disabilities, older adults, and others with limited access to transportation, and may cause some of the most vulnerable to drop off the program entirely. The consolidation of two DMV offices in Madison into one center that is on a very limited MetroTransit line highlights the challenges of obtaining an ID for people who rely on public transportation.

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DHS submitted a fiscal estimate for a bill which mirrors AB 10/SB 10, AB 702/SB 624, and noted implementing such procedures would be costly without addressing potential fraud within the FoodShare program. The DHS fiscal estimate for AB 702/SB 624 states that implementation would cost \$7,611,100 (\$3,569,050 GPR, \$234,700 Local, and \$3,807,350 FED) and ongoing costs are estimated at \$1,599,800 annually (\$761,800 GPR, \$800,200 FED). This is a major cost and it may be low as it is based on DHS's estimate that photo EBT cards would need to be issued to 300,900 of the 670,800 FoodShare recipients.

In summary, if enacted, AB 10/SB 10 would make it more difficult for people with disabilities to access their FoodShare benefits because it will likely limit the ability to have family members, neighbors, paid caregivers, or other authorized representatives to purchase food for them using an EBT card. We believe that placing photos on EBT cards would also be a hardship for many people with disabilities given lack of transportation to obtain a photo ID. As a result, AB 10/SB 10 will lead to decreased participation in FoodShare and increased hunger for people with disabilities.

Thank you for your consideration of our comments regarding these proposals. DRW remains available to work with legislators on these proposals to address the concerns of people with disabilities.

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DATE: January 31, 2018  
TO: Joint Committee on Public Benefit Reform  
FR: Jon Peacock, Research Director  
608.284.0580 ext. 307  
jpeacock@kidsforward.net  
RE: Concerns regarding the Special Session bills relating to public assistance

Thank you for this opportunity to share the concerns of our organization, Kids Forward, about the bills that are being considered during the current special session.

Kids Forward aspires to make Wisconsin a place where every child thrives by advocating for effective, long-lasting solutions that break down barriers to success for children and families. Using research and a community-informed approach, Kids Forward works to help every child, every family, and every community thrive.

We have registered against 7 of the bills on the hearing agenda today, Special Session bills 1, 2, 3, 4, 8, 9, and 10. If time permits, I'll also speak for information only on Special Session bill 5 relating to payments of the state and federal Earned Income Tax Credits.

The attached document outlines our primary concerns about each of those bills.

Most of the bills you are considering today will create new impediments to receiving public assistance – including health insurance, housing, child care subsidies, and nutrition assistance. By creating substantive and procedural barriers to participating in work support programs, these bills will significantly increase the administrative costs of critical forms of assistance, while reducing access to supports that people need in order to climb out of poverty.

Please keep in mind that most people who receive public assistance are already working. And nearly all of the rest are either between jobs or are unable to work because they are students or caretakers, or have disabilities, or have other barriers to work like not having access to affordable child care or transportation. The number of people who are receiving cash assistance via Wisconsin Works has dropped to less than 6,000.

Wisconsin has one of the highest workforce participation rates in the country. We think there is room to get more people into the workforce, but the key to doing that is to remove barriers to work, rather than creating barriers to participating in safety programs that are designed to help struggling families make ends meet, be job ready, and climb out of poverty.



There are many constructive things that would do far more to accomplish the shared goal of expanding the Wisconsin workforce:

- Stop suspending driver's licenses for low-income people who are unable to pay fines, if those fines are unrelated to driving.
- Make work pay for childless adults by making them eligible for the Earned Income Tax Credit.
- Increase funding for the state's child care subsidy program, because the long erosion of that funding makes it difficult for working parents to find child care. Create more flexibility in the child care subsidy program so it serves parents with jobs that have erratic weekly schedules.
- Increase the minimum wage.

In closing, before we get to our concerns about specific bills (which are outline in the attachment), we think it's important to note that there is a growing divide between the wealthiest Wisconsinites and low-wage workers, particularly in rural areas of the state and communities of color. As you move forward with efforts to expand the workforce, please pay close attention to how these proposals could disproportionately impact some slices of Wisconsin communities, either geographically, people with disabilities, or communities of color.

Finally, regardless of what happens on this set of proposals, we would be interested in working with you between now and next session on an agenda that addresses some of the substantial barriers to work, such as driver's license suspensions and access to affordable child care.



# KIDS FORWARD

Every Kid. Every Family. Every Community.

## Concerns about the Proposed Legislation for the Special Session on Changes to Public Assistance

**JR8 SB1 – FoodShare Hours of Participation** – Requires DHS to increase the required hours of participation in the FoodShare employment and training program to coincide with the maximum allowed under federal law (up to 30 hours per week).

- Most FoodShare participants are children, and they will suffer along with the rest of the family if their parents are sanctioned.
- Because DHS cannot set the maximum hours required for FSET at a level that exceeds the minimum wage, someone receiving the average monthly benefit of about \$106 per month, someone receiving the average monthly Food Share benefit of \$105.97 cannot be required to work more than 14.6 hours per week.
- An increase in the maximum hours could be very problematic for college students.

**JR8 SB2 – FoodShare Employment** – Statewide FoodShare employment and training program requirement for able-bodied adults.

- For each job in Wisconsin attributed to FSET, nine people have lost access to food support.
- There has never been a good evaluation of FSET. Because people who receive public benefits often only need them for short periods of time, it is misleading to attribute their post-FoodShare employment to FSET.
- FSET generally hasn't provided effective training and does not help create family supporting jobs.

**JR8 SB3 – Asset Restrictions for Public Benefits** – Asset restrictions on eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares.

- This requirement will disproportionately impact people in rural areas who do not have reliable access to public transportation.
- Forcing families to choose between help putting food on their table and reliable transportation will make it harder for people to find work and become independent from FoodShare.
- Many states that formerly had asset tests dropped them because they add significant administrative costs and bureaucracy to programs and do not help people climb out of poverty.
- Access to a reliable vehicle improves likelihood that recipients will gain employment, obtain higher wages, and transition from public assistance.
- Advocates for victims of domestic violence are very concerned about this policy because victims of abuse may own assets without having control of those assets.

**JR8 SB4 – Employment Screening** – Employment screening of and employability plans for residents in public housing.

- Housing authorities likely do not have the resources, staff capacity, or capability to make determinations of residents' employability, status as an "able-bodied adult," or create an employability plan.

- This bill creates impediments for low-income families to get or retain housing, and does so without providing resources to local housing authorities to effectively administer the new requirements or offer supportive services.
- The bill can be expected to increase homelessness and racial disparities.

**JR8 SB5 – Earned Income Periodic Payments** – Creating a pilot and permanent program for making periodic payments to eligible recipients of the earned income tax credit and making an appropriation.

- Although advocates and policymakers have long thought that periodic payments make good sense, the utilization rate of the federal option was very low, and that option was eventually eliminated. (That isn't meant to suggest that it wouldn't be worth trying it again on a pilot basis.)
- As the bill is drafted, it would put the periodic payments in place statewide in 2021 regardless of the results of the pilot.
- The change in payment process appears to be mandatory for everyone, even though researchers have found that many EITC recipients prefer lump-sum payments.

**JR8 SB8 – MA Child Support Compliance** – Requiring child support compliance in the Medical Assistance program.

- Taking health care away from low-income people who cannot afford significant child support obligations will make their situation worse and will not encourage or support more gainful employment.
- The bill would increase administrative costs for implementation, training, tracking of delinquent payments and eligibility changes perhaps on a month-by-month basis.
- It would probably lead to increased costs for uncompensated care when people lose their health coverage, and will be problematic for managed care organizations as people lose and regain BadgerCare eligibility.
- Studies show that low-income men who are not paying child support are doing so because they cannot afford to make the payments. This bill would exacerbate their challenges by suspending their BadgerCare eligibility, and it would probably increase the large racial and ethnic disparities in our state.

**JR8 SB9 – MA Savings Account** – Creation of a savings account program in the Medical Assistance program.

- Wisconsin would be the only state to require a health savings account (HSA) for adults under the poverty level. Arkansas had one, but repealed it because it was costly and largely ineffective.
- The bill doesn't specify where the funds in HSAs would come from, but other states have used the premium payments. In Wisconsin it would take many years for enough premiums to build up in an HSA to make it useable.
- There are significant administrative costs required to develop and implement HSAs. After Arkansas suspended a requirement for people between 50% and 100% of FPL to make account contributions, the state Medicaid agency projected that the administrative costs would be reduced by \$6 million.
- The evaluation for the Healthy Indiana Plan (HIP) showed 45,000 participants were sanctioned (downgraded to skimpier benefit packages) because they did not make their first month's required HSA payments.
- Lower income people are less likely to have access to bank accounts, internet, debit/credit cards, so making monthly contributions may be onerous.
- Evaluations have shown participants may decrease utilization and delay necessary care, which could lead to more expensive care and hospitalization.

**JR8 SB10 – FoodShare ID** – Photo identification cards for FoodShare recipients.

- The general intent of a photo ID requirement is incompatible with federal law, which does not allow states to preclude the use of a benefit card by people who are not pictured on the card.
- If federal officials allowed an ID requirement to be implemented, it would impede legitimate use of Food Share cards by seniors, people who have disabilities, or others who need to have a friend or family member purchase food for them.
- The bill is a very costly and inefficient use of tax dollars. The DHS fiscal estimate for a similar bill (SB 624) is about \$7.6 million in start-up costs, plus annual ongoing costs of \$1.6 million.
- In addition, the ID requirement is likely to lead to fewer people being able to access food because some cannot easily go to a welfare office to be photographed for their ID.

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