

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Omnibus Funding Motion

[LFB Papers #885 through #895]

Motion:

Move to adopt the following provisions regarding the temporary assistance for needy families (TANF)-related programs under the bill:

1. *Revised Estimates for TANF-Related Programs.* Adopt the modification in LFB Paper #886 to reflect reestimates for 2007-09, including: (a) decrease child care development block grant (CCDBG) funding by \$500,000 FED annually and increase estimated funding from Wisconsin Works (W-2) agency filing fees by \$500 PR annually to reflect reestimates of these revenue sources; (b) decrease funding for benefits for the caretaker supplement by \$177,700 annually to reflect the projected costs of the program; and (c) decrease funding for kinship care by \$75,200 annually to reflect the projected costs of the program.

2. *2006-2009 W-2 Agency Contracts.* Modify the Governor's recommendation to fund benefits for the next 24 months of the 2006-2009 W-2 agency contracts (from July 1, 2007, through June 30, 2009) by reducing funding by \$1,046,600 FED in 2007-08 and \$329,300 FED in 2008-09. Also, adopt Alternative B1 of LFB Paper #887, which would adopt the Governor's proposal to fund services for the next 24 months of the 2006-2009 W-2 agency contracts. In addition modify the Governor's recommendation to fund local administration of W-2 by reducing funding by \$2,500,000 FED annually. The amounts allocated for benefits would total \$44,068,500 in 2007-08 and \$43,392,200 in 2008-09. The amounts allocated for services would total \$38,471,500 annually. The amounts allocated for administration would total \$10,701,100 annually.

3. *Real Work, Real Pay Demonstration Project.* Modify the Governor's proposal for a real work, real pay demonstration project to limit the pilot project to 100 people. Compared to the bill, reduce funding by \$152,800 FED in 2007-08 and \$1,594,300 FED in 2008-09, and delete 1.0 FED position, beginning in 2007-08.

4. *Benefits for Pregnant Women.* Adopt Alternative A3 in LFB Paper #889, which would delete the provision to extend W-2 grants to women who do not have children and who are in their third trimester of an at-risk pregnancy.

5. *Caretaker of a Newborn Infant.* Adopt Alternative 4 in LFB Paper #890, which would delete the Governor's proposal to extend grants to caretakers of newborn infants from 12 weeks to 26 weeks.

6. *Child Care Subsidies.* Adopt Alternatives A1, B1, B3, and B4 in LFB Paper #891. Child care subsidies would be funded at \$345,601,800 FED in 2007-08 and \$355,352,000 FED in 2008-09. Alternatives B1 and B3 would delete the Governor's proposals to: (a) adopt lower income eligibility requirements for the Wisconsin Shares child care subsidy program; and (b) authorize the Department of Workforce Development (DWD) to implement a child care waiting list for non-W-2 participants. Alternative B4 would direct DWD to increase copayment amounts no more than 2.8% per year.

In addition, require DWD to reimburse child care providers based on the number of hours authorized and to adjust the hours authorized based on a history of underutilization. Require DWD to: (a) program the child care computer system to track hourly usage of child care authorizations over a 12-week period and to automatically adjust authorizations where usage is consistently less than 50% of the authorized hours (defined as less than 50% usage in each of the six consecutive two-week periods); (b) reduce the authorization to reflect actual usage, with an automated notice to the parent, child care provider to fill the vacant child care slot; (c) adjust the authorized hours to highest usage during the 12-week review period; (d) not set authorizations at a level less than 20 hours per week; and (e) allow families to request adjustments in the authorizations if needed to meet their work requirements and to have a right to appeal.

Compared to the bill, additional funding of \$30,713,400 in 2007-08 and \$39,530,100 in 2008-09 would be provided for child care subsidies.

7. *Quality Rating System for Child Care Providers.* Adopt Alternative C1 in LFB Paper #892, which would delete this provision.

8. *Quality Care for Quality Kids.* Require DWD to spend the minimum amount required under federal law for the CCDBG on programs to improve the quality and availability of child care (estimated at \$10,928,900 annually). From this amount, require DWD to allocate at least: (a) \$3,475,000 annually for child care scholarships; (b) \$1,225,000 annually for the child care resource and referral network; and (c) \$4,800,600 annually for child care licensing activities. Compared to the bill, funding for quality care for quality kids would decrease by \$3,392,500 FED annually.

9. *Emergency Assistance.* Provide \$6,000,000 annually for emergency assistance. Compared to the bill, reduce funding by \$2,900,000 in 2007-08 and \$3,400,000 in 2008-09.

10. *TANF Program Reduction Options.* Adopt Alternatives A1, B1, C2, and D2 in LFB Paper #895, which would maintain the current level funding for children first, child welfare prevention services, and the Boys and Girls Clubs of America, and eliminate funding of \$750,000 FED annually for the Educare Center of Milwaukee.

11. *State Administration.* Reduce funding for state administration of W-2 and TANF-related programs by \$845,500 in 2007-08 and \$856,000 in 2008-09.

12. *Earned Income Tax Credit.* Reduce TANF funding for the earned income tax credit (EITC) by \$14,491,300 FED in 2007-08 and \$18,340,100 FED in 2008-09. This would require an additional increase in funding by \$14,491,300 GPR in 2007-08 and \$18,340,100 GPR in 2008-09 to fully fund the EITC.

13. *Fraud Investigation.* Authorize counties to investigate fraud in Wisconsin Shares and in W-2. Require counties to provide to the state: (a) 50% of the fraud recoveries made during the first month the county receives recoveries due to fraud investigation; (b) 66% of the fraud recoveries made during the second month the county receives recoveries due to fraud investigation; and (c) 100% of the fraud recoveries made during the third and subsequent months the county receives recoveries due to fraud investigation. Fraud recoveries received by the state from Wisconsin Shares would support the Wisconsin Shares program, and fraud recoveries received from W-2 would support W-2.

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Note:

This motion would delete the following provisions from the bill: (a) the extension of W-2 grants to women who do not have children and who are in their third trimester of an at-risk pregnancy; (b) the extension of caretaker of a newborn infant grants from 12 weeks to 26 weeks; (c) the quality rating system; and (d) several child care cost saving measures, including increased copayments, lower income eligibility, and a waiting list. The motion would also provide or reduce funding for a number of other TANF-related programs, including the reduction of TANF funding for the EITC. The motion also shows an increase in GPR funding for the EITC to offset the decrease in TANF funding for the EITC. The projected 2008-09 ending TANF balance under the motion would total \$0.

[DWD Change to Bill: -\$1,000,000 FED-REV, \$1,000 PR-REV, -\$1,000,000 FED, \$1,000 PR, and -1.0 FED position]

[DHFS Change to Bill: -\$1,386,900 PR and -6.0 PR positions]

[EITC Change to Bill: \$32,831,400 GPR]