

## **Protecting Our Safety Net**

**Thank you!** The 2017-19 budget proposal increases funding for Wisconsin Shares, which provides low-income families with subsidies to pay for childcare. It also fixes the problem of the subsidy ‘cliff’, so that parents whose income increases to above 200% of the federal poverty level will not abruptly lose their childcare subsidy, but instead will have co-payments on a sliding scale as their income increases. Finally, it increases funding for the Home Visiting Program that helps low-income pregnant women and parents of children ages 0-5.

### **Asks:**

- Increase early childhood subsidies further, to bring them up to market rates
- \$7.5M/year - Expand T.E.A.C.H. and REWARD, proven strategies for raising the education level of early childhood teachers and stemming turnover through stipends based on educational achievement
- \$20M/year - Increase child care payment rate of Wisconsin Shares so that high quality programs can afford to serve children from low-income families
- \$10M/year - Implement Quality Grants to fund ongoing quality advancements in child care programs, recommended by the Governor’s Early Childhood Advisory Council.
- Eliminate the \$25,000 liquid asset limit for FoodShare, and Wisconsin Shares
- Eliminate work requirements for FoodShare, Medicaid, and housing vouchers recipients. Direct funding from the ineffective FSET program to meaningful vocational training and community college education to prepare people for sustainable jobs for the 21<sup>st</sup> century
- Eliminate the child support requirements for FoodShare recipients
- Eliminate drug testing for FSET participants

### **Background:**

#### **Early childhood education:**

The budget proposal increases funding for Wisconsin Shares (subsidies for low-income parents to pay for child care) by \$8.5 million in 2017-18 and \$27.5 in 2018-19, largely due to new federal requirements. However, in the last few years, the annual subsidy payments have been reduced by over \$130 million, leading to a drop of over 20% of children served, especially in rural areas. The proposed increases in the 2017-19 budget will not go far enough to make up for this shortfall.

Recipients of FoodShare and of Wisconsin Shares must show they have under \$25,000 liquid assets, excluding retirement savings, their home, and a car. While few FoodShare and Wisconsin Shares recipients have that amount of savings, the paperwork required to prove their assets can be daunting and are a barrier to proving eligibility.

Quality of care – Wisconsin’s YoungStar program rates early childcare providers as to the quality of the program. The budget calls for an increase in the percentage of 3, 4 or 5 star programs under the YoungStar program, and an increase in the percentage of children in 3, 4, or 5 star programs, but provides no increase in funding to achieve these levels.

Childcare workers are among the lowest-paid professions. The median salary for childcare workers in Wisconsin is around \$10/hr, despite the fact that half the workers hold at least an associate’s degree. T.E.A.C.H and REWARD are programs to help subsidize childcare workers to improve their educations and

thereby qualify for higher salaries, and provides subsidies to childcare centers to be able to pay their teachers more. The current low pay leads to high turnovers and a shortage of teachers.

A positive aspect of the Governor's budget is an increase in the Family Foundations Home Visiting (FFHV) Program's budget by \$3.9 million in each year of biennium. The increase in funding would cover an additional 400 to 550 families. In 2016 federal funds for home visiting were reduced by 20%. The Governor's budget would restore that funding and provide additional resources for expansion.

### **FoodShare, Medicaid, and Housing**

FoodShare (aka SNAP; aka food stamps) provides subsidies for low-income Wisconsin residents to pay for food. Subsidies are given in the form of a pre-paid debit card and can only be used to buy food. FoodShare cannot be used for toilet paper, cleaning supplies, diapers, toothpaste, sanitary supplies, and other non-food necessities. Roughly 800,000 people in Wisconsin are on FoodShare; 43% are children under 18, and 24% are elderly, blind, or disabled.

The FoodShare Employment and Training Program (FSET) is intended to provide FoodShare recipients with training and employment opportunities, to move them to full employment and reduce the need for food benefits. Unfortunately, FSET has not fulfilled its promise, seldom resulting in a participant finding sustainable permanent employment.

The Governor's budget calls for adults receiving FoodShare age 18-49 with school-age children either to be working a minimum of 80 hours/month or to be referred for FSET placement for that number of hours. Two municipalities to be chosen later will require this participation in order to be eligible for FoodShare. Additionally, parents who, for whatever reason, fall short in child support payments, will lose their eligibility for FoodShare. These changes could result in 100,000 people losing their food benefits. Medicaid recipients will similarly be required to participate in FSET or similar program or lose their Medicaid eligibility. There is no exemption for disabled Medicaid recipients.

Housing programs are also at risk in this budget. As mentioned before, voucher recipients will be subject to work requirements. Also, \$3 million will be cut from the Emergency Assistance program, which helps families in an emergency pay their utility bills or rent, so they can stay in their homes.

### **Sources:**

The Hunger Task Force - <https://www.hungertaskforce.org/learn-about-hunger/hot-topics/wisconsin-state-budget-impact-on-hunger/>; <https://www.hungertaskforce.org/wp-content/uploads/2016/09/QuickFacts-8-2016.pdf>;

Wisconsin Budget Project - <http://www.wisconsinbudgetproject.org/a-summary-of-the-governors-proposed-budget-for-early-care-and-education>

Wisconsin Early Childhood Association - <http://wisconsinearlychildhood.org/resources/>

