



# Public Assistance

## 2017-2018 Legislative Summary

Advocates were surprised this year when a sweeping package of changes to public assistance was introduced late in the legislative session and was quickly approved by the legislature. Within just a few weeks of when they were introduced, the legislature approved nine of the ten special session bills proposed by Governor Walker.

While the Governor has declared his ten special session bills to be “welfare reform,” [these bills do very little to improve the welfare of children, families, and communities](#). Instead, the policy changes will increase the number of children and families that are hungry, homeless, and uninsured by creating barriers to participating in safety net programs.

According to estimates produced by state agencies, the nine bills that were approved will have a combined price tag of nearly \$80 million during the first year of implementation. In their rush to pass these bills, legislators and the Governor failed to consider more effective ways to use that \$80 million.

The following is a synopsis of the major bills that were approved during the special session:

- **FoodShare changes** – [Special session bills 1 and 2](#) will restrict access to nutrition for low-income families by making two significant changes in the FoodShare Employment and Training program (FSET). The first bill in the package will require the Department of Health Services (DHS) to increase the required hours of participation in FSET to 30 hours per week, and the second bill will expand the requirement to include able-bodied parents of school-age children. State officials estimated that implementing the second bill would cost more than \$68 million per year, plus about \$5.8 million in start-up costs.
- **Asset restrictions for public benefits** – [Special session bill 3](#) tightens eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares by [setting new asset limits](#) for people applying for these programs. 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.
- **Employability plans and drug screening** – Under [bill #4](#), local public housing authorities will be required to develop employability plans for residents in public housing, conduct drug screening of those residents, and offer people who test positive the opportunity to participate in substance abuse treatment. However the bill provides no resources to local housing authorities

to effectively administer the new requirements or offer supportive services. It can be expected to increase homelessness and racial disparities.

- **Earned income periodic payments** – [Special session bill 5](#) seeks to create a pilot and then a permanent program for making periodic payments to eligible recipients of the federal and state earned income tax credits, rather than annual payments. The pilot project and expansion statewide are both contingent upon reaching an agreement with the IRS. Some advocates like the idea of periodic EITC payments but were concerned that EITC recipients will not be given a choice and that the bill will expand the pilot statewide regardless of the outcome of that experiment.
- **Child Support Compliance for Medicaid** – [Bill #8](#) will require child support compliance in the Medicaid program. Many non-custodial parents with incomes below the poverty level are simply unable to stay current in their child support payments. This bill will exacerbate their challenges by suspending their BadgerCare eligibility, and it will probably increase the large income disparities in our state.
- **Medicaid Savings Accounts** – Under [bill #9](#), DHS will have to establish accounts similar to Health Savings Accounts (HSAs) in the Medicaid program. If a waiver is obtained, 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.

Proponents of the special session bills justify them on the basis that they will increase the number of workers, but these changes are likely to have the opposite effect because they obstruct access to work supports and fail to address the real problems that make it difficult for many low-income Wisconsinites to maintain steady employment.

A bill approved during the regular session, [AB 924](#), does provide a modest increase in one work support—the Wisconsin Shares child care subsidy program. Because of various state budget and policy choices, the number of children served in that program has plunged in recent years. AB 924 will provide an additional \$8 million a year for the subsidy program to boost the payment rates for providers, starting in 2019. That’s a welcome funding increase, but [it falls far short of the amount needed](#) to get more providers to participate in the program, and thereby improve access to quality, affordable child care.

The one special session bill that was not approved is [bill #10](#), which would have required a photo ID on the electronic benefit transfer cards used by FoodShare recipients. Because federal law allows other parties to use FoodShare cards on behalf of a program participant, requiring photo IDs on the cards would be ineffective, as well as very costly. The bill was opposed by grocers and a broad range of advocates.

One of the frustrations of advocates was that the special session bills were rushed through with little opportunity for public debate and no effort to reach out to the people who will be affected by the changes. Late in the session Senator Vinehout introduced a bill, [SB 870](#), which would require public assistance legislation to be considered by an advisory committee. That bill was not approved, but is an idea that advocates might want to champion next session.

## Proposals Affecting Public Assistance in 2017-2018 Legislative Session

<b>Passed</b>	Expand Food Share work and training requirement to parents of school age children, and increase the requirement to 30 hours per week.
<b>Passed</b>	Tightens eligibility for FoodShare, Wisconsin Works, and Wisconsin Shares by setting new asset limits for people applying for these forms of assistance.
<b>Passed</b>	Require public housing authorities to conduct drug screening and develop employability plans for residents of public housing.
<b>Passed</b>	Require people who are insured through BadgerCare to pay child support or lose their health benefits.
<b>Passed</b>	The state shall seek IRS approval to create a pilot and then a permanent program for making periodic payments of the federal and state earned income tax credits
<b>Passed</b>	Require child support compliance as a condition of Medicaid eligibility.
<b>Passed</b>	Require some people on BadgerCare to contribute to health savings accounts.
<b>Passed</b>	Increase funding for child care subsidies by \$8 million in 2019.
<b>Did Not Pass</b>	Require a photo ID on the electronic benefit transfer (EBT) cards used by FoodShare recipients
<b>Did Not Pass</b>	Create an advisory committee to consider proposed changes to public assistance programs.