



For Immediate Release  
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## TANF Omnibus Motion Creates Uncertainty for Thousands of Low-Income Families and their Children

**Madison** – The Temporary Assistance For Needy Families (TANF) portion of the Wisconsin State Budget passed through the Legislature’s Joint Committee on Finance yesterday leaving in its wake uncertainty for many low-income families.

“TANF funds help a significant portion of low-income working families in Wisconsin by helping them with child care and employment so they can find and keep jobs and support their families,” Charity Eleson, Executive Director of the Wisconsin Council on Children and Families said, “Despite our disappointment that the committee did not address a gap in funding for W-2 benefits and the Committee increased co-payments for child care tuition assistance for low-income working families, we were heartened by the fact that current eligibility guidelines for child care tuition assistance remain, removing the specter of waiting lists for child care.”

### **Action by the Committee of significant concern:**

**Increased co-pays** - For a working single parent with two children, one in childcare, currently paying \$2,100 in co-pay they would pay an additional \$315. This is a significant increase for a household with low income.

**Benefit Shortfalls**- Both the Governor’s allocation and the one approved by Joint Finance yesterday assume substantial declines in the W-2 caseload. If the caseload does not decline as rapidly as anticipated, the resulting funding shortfalls will be felt by low-income families. A Legislative Fiscal Bureau alternative rejected by the Committee included sufficient funding for caseloads leveling off instead of dropping rapidly. The difference between that alternative and the action taken by the Committee translates into employment benefits for nearly 2,400 families.

**Reduction of \$23.6 million in State Funding for TANF Programs:** In spite of shortfalls in child care and W-2 benefits, Joint Finance cut \$23.6 million in state funding from TANF programs, which could have been used to eliminate the need for co-payments for child care and could have been used to ensure adequate funding for W-2 benefits.

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***Trial Jobs Plus Eliminated:*** This program would have provided W2 participants with real jobs, real wages and Earned Income Tax Credits. In addition, employers would receive subsidies to hire W2 participants.

***Third Trimester Benefits for Pregnant Women:*** This is an initiative that would have provided W2 cash benefits to pregnant women in their third trimester whose pregnancy was medically determined to be at-risk. Without these benefits poor women must chose between keeping an income and the safety of their unborn child.

***Statewide Parents Without Resources or Information about Child Care*** – When parents are looking for child care provider information state-wide they call a Resource and Referral center and receive information about licensed providers in their area. Funding for Resource and Referral networks was cut from \$1.2 million to \$500,000. ***Quality Counts for Quality Kids***, a Governor Doyle initiative to provide information to parents about child care centers and a system to reward centers for excellence and lower funding to low quality centers was also eliminated, maintaining the status quo of sending equal subsidy to centers, regardless of the quality of care they provide.

Department of Workforce Development set difficult goals for job placement in W2 while cutting funding for the program significantly. In addition, the Legislative Fiscal Bureau projected budget estimations by the Department for the severely reduced caseload were unrealistic, compounding the problem.

“Like other areas of the budget poor budgeting practices are what drove the TANF budget into deficit and those practices are perpetuated in this budget,” Eelson said.

### **On the Brighter Side**

***No Eligibility Changes*** - Eligibility for Wisconsin Shares, the child care assistance program with low-income families, was maintained so no families currently in the program will be left without help

***No Waiting Lists for Wisconsin Shares Child Care Tuition Assistance***-The action taken by Joint Finance yesterday continues the state’s commitment to serve all low-income families who are eligible for child care tuition assistance.

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