



Date: May 4, 2009

To: Joint Finance Committee members

From: Jim Moeser, Deputy Director

Subject: Income Maintenance Funding (LFB Paper #444),
Support Alternative 2D

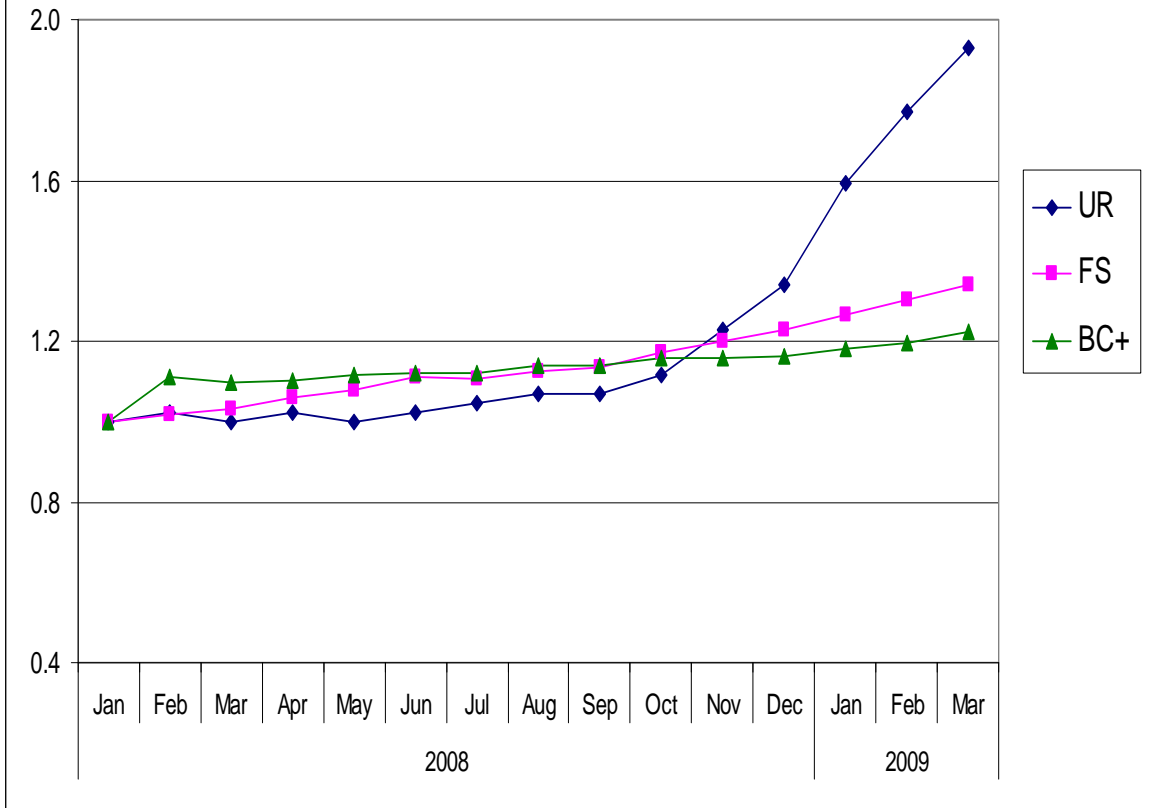
Participation in benefit programs like Food Share and BadgerCare plus has been growing dramatically and that growth is likely to continue over the next year or two. In order to ensure that newly unemployed state residents can get public benefits without spending many weeks trying to reach a caseworker, Wisconsin should be increasing rather than decreasing funding for the income maintenance system. **WCCF supports all of the options in alternative 2, particularly 2D, which would maintain funding for the county supplement.**

	Jan. 2008	Mar. 2009	% change
Unemployment rate (seasonally adjusted)	4.4	8.5	93%
Food Share (households)	172,558	225,131	34%
BadgerCare Plus (total enrollees)	500,617	612,942	22%

The table above and chart on the next page show the trends since January 2008 in unemployment rates, Food Share participation and BadgerCare Plus enrollment. The sharp spike in unemployment in the last few months is likely to drive participation in those programs far higher in the months ahead. The LFB paper (#444) shows that even before the significant increases in these caseloads, county spending for IM activities was rising sharply. Table 1 of that paper illustrates that from 2003 to 2007, the state share of IM funding declined by \$1.1 million, while the county-financed share grew by \$10.1 million or 75 percent.

Although WCCF supports all of the options in alternative 2, we particularly support 2 D because the reasons to provide the county supplement are even stronger now than when it was initiated. In addition, it's an option that would help all counties.

WI trends in unemployment and public benefits participation
 (2008-09, Jan. 2008 = 1.0)



(Source: WCCF analysis of state statistics from DHS, DCF and DWD)