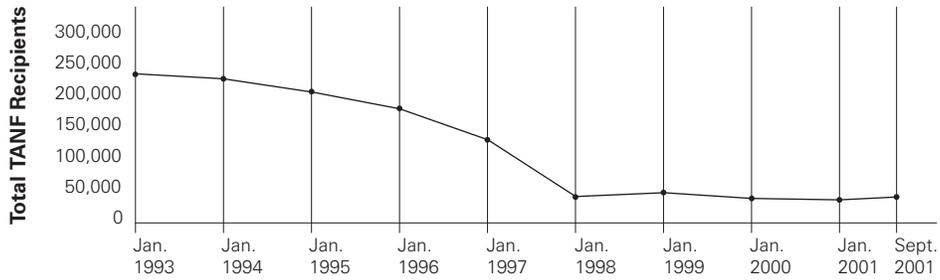


TITLE	WELFARE TO WORK: WHAT HAVE WE LEARNED?								
SUBJECT	FINDINGS FROM RESEARCH ON WELFARE REFORM IN ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, OHIO, & WISCONSIN	3-2002							
	<table border="1"><tr><td>IL</td><td>IN</td><td>IA</td><td>MI</td><td>MN</td><td>OH</td><td>WI</td></tr></table>	IL	IN	IA	MI	MN	OH	WI	
IL	IN	IA	MI	MN	OH	WI			

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WISCONSIN IN BRIEF

Welfare caseloads have dropped dramatically.



Most leavers work and they like it.

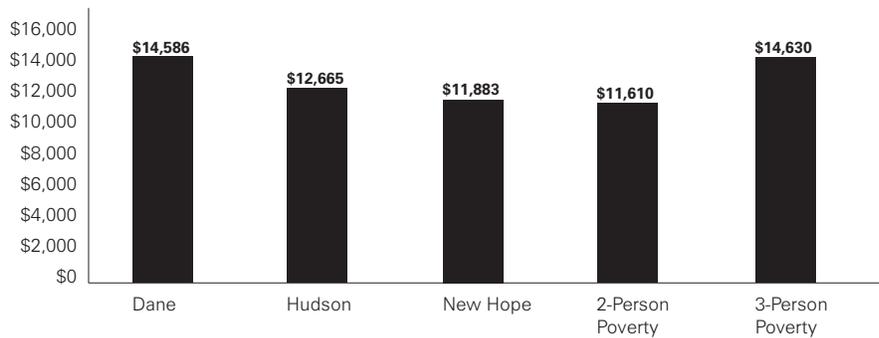
	IRP Dane	IRP Milwaukee	IRP-Before & After 1995	IRP-Before & After 1997
% Working Now or In Past Year	74%	62%	—	—
% Leavers Employed Some Point After Exiting	64%	—	81%	84%

92% feel they are better role models and have more self-confidence when working.

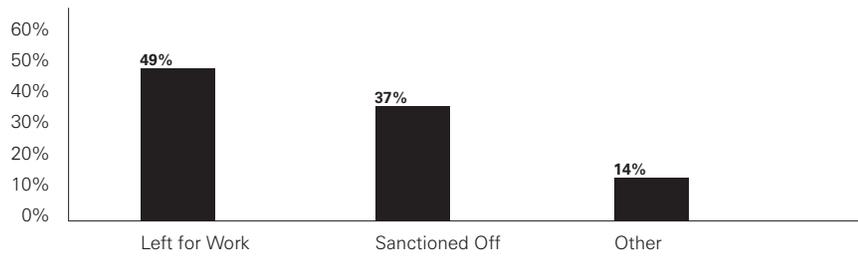
82% of working former recipients have same or better standard of living.

86% say they are better able to meet the needs of their children when working.

Low earnings leave many families poor.



Work is only one reason for leaving welfare.



Families experience economic hardships.

	IRP Milwaukee
Not Enough Money for Food	41%
Couldn't Pay Rent	47%
Couldn't Pay Bills	48%
Couldn't Buy Clothes	43%
Utilities Shut Off	15%
Phone Disconnected	34%
Evicted	11%
Doubled up	11%
Homeless	13%

Families still need government assistance.

	IRP Milwaukee	IRP Dane	Converting to W-2
Food Stamps	61%	56%	61%
Medicaid	77%	87%	86%
SSI	9%	24%	18%
Housing	18%	—	26%

Families face barriers to work.

	IRP Milwaukee	IRP Dane	Converting to W-2
Education	13%	22%	—
Child Care	24%	19%	15%
Can't Find Job	32%	26%	26%
Health	12%	13%	28%

Some families are still unaware of the rules and regulations.

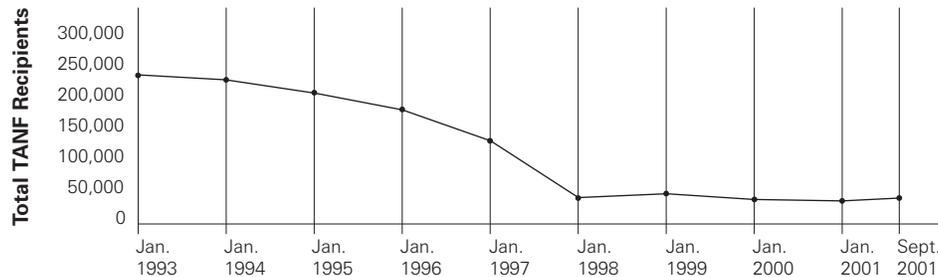
Did Not Know About:	IRP-Dane
Sanctions for Missing Work Assignments	14%
Time Limits on Cash Assistance	42%
Cash Payments Unrelated to Family Size	35%

WELFARE REFORM IN WISCONSIN

Wisconsin, widely recognized as a pioneer in welfare reform, began experimenting with its welfare system and applying for waivers from the federal government nearly ten years before the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was enacted. When the federal law was passed, Wisconsin was already in the process of transitioning to a new income support program, Wisconsin Works (W-2), which formed the basis of the state's TANF plan—the first such plan to gain federal approval.

Wisconsin has received national attention not only for its welfare reform efforts but also for the extent to which its welfare caseload has declined. From August 1996 to September 2001 the number of welfare recipients in Wisconsin decreased from 148,888 recipients to 43,031.¹ This 71.1% drop is greater than the 56% decline nationally during this time period, and second highest among the seven states covered in this review. The rate of decrease slowed significantly after 1998, and between January and September 2001 caseloads actually increased by 12.6%.

FIGURE 1 NUMBER OF WISCONSIN WELFARE RECIPIENTS: JANUARY 1993 TO SEPTEMBER 2001



Data Source: U.S. Department of Health and Human Services Administration for Children and Families.

Even with this recent leveling off, however, the overall decrease in the number of individuals receiving welfare in Wisconsin has certainly been dramatic. Much of the decline has been attributed to W-2's emphasis on work, but the state's strong economy must be credited also. As of August 2001, Wisconsin's monthly seasonally adjusted unemployment rate stood at 4.3%, 0.6% below the national rate. During the 1990s, monthly unemployment never exceeded 6.0% while the national average peaked at 7.8%.² With this combination of large caseload declines and low unemployment, one might easily imagine that welfare reform in Wisconsin has been and will continue to be a resounding success. Closer analysis, beyond what mere caseloads and unemployment rates can tell us, gives a different and more complex picture of W-2.

1 Latest available figures from U.S. Department of Health and Human Services, Administration for Children and Families.
2 Assessing the New Federalism. Urban Institute

WHAT THE RESEARCH TELLS US

Most people who left welfare went to work. Many took jobs that were part-time or lasted only a few months.

It is well known by now that Wisconsin Works, or W-2, as the state's welfare system is known, has been extremely successful in moving welfare recipients off the rolls. It should also be noted that the majority of those who leave W-2 work at some point after exiting and even those still receiving benefits work at high rates (see Table 1).

TABLE 1 WELFARE RECIPIENTS, WELFARE LEAVERS AND WORK

	IRP Dane ^a	IRP Milwaukee ^b	IRP-Before & After 1995 ^c	IRP-Before & After 1997 ^c
Current Applicants/Recipients Working Now or in Past Year	74%	62%	70%	70%
Leavers Employed in First Year After Leaving	64%	—	81%	84%

a-Piliavin, I., Courtney, M., et al. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

b-Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999*. May 2001.

c-Cancian, M., Haveman, R., et al. *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*. May 2000.

Research findings suggest, however, that the work patterns of former welfare recipients are quite unstable:³

- 66% of people who left welfare in 1995 worked continuously in their first year off, but only 60% of 1997 leavers did so.
- 42% of the 1995 leavers worked continuously for the same employer in the first year after exiting, but only 32% of 1997 leavers had the same employer.
- 17% of those ever employed had one employer, but 25% had more than five employers.
- 42% of those employed at some point after leaving welfare worked in all 12 quarters, but the average number of quarters worked was only eight.

While some of these job changes may have involved transitions to better types of employment, it is important to take note of the inherent job instability within this population of workers.

Job instability was a problem even for participants in the New Hope program which was designed to address, among other inherent problems in the low-wage labor market, “intermittent unemployment.”⁴

3 IRP: *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*.

4 New Hope: Bos, Han, et al. *New Hope for People with Low Incomes*. The New Hope Project was not a state-run welfare-to-work program but rather a community-initiated, work-based antipoverty program operating in two low-income areas in Milwaukee, Wisconsin from August, 1994 through December, 1998. The premise of the program was that a person who works full time should not be poor. The program was also designed to address “poverty wages,” lack of health care, coverage, and lack of child care.

Of individuals who were unemployed when they entered the New Hope program and began to receive services, 94% worked at some point in the two years after entering, which was 7% higher than control group members (those who did not receive the New Hope services). Thus, the program clearly had an impact on work effort. However, the average number of quarters worked by program participants over the first two years was only 5.5, or less than 70% of the time. While this is higher than for control group members (4.8 quarters, 60% of the time), we can see that even with intensive services, many families find it difficult to maintain steady employment.

Finally, when we look at the number of hours that the average welfare leaver worked per week the picture is mixed. The average number of hours worked per week for those leaving welfare was 34, and more than half worked over 40 hours per week. But 26% worked less than 30 hours per week, suggesting again that many leavers could not maintain full-time, full-year employment.⁵

Many families who have moved from welfare to work remain poor because they earn low wages.

Finding a job is one part of a journey that should lead out of poverty. The average hourly wages of Wisconsin welfare leavers means that a mother with one child working an average of 34 hours per week would earn enough to bring her family out of poverty; however, a three-person family would remain poor (see Figure 2).

TABLE 2 HOURLY WAGES OF WISCONSIN WELFARE LEAVERS

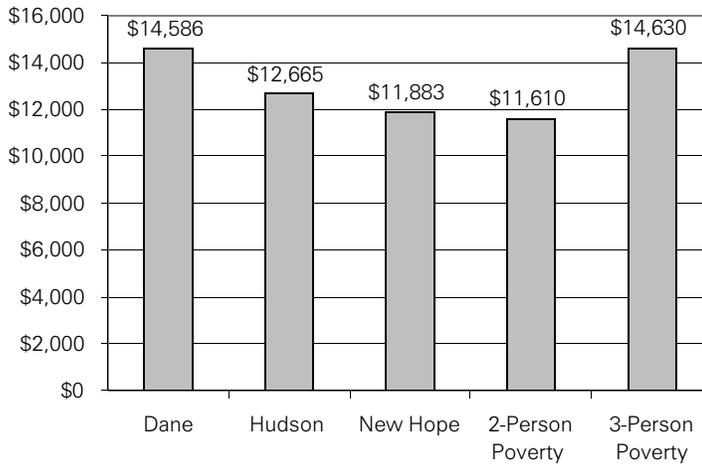
	New Hope (control group) ^a	Converting to W-2 ^b	IRP Dane ^c
Mean Hourly Wage	\$6.99	\$7.45	\$8.58

a-Bos, H., Huston, A., et al. *New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare*. April 1999.

b-Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee? 1999*.

c-Piliavin, I., Courtney, M., and Dworsky, A. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

FIGURE 2 CALCULATED ANNUAL EARNINGS



Calculated Annual Income = (avg. wage) x (34 hours) x (50 weeks)

If we use average monthly earnings data, which take into account the fact that not all leavers work full-time and full-year, the picture is worse (see Table 3). Of particular note in these figures is that earnings (in 1998 dollars) are lower for welfare recipients leaving in 1997 than for those who left in 1995. One explanation is that the “work first” strategy emphasizes entry into the labor market, perhaps pushing people with fewer employment skills to accept lower-paying jobs. It may also push people with more barriers (e.g., child care difficulties) into the labor market, where they work fewer hours and therefore earn less overall.

TABLE 3 MONTHLY EARNINGS OF WISCONSIN WELFARE LEAVERS

	IRP-Before & After 1995 ^a	IRP-Before & After 1997 ^a	IRP-Post Earnings ^b	Converting to W-2 ^c
Mean Monthly Income of Working Leavers in Year After Exit	\$759	\$642	\$849	\$1,009*
Calculated Annual Income	\$9,108	\$7,704	\$10,188	\$12,108

a-Cancian, M., Haveman, R., et al. *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*. May 2000.

b-Cancian, M., Haveman, R., et al. *Post-Exit Earnings and Benefit Receipt Among Those Who Left AFDC in Wisconsin*. January 1999.

c-Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee?* 1999.

*Wage includes only regular (i.e., non-temporary) jobs.

Health problems, child care, lack of education, and other problems prevent some welfare recipients from getting jobs, and make it hard for others to stay employed.

A consistent finding across several studies of W-2 is that many families, including leavers and current recipients, face personal and structural obstacles to finding and maintaining employment. Some of the most frequently cited problems reported by respondents include those listed in Table 4.

TABLE 4 PREVALENCE OF BARRIERS TO WORK

	IRP (Milwaukee) ^a	IRP (Dane) ^b	Converting to W-2 ^c
Poor Education/Skills	13%	22%	—
Child Care Problems	24%	20%	15%
Inability to Find Job (Currently Looking)	32%	26%	26%
Health Problem	12%	13%	28%

a-Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999*. May 2001.

b-Piliavin, I., Courtney, M., and Dworsky, A. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

c-Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee? 1999*.

Poor education and inadequate work skills are common barriers to work: 66% of respondents with either a high school diploma or general equivalency diploma (GED) had worked at some point in the previous 12 months, compared to 59% of those without a diploma or GED.⁶ Child care problems also clearly interfered with holding onto a job (see Table 5).

TABLE 5 CHILD CARE BARRIER TO WORK

	Percent of Families Reporting IRP Milwaukee ^a	IRP Dane ^b
Missed work owing to lack of child care	14.1%	43.9%
Missed work owing to cost of child care	10.8%	24.2%
Missed work owing to no sick-child care	12.9%	71.2%
Quit job owing to lack of child care	5.8%	16.7%
Refused job owing to lack of child care	7.7%	18.2%
Trouble finding night-time/weekend child care	8.7%	27.3%
Trouble finding care owing to varying work schedule	7.6%	27.3%

a-Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999*. May 2001.

b-Piliavin, I., Courtney, M., and Dworsky, A. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

Health-related problems also interfere with welfare recipients' work efforts. Of 100 Dane County respondents reporting poor health only 7.4% were currently employed and 27% were never employed in the prior year. Of those with a mental health problem, 61.5% did not work in the prior year.⁷ Job availability is another issue. Despite the low official unemployment in Wisconsin, job availability and earnings for low-skilled individuals are not uniformly high across the state. Among working leavers in the 1995 group, earnings are significantly higher for those living in areas with lower unemployment rates. This is particularly noticeable in Milwaukee County, where 60% of the caseload resides and where the decline in welfare cases over the last several years has generally been slower than that in other counties.⁸ Earnings also varied significantly according to what industry welfare leavers found work in. For example, women going to work in temporary agencies earned more in the following year than those initially employed in restaurants, but significantly less than those in business, financial, health or social services, transportation, wholesale trade, or manufacturing.⁹ Unfortunately it appears that job availability is only going to get worse, especially in the sectors where many welfare recipients find work. The most common industries in which former welfare recipients find work include health care (20%), retail (18%), food service/hospitality (13%), manufacturing/packaging/marketing (13%), and transportation (6%).¹⁰ The U.S. Labor Department reported that in September 2001 nonfarm payroll employment fell by nearly 200,000, the largest job loss since February 1991. This marked the fourteenth consecutive month of manufacturing job losses. Employment in retail has also declined with the largest losses occurring in restaurants, apparel stores and food stores. Transportation jobs also declined. One bright spot is health care, where the number of jobs actually grew.¹¹

Some families are being forced off the welfare rolls for failure to comply with program rules or for other reasons.

While caseload declines have been dramatic in Wisconsin and certainly the majority of leavers work at some point after leaving welfare, it is crucial to point out that many recipients, particularly those least job-ready, leave welfare for reasons other than work.¹²

- 49% of leavers reported that becoming employed or having increased earnings was the reason for leaving welfare.
- 36.6% said they left because of failure to comply with program rules and requirements.

7 IRP-Dane.

8 *Assessing the New Federalism*.

9 IRP: *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*.

10 W-2: *Converting to Wisconsin Works*.

11 *The Employment Situation: September 2001*. U.S. Department of Labor.

12 IRP-Milwaukee.

Families experience hardships.

According to Wisconsin's Department of Workforce Development, which oversees the W-2 program, the goal of reform was to help eligible Wisconsin residents obtain and maintain viable, self-sustaining employment.¹³ Most people would consider a self-sustaining existence one with a minimum of economic hardship; however, it's clear that many families making the transition from welfare to work face difficulty making ends meet (see Table 6).

TABLE 6 HARDSHIPS EXPERIENCED BY CURRENT AND FORMER WELFARE RECIPIENTS

Hardship	IRP-Milwaukee ^a	IRPDane ^b
Not enough money for food	41%	65%
Not enough food to feed family	38%	—
Not enough money to pay rent or mortgage	47%	45%
Not enough money to pay bills	48%	60%
Not enough money to buy clothes	43%	—
Utilities shut off	15%	—
Phone disconnected	34%	33%
Evicted	11%	—
Doubled up, could not afford housing	11%	—
Homeless	13%	—

a-Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999*. May 2001.

b-Piliavin, I., Courtney, M., and Dworsky, A. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

Many families continue to rely on food stamps, Medicaid, and other forms of government assistance to get by.

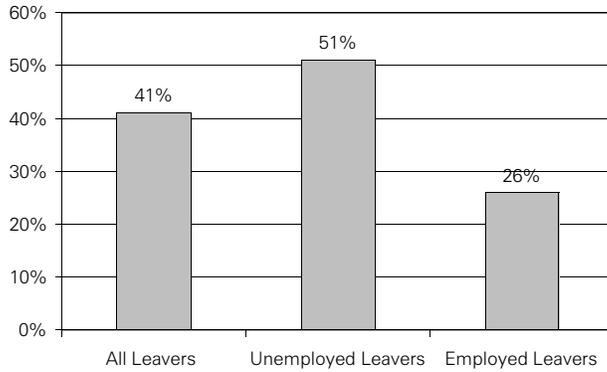
Another goal of W-2 is to reduce dependency. Fifteen months after leaving welfare, 30% of former recipients were getting no public assistance—not food stamps, nor Medicaid, nor AFDC.¹⁴ However, many Wisconsin families continue to rely on government programs (see Table 7). Consistent with findings in other states, those with lower human capital and who lived in an area where unemployment was higher were less likely to be independent of other public assistance programs.¹⁵ In addition to government programs, a significant percent of families who have left welfare rely on help from non-governmental sources such as churches and community organizations. This was particularly true for unemployed leavers (see Figure 3).

13 Wisconsin Dept. Workforce Development. W-2 Philosophy and Goals. <http://www.dwd.state.wi.us/desw2/philosop.htm>

14 IRP: *Post-Exit Earnings and Benefit Receipt Among Those Who Left AFDC in Wisconsin*.

15 IRP-Milwaukee.

FIGURE 3 USE OF COMMUNITY SERVICES BY WORKING AND NON-WORKING WELFARE LEAVERS



Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee?* 1999.

TABLE 7 USE OF GOVERNMENT PROGRAMS

	IRP (Milwaukee) ^a	IRP (Dane) ^b	Converting to W-2 ^c
Food Stamps	61%	56%	61%
Medicaid	77%	87%	86%
SSI	9%	24%	18%
Housing	18%	–	26%

a-Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999.* May 2001.

b-Piliavin, I., Courtney, M., and Dworsky, A. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families.* March 2000.

c-Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee?* 1999.

Regarding New Hope participants, those employed full-time upon entering the program drew less public assistance than control group members by the second year. However, overall there was no significant difference in the use of government assistance between program and control groups. In fact, both groups received substantially reduced public assistance during the follow-up period. New Hope achieved such reductions by offering those who were close to leaving welfare anyway alternative sources of support. In other words, to some extent New Hope's supplements and in-kind benefits replaced welfare and Food Stamps for these families.¹⁶

Like other Americans, welfare recipients are optimistic about work and welfare reform.

Many critics of the old AFDC welfare system suggested that it promoted dependency and created disincentives to work. Whether this was initially true or not, it is clear that the overwhelming majority of employed former welfare recipients feel positively about working.¹⁷

¹⁶ New Hope: Bos, Han, et al. *New Hope for People with Low Incomes.*

¹⁷ W2: Converting to Wisconsin Works: *Where Did Families Go When AFDC Ended in Milwaukee?* 1999.

- 92% said they are better role models and have more self-confidence when working.
- 86% reported that they were better able to meet the needs of their children when working.
- 82% of former AFDC recipients who were working in a regular job a year after W-2 implementation said that they had the same or better standard of living than during their last month on AFDC.
- 52% of former AFDC recipients who were unemployed a year after W-2 implementation said that they had the same or better standard of living than during their last month on AFDC.

It also seems that welfare recipients perceive W-2 implementation favorably. A majority of applicants report positive experiences with the new agency, although there remains some degree of dissatisfaction regarding the fairness of W-2 (see Table 8 and Table 9).

TABLE 8 APPLICANT EXPERIENCES WITH W-2 AGENCIES

Agency Treatment	Percentage Agreeing ¹⁸
Treated with respect	73% to 95%
Agency provided useful information	73% to 93%
Agency wanted to help	68% to 89%
Agency discouraged application	11% to 26%

Piliavin, I., Courtney, M., and Dworsky, A. *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999.* May 2001.

TABLE 9 APPLICANT PERCEPTIONS OF W-2 WORKERS

Agency Treatment	Percentage Agreeing
W-2 workers want people like me to succeed	76%
W-2 motivates people to get jobs and get off welfare	71%
W-2 provides useful training and good job opportunities	56%
W-2 requires too much of parents with young children	70%
W-2 is a fair program	43%
W-2 is better than the old welfare program, AFDC	43%

Swartz, R., Kauff, J., et al. *Where Did Families Go When AFDC Ended in Milwaukee? 1999.*

Substantial numbers of recipients were unaware of critical details of W-2.

With all of its success in reducing caseloads and promoting work, it seems that W-2 itself, and its relationship to other programs, were poorly understood by a substantial number of recipients. Many were either unaware of or misinformed about crucial aspects of the program including sanctions, time limits and eligibility (see Table 10).

¹⁸ Percentages represent the low to high range from surveys of six W-2 agencies.

TABLE 10 WELFARE RECIPIENTS AWARENESS OF W-2 POLICIES

Program Component (All statements true)	Percent Saying No/Don't Know
Missing W2 activity can lead to reduced benefits	14%
Time limit on cash assistance	42%
Eligible for Food Stamps without participating in W-2	55%
W-2 cash payments are not related to family size	35%
Children eligible for Medicaid if their parents not in W-2	33%

Piliavin, I., Courtney, M., et al. *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. March 2000.

Note: Includes current participants only.

WISCONSIN DEMOGRAPHIC CHARACTERISTICS

Wisconsin's population of just over five million is nearly 90% non-Hispanic white and has grown by nearly 10% in the past decade. The economy has grown even faster, with per capita income increasing from \$18,160 in 1990 to \$28,232 by 2000. This change of 55.5% is third highest among the seven states covered in this review. Wisconsin's 1999 poverty rate for female headed households was 34%, third highest among the states covered in this report. On the other hand, births to women aged 15-19 were 43.7 per 1,000, third lowest among the states covered here.

Population

Population (2000) ^a	5,363,000
Percent Change (1990-2000) ^a	9.6%
Percent Under Age 18 ^a	25.5%
Percent Hispanic ^a	3.6%
Percent Non-Hispanic Black ^a	5.7%
Percent White (non-Hispanic) ^a	88.9%
Births per 1,000 Women 15-44 (1998) ^b	58.5
Births per 1,000 Women 15-19 (1998) ^b	43.7
Percent to Unmarried Women (1997-98 avg.) ^b	28.3%

Economics

Per Capita Income (2000) ^c	\$28,232
Per Capita Income (1990) ^c	\$18,160
Percent Change in PCI (1990-2000)	55.5%
Median Income (1998-1999) ^a	\$44,032
Median Income 4-Person Family (1998-2000) ^a	\$63,436
Percent Below Poverty (1999) ^d	8.5%
Percent Children (< 18) Below Poverty (1999) ^d	9.2%
Percent Below Poverty-Fem. Fam. Head (1999) ^d	34.0%
Unemployment Rate (2000) ^e	3.5%
Unemployment Rate (2001) ^e	4.6%
Employment Rate (2000) ^e	96.5%
Total TANF Recipients August 1996 ^f	148,888
Total TANF Recipients September 2001 ^f	43,031
Percent Change ^f	-71.1%

Families (2000)

Total Households ^a	2,084,000 (100%)
Family Households ^a	1,386,000 (67.5%)
With Own Children under 18 years ^a	665,000 (31.9%)
Married Couple Families ^a	1,108,000 (53.2%)
With Own Children under 18 years ^a	493,000 (23.7%)
Female Householder, no husband present ^a	200,000 (9.6%)
With Own Children under 18 years ^a	128,000 (6.2%)
Nonfamily Households ^a	697,000 (33.5%)
Householder living alone ^a	557,000 (26.8%)
Households with individuals under 18 years ^a	706,000 (33.9%)
Average Family Size ^a	3.05
Low-Income Uninsured Children ^a	4.4%

a-U.S. Bureau of Census.

b-National Center for Health Statistics.

c-U.S. Bureau of Economic Analysis.

d-U.S. Bureau of Labor Statistics and Bureau of the Census Current Population Survey.

e-U.S. Bureau of Labor Statistics.

f-U.S. Department of Health and Human Services, Administration for Children and Families.

STATE TANF POLICIES – WISCONSIN

Who is eligible?

Families: To be eligible for Wisconsin Works (W-2), families must include a child under age 18 or a child age 18 who is a full-time student and will graduate by age 19. A pregnant woman with no other children is not eligible for assistance. All two-parent families are eligible for assistance based on the same eligibility criteria as single-parent families.

Income: All applicants and recipients are subject to a gross income test. Gross monthly income (total income with no deductions) must fall below the following amounts:

Family Size	Amount
1	\$771
2	\$1,040
3	\$1,308
4	\$1,576

Asset Limits: Applicants and recipients must have countable assets below \$2,500. The combined equity value of all cars up to \$10,000 is excluded as a countable asset.

What happens when they apply?

Application: All persons have a right to file an application for cash assistance. The same application for cash assistance is used throughout the state and is a joint application for job loan access. Applications must be acted upon within 12 to 19 working days; however, the agency is not required to issue a written decision on applications. Wisconsin imposes pre-application requirements which must be met before a family can submit an application for cash assistance. Applicants must also conduct a job search while the cash assistance application is pending. Applicants and/or recipients are required to sign a personal responsibility contract which includes a standard list of obligations including agreement to participate in work activities, child school attendance requirements, cooperation with child support enforcement, and agreement to reach self-sufficiency within a set period of time. Applicants must also sign an employability plan. The sanction for refusing to sign is denial of application or termination of grant and this sanction lasts until compliance.

Diversion: Cash Diversion Programs provide families with an up-front, lump sum payment in lieu of ongoing cash assistance payments. The goal is to help families meet an immediate need and to divert them from formally entering W-2. The state does not operate a formal cash diversion program.

Declined: Participants or applicants may request the W-2 agency to review a denial, reduction or cancellation of benefits. This is called a Fact Finding Review. The W-2 agency will be required to render a decision in a timely manner, but benefits will not continue while the review is pending. The Department of Workforce Development (DWD) may review the decision if the participant petitions within 15 days of the W-2 agency decision, or the W-2 agency requests it. If DWD reverses a W-2 agency decision, benefits can be restored to the date of the initial decision.

What do they get if approved?

Cash Benefits: A recipient's benefit equals the difference between the maximum benefit and total income (earned plus unearned). If income exceeds the maximum benefit, the family is not eligible for assistance. Maximum benefit levels vary for different groups of families:

Family Size	Families with a Community Service Job Participant	Families with a Transitional Job Participant
1	N/A	N/A
2	\$673	\$628
3	\$673	\$628
4	\$673	\$628

Food Stamps: A household's food stamp allotment depends on the number of people in the household, the household's gross income, and deductions for expenses (such as housing costs that exceed half of the household's income) that can significantly affect a household's ability to purchase a nutritionally adequate diet. Depending on gross monthly income, families can receive from \$238 per month for a two-person family up to \$977 for a family of ten. Each additional family member would entitle the family to \$98 more in food stamps per month.

Health Insurance: Generally families eligible for W-2 will qualify for Medicaid if they fall into one of the following categories: a relative caretaker of a deprived child; pregnant; under age 19; age 65 or older; and, blind or disabled. Being enrolled in W-2 does not make a family automatically eligible for Medicaid. Medicaid financial and non-financial eligibility continues to be linked to the AFDC eligibility standards in effect as of July 16, 1996. Most W-2 recipients are eligible for medical assistance. Currently, anybody who would have been eligible for cash assistance under AFDC on July 16, 1996 can generally get medical assistance, as can several other

groups, including: pregnant women in families with income up to 185% of the federal poverty line (FPL); children under age six in families earning up to 185% FPL; and children between the ages of 6 and 19 who live in families earning less than 100% FPL.

Child Care: To qualify for a child care subsidy, an individual must be a custodial parent, guardian, foster parent, kinship care relative, or otherwise acting in the place of a parent for a child under age 13 or a child with a disability through age 18. They must also need child care in order to: meet Learnfare school attendance requirements; obtain a high school diploma or GED; work in an unsubsidized job; work in a W-2 employment position; participate in a food stamp employment and training program; or participate in other employment skills training, including technical college for up to two years, but only if the person is currently working. Initial eligibility is limited to families with gross income of no more than 185% FPL (excluding specific business expenses for most self-employed persons, including farmers, and excluding child support); once enrolled, families remain eligible until gross income exceeds 200% FPL. There are additional eligibility requirements similar to those of the W-2 program, e.g. citizenship or qualifying alien and cooperation with child support enforcement. There is no longer an asset test for child care. Families must pay a percentage of the cost of child care according to a schedule set by DWD that takes into account family size, gross income, number of children and type of child care.

Emergency Assistance: EA programs are operated at state discretion and provide funds to families to prevent such emergencies as disconnection of utilities or eviction. States no longer receive funding specifically for an emergency assistance program but they generally can use their TANF block grant dollars or state funds. Wisconsin provides emergency assistance to families that are receiving TANF cash assistance, families that are eligible for but not receiving TANF cash assistance, and families that are not eligible for TANF cash assistance as follows: prevent utility shut-off or restore service; emergency housing assistance; temporary shelter for homeless families, and meet the immediate needs of households facing an emergency due to fire, flood, natural disaster, energy crisis, or homelessness.

Job Access Loans: Individuals who meet W-2 participation requirements may also be eligible for a job access loan, though there is no entitlement even if all eligibility requirements are met. Job access loans must be used to address an immediate financial crisis not related to failure to accept a job or being fired from a job; the loan must be needed to obtain or continue employment or to repair or purchase a vehicle needed for employment; and the individual must not be in default on a previous job access loan. The minimum loan is \$25; the maximum amount is \$1,600. The average of all loans a W-2 agency grants over a 12-month period cannot exceed \$800. Loans must be repaid within 12 months, unless the agency approves an extension. The issuance of job access loans is highly discretionary and varies greatly from agency to agency.

Transportation: W-2 agencies attempt to meet participants' transportation needs by arranging van pools, setting up volunteer driver programs, accessing loan resources for personal vehicle purchase and repair, encouraging employer-based transportation programs, expanding transit hours and service areas, and hiring transportation coordinators. DWD also operates the Job Ride Program in Milwaukee County. This reverse commute vanpool program provides transportation assistance to low-income central city workers trying to access suburban jobs. The employers targeted are not currently accessible by public transportation or other means of regularly scheduled transit. This program is funded primarily with state dollars, though DWD has set aside some TANF dollars to help expand the program the last several years to increase the focus on low-income workers. DWD has created a joint grant program with the Department of Transportation (DOT), called the Wisconsin Employment Transportation Assistance Program (WETAP), to use those TANF funds along with local dollars and some DOT dollars to draw down Job Access and Reverse Commute (JARC) dollars from the Federal Transit Administration. The grant program began April 1, 2000. Local agencies, authorities, non-profits, and tribal governing agencies are eligible to apply, and local collaboration between all interested parties is required for needs assessment, plan development, and local implementation. Applicants are required to demonstrate a quantifiable need for assistance and develop a detailed action plan to serve the TANF population. The plan requires input from employers and potential participants. Currently, WETAP is funding over 50 projects in 45 counties throughout Wisconsin.

How long do they get these benefits?

Time Limits: Both federal TANF and state W-2 legislation include a 60-month lifetime limit for eligibility. The time limits were first applied to AFDC recipients participating in the Job Opportunities and Basic Skills (JOBS) program beginning on October 1, 1996. Therefore, the earliest a W-2 participant may reach the 60-month limit was expected to be October 1, 2001. W-2 agencies may extend the time limit on a case-by-case basis because of circumstances including:

- The adult W-2 group member is unable to work because of personal disability or incapacitation;
- The adult W-2 group member has significant limitations to employment;
- The adult W-2 group member is needed in the home to care for another severely incapacitated group member; or
- The adult group member has made all appropriate efforts to find work, and is unable to find unsubsidized employment because local labor market conditions preclude a reasonable job opportunity.

Participation in any W-2 employment and training position category (Trial Job, Community Service Job (CSJ), and W-2 Transition (W-2 T)) is limited to 24 cumulative months. Extensions to the time limits may be granted on a case-by-case basis.

What do they have to do in return?

Work Requirements: Wisconsin requires a parent or caretaker receiving assistance to engage in work once the state determines that the parent or caretaker is able to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier. The work activities are separated into four tiers listed below:

- UNSUBSIDIZED EMPLOYMENT: Employment for which a W-2 agency provides no subsidy to the employer, including self-employment and entrepreneurship.
- TRIAL JOB: A W-2 subsidized employment position that provides work experience and training which may become permanent unsubsidized employment. The W-2 subsidy for Trial Job participants is paid directly to the employer.
- COMMUNITY SERVICE JOB (CSJ): A W-2 work-readiness practice placement designed to improve the employability of participants by providing work experience and training in the public and private sectors.
- TRANSITION (W-2 T): A W-2 placement intended to provide intensive services to improve the employability of participants with severe barriers. This placement is designed to assist the participant in moving up the employment ladder.

What if they don't follow the rules?

Sanctions: Grants for individuals placed in CSJs or W-2 T are reduced by \$5.15 for every hour of required work or educational activity missed without good cause. Additional sanctions may be imposed for: refusal to participate in an employment position; failure to cooperate with child support requirements; other intentional program violations; or failing a drug test. Learnfare participants are subject to a school attendance requirement. Failure to meet the attendance requirements may result in a financial penalty of \$50 per month per child, not to exceed \$150 per month per family.

What if they can't follow the rules?

Exemptions: W-2 has a lifetime limit of 60 months. Participation in the work components of Trial Jobs, CSJ, or W-2 T will be limited to 24 months each.

Source: Wisconsin Department of Workforce Development and the State Policy Documentation Project, a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities.

WISCONSIN STUDY SUMMARIES

IRP-Wisconsin Welfare Studies*

Institute for Research on Poverty

University of Wisconsin-Madison

(IRP-Before and After). *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*. Cancian, Maria; Haveman, Robert; Meyer, Daniel, and Wolfe, Barbara. May 2000.

This paper reports on the demographic characteristics, employment, and economic well-being of two cohorts of single mothers who left cash assistance in Wisconsin. It compares outcomes for those who left during initial welfare reform (the final quarter of 1995) and the early stages of TANF (the final quarter of 1997). It also reports on the longer-term outcomes for the first cohort, for whom there is information for three years after exit. The analysis is based on administrative data from the state of Wisconsin: merged data from (1) the Client Assistance for Re-employment and Economic Support (CARES) system, which includes information collected in administering AFDC, W-2, and related means-tested programs, (2) the Computer Reporting Network (CRN) system, the precursor of CARES, providing earlier AFDC administrative data useful for constructing an AFDC history for each case, and (3) the Unemployment Insurance (UI) system, which includes information on quarterly earnings and employers.

(IRP-Dane). *Early Transfers from AFDC to W-2: The Experiences of 100 Dane County Families*. Piliavin, Irving; Courtney, Mark, and Dworsky, Amy. March 2000.

This report is based on interviews with 163 families on the AFDC caseload in September 1997 who were potentially eligible for conversion to the new W-2 program. Interviews were conducted between November 1997 and June 1998. One hundred of these families (61 percent) were interviewed a second time between February 1999 and June 1999.

(IRP-Leavers & Stayers). *Post-Exit Earning and Benefit Receipt Among Those Who Left AFDC in Wisconsin*. Cancian, Maria; Haveman, Robert; Kaplan, Thomas, and Wolfe, Barbara. January 1999.

This analysis is based on administrative data from the state of Wisconsin. 26,047 leavers and 28,471 stayers were identified and tracked; leavers for a period of 15 months from the date they left and stayers from August 1995 to December 1997.

(IRP-Milwaukee): *What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave 1: Information Collected from Parents at the Time of Application for TANF Assistance, March-August 1999.* Piliavin, Irving; Courtney, Mark, and Dworsky, Amy. May 2001.

This report presents findings based on survey data from the first wave of a three-wave panel survey of 1,179 W-2 applicants interviewed between mid-March and mid-August 1999 with approximately 200 coming from each of six sites. The report is largely descriptive, focusing on the demographic characteristics and background attributes of W-2 applicants and their families at the time they applied for assistance. The three waves of survey data will eventually be merged with three state administrative data files.

New Hope

Manpower Demonstration Research Corporation (MDRC)

New Hope for People with Low Incomes: Two-Year Results to Reduce Poverty and Reform Welfare. Bos, Hans; Huston, Aletha; Granger, Robert; Duncan, Greg; Brock, Tom, and McLoyd, Vonnice. April 1999.

This report relies on a number of data sources for its estimates of New Hope's effects. In total, 1,357 applicants to the program were included in the study and randomly assigned to program or control group status: 678 to the program group and 679 to the control group. For each of these sample members, the researchers collected two years of earnings data from unemployment insurance (UI) records and AFDC, Food Stamp, and Medicaid data from other state databases. These administrative data were augmented with information collected from a two-year follow-up survey. This survey covered details on employment histories, job characteristics, and additional income sources. It also measured material hardship, access to health care, and sample members' feelings about their financial situations, job security, and, in the case of program group members, their experiences with the New Hope program.

Although all program and control group members were approached for this survey, some could not be found and others refused to participate, leaving a sample of 1,086 for analyses involving survey questions. For the 678 program group members, data from the New Hope management information system (MIS) were added to the administrative and survey data. These MIS data cover participation in the program, use of program benefits, and earnings from CSJs. Administrative data from New Hope were also used to estimate program costs.

Converting to W-2

Mathematica Policy Research, Inc.

Hudson Institute

Where Did Families Go When AFDC Ended in Milwaukee? Swartz, Rebecca; Kauff, Jacqueline; Nixon, Lucia; Fraker, Tom; Hein, Jay, and Mitchell, Susan. 1999.

This report is based on a telephone survey with questions pertaining to four topics. A random sample of 400 cases was drawn from the population of all families residing in Milwaukee County, Wisconsin, who received an AFDC cash benefit in August 1997. Two hundred ninety-six individuals (74% of the sample) completed the survey interview between October 1998 and March 1999. The survey focuses on experiences with the conversion process as well as the family's status about a year after W-2 implementation, it is not a "leavers" study. While the sample "left" AFDC as it ended, they did not necessarily leave welfare.

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