



REFINING WISCONSIN WORKS (W-2)

INTRODUCTION

On the tenth anniversary of the policy statement of the Wisconsin bishops, *Reforming Welfare by Valuing Families* (1995), and nearly a decade since the creation of W-2 in 1996, it is timely to revisit the bishops' statement in light of where W-2 stands today.

Historically, federal and state welfare programs were designed to provide a financial "safety net" to care for children in poverty. The state and federal reforms in 1990's essentially converted welfare programs into job programs. While the caseloads are below the levels of ten years ago, the numbers have been increasing in the past five years, from 10,722 in 2000 to 14,529 in 2005. But caseloads alone do not tell the full story. Because the W-2 program is directed at families with children, the program must be evaluated in light of its impact on children and especially on the capacity of parents to nurture and care for their children. We know, for example, that the number of children in poverty has been rising in recent years. According to the U.S. Census Bureau, 179,472 Wisconsin children were living in poverty in 2003, an increase of almost 25 percent since 2000.

CATHOLIC TEACHING ON WELFARE

In 1996 when Congress enacted major changes to the federal welfare system, the US Bishops articulated the following priorities for a just welfare system:

- **To protect human lives** by avoiding policies that increase the number of abortions and deny needed benefits to children born to women on public assistance;
- **To strengthen family life** by providing economic assistance to families and support for traditional two-parent families in loving, stable relationships;
- **To encourage and reward work** by ensuring that parents of dependent children have jobs that pay a living wage, sufficient to lift a family above the poverty line, with access to affordable health care services, child care, and transportation;
- **To preserve a safety net for the vulnerable** who may never be able to work or lack access to meet basic needs of food, medical care etc;
- **To build private/public partnerships** to overcome poverty;
- **To invest in human dignity** by focusing on the reduction of poverty and the well being of children.

The Wisconsin bishops, in their 1995 statement, *Reforming Welfare* urged legislators and the public to look beyond "[w]elfare reform that is purely pragmatic, based only on reducing costs, and that is conceived in isolation from the needed values of our whole society...." This appeal continues to be relevant today and it should encourage all to look for ways to improve W-2.

REFINING THE WISCONSIN WORKS PROGRAM

Childcare. Affordable childcare remains a major worry for the working poor. High-quality, affordable childcare plays a critical role in assisting parents' transition to work and it contributes to the successful growth of infants and children. The WCC supports extending eligibility for childcare subsidies to persons earning 225% of the federal poverty rate and it supports improving the quality and availability of daycare around the state.

Housing. Many working poor are forced to take jobs in areas where affordable housing is not available. In addition, the need to relocate regularly interrupts a child's education and undermines the stability of family life. In Milwaukee, as many as half the children in the public schools move at least once during the school year. A state housing program is needed to supplement current sources of emergency assistance and federal housing programs. Legislative initiatives should encourage the formation of local housing trust funds. The WCC supports providing time limited housing subsidies in the form of vouchers to W-2 families and other working poor families and it supports helping local governments to create and fund housing trust funds.

Special considerations for mothers of infants. Research continues to emphasize the importance of time spent between parents and children during the early months of life. Moreover, even when mothers want to return to work immediately after giving birth, the high cost of infant care sometimes makes this prohibitive. While some argue that mothers in the "real world" work instead of staying home with their children, the Census Bureau estimates that in 2003, most mothers did not work full time outside the home and those that did were less likely to have younger children. The WCC supports requiring only 20 hours per week of work activity for mothers of children under the age of one and exempting mothers from all work requirements until the child reaches 6 months of age.

Third trimester eligibility. Currently, an unmarried woman who is pregnant for the first time is not eligible to receive W-2 benefits if she is unable to work. The WCC supports permitting her to receive W-2 payments and not work if she is in her third trimester and her doctor verifies that her pregnancy is at risk.

Education and job training. At present, W-2 recipients are allowed, on a limited basis, to attend technical college for a limited number of hours, on condition that they also hold down a part-time job. Since education and training is vital for job satisfaction and higher wages, the WCC advocates allowing education and job training to count fully toward meeting W-2's work requirements.

Wages and EITC. W-2 places individuals in need of extensive training and experience in Community Service Jobs (CSJ). These workers receive a grant for their work rather than wages. WCC supports converting these grants into wages, whenever possible, so that CSJ workers can claim the Earned Income Tax Credit (EITC). This would help families financially and encourage them to become taxpayers.

ACTION REQUESTED

Urge legislators to support:

- Greater legislative oversight of W-2 and improved measurement of effectiveness.
- High quality childcare
- Housing trust funds
- Work exemptions for mothers of infants
- W-2 eligibility for first pregnancies
- Counting education and job training fully toward work requirement
- Converting work grants to wages in order to qualify for EITC

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