



Evers Proposes Investments in Public Assistance to Cushion the Health and Economic Crisis

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The COVID-19 pandemic is creating severe economic hardship for many Wisconsinites, and especially for those who were already furthest from opportunity. It has helped reveal the stark disparities in our nation, particularly for people of color, because it has amplified the disparities and has given them potentially fatal consequences.

To help ease the disastrous health and economic consequences of the pandemic, Governor Evers has proposed a number of budget increases and policy changes in the state's public assistance programs. These changes are part of two wide-ranging bills intended to mitigate the impact of the pandemic in Wisconsin that the Governor has asked the legislature to act on as quickly as possible.

This issue brief summarizes the parts of the proposed legislation relating to public assistance programs, including child care, Medicaid, nutrition, Unemployment Insurance and support funded through the Temporary Assistance to Needy Families (TANF) block grant.

Child care

With schools now closed, access to child care has become a significant challenge for many parents who perform essential services outside their homes. The pandemic has also been very disruptive for child care providers who have lost many of the families they had been serving. It has been reported that more than one third of all child care providers in the state (over 1400) have closed. To help mitigate those challenges, the Governor has proposed several initiatives aimed at improving access to child care during the public health emergency and helping providers recover after the crisis has abated:

- *Expanding Wisconsin Shares* – The proposed legislation would authorize the Department of Children and Families (DCF) to expand the Wisconsin Shares child care subsidy program. If DCF gets federal approval, the child care subsidies could be provided to essential workers, such as health care providers and first responders. Increased spending for Wisconsin Shares would be financed using current federal funding from the Temporary Assistance to Needy Families (TANF) block grant and \$51 million of new funding from the Child Care and Development Block grant.
- *Grants for child care providers and essential workers* – The bill includes \$25 million of state funding to: a) provide hazard pay to child care providers who are risking their health and businesses by serving essential workers at high risk of exposure to the virus, and b) to help health care providers and essential workers hire child care providers.
- *Payments to providers that are forced to close* – In order to help child care providers from permanently going out of business, the governor proposes using part of the \$25 million appropriation to make supplemental payments to providers that have to close during the public health emergency.

TANF-funded Public Assistance

Wisconsin currently has a large reserve of federal funding from the Temporary Assistance to Needy Families (TANF) block grant. The Governor proposes using \$100 million from the TANF balance for a number of initiatives to help low-income families during the current national emergency. Part of that funding would be used for the expansion of the child care subsidy program summarized above. The rest of the \$100 million TANF appropriation would be used for the following purposes:

- *Expanding Wisconsin Works (W-2)* – During the health emergency, the bill would expand the W-2 program to include families who are either not able to work because of the closure of their place of employment or because of lack of available child care during the pandemic.
- *Increasing the Job Access Loan program* – The Governor proposes allowing DCF to increase funding for the Job Access Loan program, which provides grants of up to \$1,600 to meet emergency needs that support employment.
- *Initiating short-term financial assistance* – For individuals not receiving W-2 benefits, the Governor proposes a new program to provide short-term cash payments for essential needs during the public health emergency.
- *Expanding the emergency assistance program* – To help avoid a large increase in homelessness, the proposed legislation would authorize DCF to make payments of up to \$1,200 to assist with housing costs for individuals adversely affected by the public health emergency.

Nutrition Assistance

The COVID-19 pandemic is putting many strains on the ability of Wisconsinites to acquire nutritious food, and it has significantly worsened food insecurity in our state. People who are food insecure are at much greater risk of being seriously affected by the COVID-19 virus. Governor Evers has proposed spending \$20 million for two initiatives to help people obtain nutritious food:

- *Food banks* – The first half of that money would be used to support emergency food bank operations.
- *Meal delivery programs* – To help offset the loss of school meals for kids and congregate meal sites for seniors, the proposed legislation includes \$10 million for meal delivery programs, including new partnerships between the public sector and restaurants.

Enhancing Medicaid

The current public health emergency is putting huge strains on the nation's health care system, and the surge in unemployment is likely to yield a surge in Medicaid enrollment. With those concerns in mind, the Governor has proposed a number of budget items and policy changes to strengthen Medicaid, assist enrollment, and provide needed flexibility in adapting the program to play a significant role in combatting the Coronavirus.

The proposed Medicaid changes, including small amendments to BadgerCare and SeniorCare, include the following:

- *Capturing new federal support by making small changes to BadgerCare* – To help states cope with an anticipated surge in Medicaid spending because of the pandemic, during a time of reduced state tax revenue, Congress approved a large increase in federal Medicaid funding for states. During the first half of the year the increase could bring Wisconsin at least \$300 million; however, states have until April 16 to meet a few conditions to receive the increased federal reimbursement. Specifically, states cannot reduce Medicaid eligibility or increase premiums after January 1, 2020. To meet those conditions, the state legislation would allow the Department of Health Services (DHS) to temporarily suspend two BadgerCare changes for childless adults that took effect in February, including newly imposed premiums.
- *Increased flexibility* – The legislation gives DHS authority during national emergencies or disasters to make – on a temporary basis – small but very important changes in Medicaid and BadgerCare. Those changes would enable the department to implement changes that make Medicaid a stronger and more flexible tool in fighting against the COVID-19 pandemic.
- *Increased funding for health care providers* – The Governor proposes spending \$274 million (including \$94 million of state funds) to support the health care system’s response to the pandemic by increasing funding for Medicaid providers by boosting reimbursement rates and making supplemental payments.
- *Strengthening SeniorCare* – The legislation would amend this program, which helps many Wisconsinites age 65 and older afford prescription drugs, by covering the costs of any vaccines that are developed for COVID-19.
- *Support for insurance navigators* – To help newly unemployed or underemployed Wisconsinites sign up for Medicaid or private insurance coverage, the Governor proposes an increase of \$1.1 million for insurance navigators.

Strengthening Unemployment Insurance

Unemployment may soon hit levels not seen since the 1930s. To help the rapidly growing ranks of unemployed Wisconsinites and to ease the blow to the state economy, the Governor has proposed several changes to the Unemployment Insurance (UI) system:

- *Waiting period* – To would allow unemployment benefits to start more quickly and to qualify for increased federal funding, the bill would repeal the current one-week waiting period.
- *Eligibility for people receiving partial wages* – The Governor proposes allowing people who have been laid off, but are still receiving partial pay from an employer, to be eligible for UI benefits.
- *State funding for pandemic-related claims* – To reduce the risk that increased spending for benefits will drive up future UI taxes for employers, the bill would create a “sum-

sufficient” (uncapped) appropriation to reimburse the UI trust fund for all benefits related to the public health emergency.

Conclusion

The COVID-19 pandemic is having disastrous consequences for many Wisconsinites, especially those with low incomes and people of color. The three federal bills approved by Congress provide some relief, but do not go far enough. By supplementing the new federal dollars with state funds, as well as \$100 million from the balance in Wisconsin’s TANF block grant, the legislation proposed by the Governor would help fill in some of the significant gaps in the federal response.