



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

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August 17, 2012

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Ave. S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

As you know, Wisconsin has been a leader in welfare reform for decades, emphasizing the fundamentals of work and personal responsibility. Wisconsin is a strong supporter of allowing waivers to encourage innovation and give states the flexibility to design tomorrow's programs without being hampered by yesterday's rules. However, we believe the Information Memorandum issued last month by the Administration for Children and Families falls outside the legal authority of HHS, undermines efforts to engage parents in productive work activities, and raises serious concerns about your Department's commitment to moving low-income families from welfare to work. Waiving the work participation requirement leaves the TANF program with no mandated requirements for individuals to participate in any activities to help move themselves towards permanent unsubsidized employment. We urge you to reconsider this approach.

We believe this is also an opportunity for the states and federal government to engage in a broader discussion about how to help individuals and families return to being full participants in our economy. For example, the federal government discourages states from mandating work requirements in the Food Stamp program because states must share in the administrative costs and take on additional risk in terms of potential error rates. The federal government should be considering ways to reduce the cost to states for returning people to the workforce.

Over the past few years, our national poverty rate has increased; the net worth of American households has declined. Since 2008, the number of Americans with health insurance has declined by 5 million. Enrollment in public assistance programs, including Medicaid and Food Stamps, climbed dramatically and has remained at historically high levels, despite some improvement in the rate of unemployment.



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In Wisconsin, we provide a strong and secure safety net for those near and below the poverty level. According to a recent study by our Legislative Fiscal Bureau, a family of two (a parent and child) with earnings at the federal poverty level (\$15,130) can receive more than \$28,000 in public assistance through various programs including Medicaid, Food Stamps, the Earned Income Tax Credit, child care subsidies and housing subsidies for a combined income and benefits of \$43,130. By comparison, a single mother with a child must earn at least \$53,200 in taxable income to realize the same net value of income and benefits as the family of two receiving public assistance.

As our families are struggling to support themselves, it is the wrong time for the Administration to send a message to those on public assistance that work is not important and that state officials should lower their expectations that people can and should return to the workforce. Government officials should be encouraging people to go to work, not retreat from it.

Sincerely,

Governor Scott Walker