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## **Birth Cost Recovery Update - "The Birth Tax"**

**May 27, 2020**

Hello Partners,

As you know, ABC for Health is dedicated to tracking the birth cost recovery policy in Wisconsin. This policy, we call it the "birth tax," is one that is especially important to keep our partners engaged and up to date as we work to eliminate the policy statewide.

This Update includes good news! A Resolution to abolish the Birth Tax was before the Milwaukee County Board of Supervisor's Health and Human Needs Committee last week. The Committee **adopted the resolution**, which means they agreed that the Milwaukee County Department of Child Support Services should discontinue the practice of pursuing birth cost recovery collections. The issue now goes before the full County Board of Supervisors which meets **Thursday, May 28**. We provide more detail on the committee discussion and next steps, below.

### **Milwaukee County Board Committee Adopts Resolution to Discontinue BCR**

The resolution requesting the Milwaukee County Department of Child Support Services discontinue the discretionary practice of pursuing birth cost recovery collections in child support cases in Milwaukee County was before the Health & Human Needs Committee of the Milwaukee Board of Supervisors on May 20, 2020. Present for the Committee meeting was Chairman Supreme Moore Omokunde, Supervisor Clancy, and Supervisor Goodwin. Supervisors Martin and Wasserman were excused. They had a quorum. Read the [Resolution](#). Read the [Fiscal Note](#). [Watch the Committee Meeting](#). Read the Committee Meeting [Minutes](#).

### **Next Steps:**

Now that the Committee has completed its work on this resolution, it goes before the full County Board for a vote, with the recommendation of adoption from the committee. The next full meeting of the [County Board is May 28, 2020 at 9:30am](#). The resolution appears as item #39 on that agenda. It requires a 2/3 vote for adoption. This meeting will be live-streamed on the County Legislative Information Center: <https://milwaukeecounty.legistar.com/Calendar.aspx>

**Read More:** ABC for Health has posted a resource to our webpage called "[Milwaukee Must Eliminate Birth Tax](#)"

### **Notes on the Health and Human Needs Committee Meeting:**

The initial Resolution was proposed by Former Supervisor Theo Lipscomb Sr., who is no longer a Board Supervisor. The Committee called on Child Support Director Jim Sullivan to present the issue.

- Sullivan began by referencing his January 2020 report ([linked in the Jan. Committee Meeting Minutes](#)), stressing the importance of BCR as a way for fathers to reimburse Medicaid and "the taxpayer." He referred to BCR as a "user fee" throughout his statements, a user fee on BadgerCare and a user fee on child support.
- Sullivan said, if the Board passed this resolution (to abolish BCR), it would have "a significant impact on child support and BadgerCare." Without BCR, Sullivan projected Child Support would lose 6 positions, and it would exacerbate their caseload.



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- Goodwin asked the impact on Medicaid. Sullivan said he doesn't know the total contribution, but that if the county's 15% is \$350,000 per year, so expected that BadgerCare would see a \$2M hit from this policy disappearing
- Supervisor Clancy said he was surprised to hear child support was funded substantially by BCR. He said he "finds that wrong," as is supporting BadgerCare through BCR, "wrong." He wanted to focus on the policy being wrong instead of child support or BadgerCare (both of which he agreed were necessary and good.)
- Sullivan continued that there is a benefit if the new father contributes to the cost of care of the new baby. He said "it's problematic for the role of the father" and "problematic for the child coming into the world" that there would be no cost to this, that the taxpayer would pay. He said they're "meeting these guys where they are," and it would be "inappropriate" if there was no cost to the father.
- Clancy asked for demographic data on who was subject to BCR in Milwaukee County. Sullivan said they don't have it. He said they have data on child support generally (and he shared some of those numbers).
- Clancy said he was "disturbed" that they don't have that data, and presumes it's "different circles" than people subject to child support actions.
- Chairman Moore Omokunde said it was important to recognize how important it is a father provide for his children. He commented "my dad is awesome." There are things his father has given him that cannot be monetized, and it is important to be in the life of a child and provide financially. "That being said, we are asking fathers not to support children but the state of Wisconsin." Moore Omokunde said we are collecting over \$2.3 million and sending it to the state, not to children.
- Moore Omokunde said for some members of the community, \$500 is a lot, especially if the father is trying to care for his kids. And, the state can be aggressive in pursuing these costs, garnishing wages, putting levies against bank accounts, etc. "We need to take all of those things into consideration."
- Moore Omokunde said he spoke to former Supervisor Lipscomb Sr. about why he introduced the resolution. He said Lipscomb said we were asking people to fund our state Medicaid and our Child Support positions. They had a conversation about if you wanted money for BadgerCare, we should be having that conversation with the feds, and about adding people to BadgerCare, not what we are doing here, and having people pay.
- Moore Omokunde clarified that a motion to adopt the resolution would mean asking for the county to stop the practice of BCR, and asked for a motion on the resolution.
- Clancy made a motion to adopt the resolution. Voting in favor were Clancy and Moore Omokunde. Voting against was Goodwin. The motion passed.

This update is for informational purposes only.

Regards,

[Brynne McBride](#), ABC for Health, Inc.