



*Advocacy & Benefits Counseling for Health, Inc.
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**Birth Cost Recovery Update - "The Birth Tax"
July 23, 2020**

Hello Partners,

ABC for Health continues to track birth cost recovery policy in Wisconsin. We call the policy the "birth tax," due to the harsh and often unexpected financial impact on unmarried pregnant women and families seeking BadgerCare Plus in Wisconsin. Counties have certain flexibility in implementing this policy and recently some, like Dane County, have abolished the practice. Others, like Milwaukee County, continue to debate the inequities and practice of collecting the Birth Tax.

Update: The Resolution To End the Birth Tax Lives For Another Day

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 went back before the full Milwaukee County Board of Supervisors for the second time on Thursday, July 23, 2020.

The Resolution appeared as [item 14 on the robust Board Agenda](#). It returned to the Board with its mixed history in Committees: a recommendation of **adoption** from the Health and Human Needs Committee in May, and a recommendation of **rejection** from the Finance Committee in July.

After discussion, the County Board did **not vote for or against the Resolution**. Instead, they acted on a motion to **refer the Resolution to the Committee on Audit**. That motion was approved with an 18-0 vote.

Notes Milwaukee County Board Discussion

After the Clerk announced the Finance Committee's reports, Supervisor Clancy asked that Agenda item 14, the Birth Tax Resolution, be called out for separate action, meaning it would get more discussion instead of just a broad aye or no vote with the balance of the Finance Committee agenda items (which included items 6-23 on the robust Board Agenda). The Birth Tax Resolution was one of many items called out (10 in total) just from Finance. Supervisor Moore Omokunde said he would have called out the Resolution, had Clancy not gotten to it first.

Supervisor Haas spoke first, commenting as Chair of the Finance Committee, speaking to the recommendation of the Finance Committee to reject the Resolution. He said his concern was with the impact of eliminating birth cost recover collections from child support earnings. He said, "in any other year" it would be "no big deal," but sarcastically commented, "but apparently there's a world-wide disease" and continued to say that County "contingency funds are needed in other areas." He stated his concern also extended to the impact on the Child Support Office and ultimately the impact on BadgerCare Plus. He said, "by eliminating this [Birth Cost Recovery], we would be foregoing cost from people who can afford it and impacting BadgerCare for everyone else in the state." Haas ended his comments with a motion to reject the Resolution.

Supervisor Clancy was next to speak. Clancy encouraged the Board to focus on the merits of the programs. He said his family, like Supervisor Haas, was supported by BadgerCare at some point in the past. He agreed that both BadgerCare and Child Support were good programs. He said the policy to collect birth costs, however, "is fundamentally wrong." He continued, "Funds are coming to us in an



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incorrect way.” He reminded the Board that when the Health and Human Needs Committee voted to adopt the Resolution, they had asked Child Support Director Sullivan for demographic data on Birth Cost Recovery. They did not receive it. (At the time, and also in the Finance Committee discussion, the demographic data presented reflected all participants in the child support program, not the Birth Cost Recovery collections.) Clancy said if other communities could be used as a guide, it was apparent that the policy falls on people of color. He concluded by saying that the County should not be balancing its budget on the backs of low income, it needs to be looked at through the lens of racial equity, and he therefore made a motion to adopt the Resolution. (Procedurally, Clancy’s motion to adopt trumped the Haas motion to reject.)

Supervisors Johnson, Logsdon, and Haas spoke against the Resolution, with Logsdon called the Birth Tax a “win-win” in collecting from people who can afford it (repeating her comment from the last County Board conversation that “there are some making \$141,000 who can afford it”¹) and supporting the Child Support office. Supervisor Rolland wondered if the debate would be better as part of a County Budget Discussion.

Supervisor Moore Omokunde spoke last on the Resolution. He recommended the Resolution be sent to the Committee on Audit. He said he was worried that the numbers presented to them were being skewed, and there were other data points that have yet to be uncovered. He added, “We are not here to be funding the State of Wisconsin off the backs of those in Milwaukee County.” He thought the talking points in favor of keeping the birth tax, that “jobs would be lost” if the policy were eliminated, were used to “inflare the conversation,” and he wanted better, more accurate demographic information, echoing Supervisor Clancy’s request.

Procedurally, Moore Omokunde’s motion to send the Resolution to the Committee on Finance trumped Clancy’s motion to adopt the Resolution, so the issue then before the Board was a vote to refer the Resolution to the Committee on Audit. That vote passed 18-0.

Next Steps:

The Resolution is being sent to the [Committee on Audit](#). It is up to the Committee Chairperson Taylor to add the Resolution to an upcoming agenda. You can watch for future meeting agendas to be posted to the [County Legislative Information Center website](#).

This update is for informational purposes only.

Regards,

[Brynne McBride](#)

ABC for Health, Inc.

¹ Recall, the issue of “higher income recipients” was addressed in a [January 2020 report](#) from Child Support to the Health and Human Needs Committee, wherein only one father with a judgement from the 2019 cases identified had an income **over \$66,000 annually**.