

GHEC Chair Recommendations

Increase homeownership rates for Wisconsinites belonging to marginalized groups with low homeownership rates relative to the state's average rates

- Homeownership provides financial and situational stability to owners and their families, is associated with positive individual health outcomes, and is a primary means of building generational wealth
- One antidote to the shortage of affordable housing and the inequitable rates of homeownership is to promote homeownership
- The state should allocate resources to
 - Support the development and expansion of homeownership support programs
 - Support the creation of community land trusts
- Using a new allocation of state funding, Homeownership support programs would consist of organizations providing one or more of the following services to qualifying persons or businesses in their communities:
 - Resources to develop affordable housing units
 - Education and support services for pre and post homebuyers
 - Down payment and closing costs financial support
 - Renovation of homes and non-profit commercial space
- Using a portion of existing federal funding from HUD, under the HOME Investment Partnerships Program, the Wisconsin DOA should support ongoing and new CLT initiatives around the state

Support for implementation of guaranteed income pilot programs

- Individuals' and households' economic status is closely tied to health – measures of income and poverty have been shown to influence a great number of health outcomes and determinants.
- To ease the burden of economic inequities, the state should implement a guaranteed income pilot program in five marginalized communities.
- The communities and individuals chosen to participate in this pilot should represent Wisconsin's diversity of geographic settings and demographic composition.
- The pilot program would provide recurring monthly payments of at least \$500 to households at or below 200% of the federal poverty level.
- Evaluation of this pilot program's health and economic outcomes is an essential component of the recommendation; selected metrics could include financial stability, career advancement, health behaviors, and health outcomes.

Ensuring Wisconsin's Economic Future by Investing in its Children

- Distribution of wealth has become increasingly unequal, limiting economic potential of many
- To reduce this maldistribution, the state should create a baby bonds program, which would
 - Disperse an initial lump sum payment of \$3600 to every baby born in the state of Wisconsin and
 - In each year until child turns 18, make an annual deposit ranging from \$100 to \$2500, based on family income, in an interest-bearing account available to the child upon their 18th birthday
- A taskforce would also be created to inform implementation and establish criteria and guidelines for the program
- Once a child turns 18, the account would become available for expenses such as education, purchasing a primary residence home, starting or expanding a business, obtaining a license or

certification, retirement investment, medical expenses, or other uses as determined by Taskforce

Peer-led diversion

- The burden of incarceration on individuals and communities is significant and inequitably distributed, especially for communities of color.
- Peer-led (by formerly incarcerated individuals) diversion programs have the potential to better meet the needs of the individuals; expand beyond current programs only designed for those with substance use and/or mental health issues.
- New programs would be trauma-informed, focus on building skills and upon an individual's strengths; improved diversion programs have the potential to build resiliency and interrupt individual and generational cycles of trauma.
- Recommend funding peer-led pre-release and transition services, as well as start-up costs for community-based diversion program based on the Delancey Street Foundation. Programs would be funded through the budget process and would most likely be run through the Department of Corrections.

Maternal incarceration improvement

- The burden of incarceration weighs especially heavy on people experiencing the unique physical, mental, and emotional challenges of pregnancy
- A series of recommendations for pregnant individuals who are facing criminal charges or incarcerated: 1) increase use of diversion or deferred prosecution programs; 2) ban shackling of perinatal individuals; 3) implement an in-prison doula program (And potentially still to be added, 4) something around breastfeeding- still working it out)
- Programs would improve the lives of both mothers and babies
- Programs would require a combination of funding through the budgeting process and legislative action

Employment Opportunities for Formerly Incarcerated Individuals to Support Economic Stability

- Employment and economic stability are both key drivers of health and reduce likelihood of recidivism and reoffending.
- Data indicates that formerly incarcerated individuals want to work – but a primary issue is that employers don't want to hire them; an additional barrier is that when these individuals do land jobs, they are often the most insecure and lowest-paying positions.
- Addressing this problem will require action on two fronts: 1) incentivizing employers to increase the supply of potential positions to meet the demand for employment among formerly incarcerated individuals, and 2) investing in coordinated programs that build skills and connect formerly incarcerated individuals with steady, reliable employment where they can develop financial stability and be treated with dignity
- Below are three strategies that would help achieve lasting change:
 - Incentivize employers to increase employment opportunities specifically targeted towards formerly incarcerated individuals through a state-tax credit program
 - Increased opportunities for work outside of the traditional job market and creation of sustainable, dignified jobs through local and state investments in worker cooperative development programs targeting formerly incarcerated individuals
 - Advisory board-directed study to inform future work building on and expanding existing programs that provide training for and connection with job opportunities to better support successful reentry

Increase homeownership rates for Wisconsinites belonging to marginalized groups with low homeownership rates relative to the state's average rates

Recommendation from the co-chairs: Michelle Robinson and Gina Green-Harris

Issue statement

Many Wisconsinites belonging to marginalized groups face significant barriers to homeownership, resulting in inequitably low rates of homeownership. Supporting the development and expansion of strategies such as ownership support programs and community land trusts would help equalize economic opportunity by facilitating increases in homeownership, a factor associated with increased wealth and improved health and well-being outcomes.

Background and problem description

The inadequacy in quantity and quality of affordable rental housing in is a known issue in Wisconsin. This issue leads to housing instability, which is damaging to individuals, families, and communities. The burden of housing instability also falls inequitably on many marginalized groups. One antidote to the issue is to promote homeownership. However, due to the legacy of historic policies, such as redlining, racial covenants, and other discriminatory homebuying and mortgage practices, inequitable rates of homeownership across Wisconsin also persist and are projected to only worsen by 2040.¹ Additionally, discriminatory systems and practices endure today. Across the country, stories of racial discrimination in the homebuying and home appraisal processes are common and persistent. Black applicants are rejected for mortgage loans 2.5 times as often as white applicants.² In addition to historical and contemporary factors related to lending and financing, persistent inequities by race and education-level in income and wealth have created a context where the difference in rates of homeownership between White (72.2%) and Black (26.0%) Wisconsinites remains quite wide (46.2% gap).³

A variety of barriers to homeownership also exist for other marginalized groups. Systemic factors affecting educational attainment, geographic location, economic status, inequitable incarceration, and other immutable factors including gender, race and ethnicity, and more, fundamentally impact a person's employment opportunities and ability to achieve the income and wealth accumulation necessary to buy a home. Some populations face additional more unique barriers. Formerly incarcerated people, for example, may not have the cohesive, uninterrupted credit history necessary to access a mortgage, and even if they do

¹ [The Future of Household Formation and Homeownership in Wisconsin, Urban Institute](#)

² [NAR Finds Black Home Buyers More Than Twice as Likely to Have Student Loan Debt, Be Rejected for Mortgage Loans Than White Home Buyers, National Association of Realtors](#)

³ [Black homeownership in the U.S., Policy Genius](#)

receive one may face higher interest rates than their non-incarcerated peers.⁴ The homebuying process also requires a plethora of cohesive paperwork spanning years of financial history. If a transgender person has at some point changed their legal name, they may struggle to assemble documentation with matching identifiers, which could delay or derail the mortgage and purchasing processes. Lamentably, the individuals and populations most negatively impacted by systemic barriers to homeownership are often those most in need of the financial and situational stability and safety conferred by homeownership.

Homeownership is associated with positive individual health outcomes.⁵ Homeownership is also a primary means of building generational wealth within families. The capital associated with home ownership can be transferred and/or passed along generations in such a manner that an individual's positive homeowner outcomes can have a positive effect on the health and well-being of generations of family to come. Because of the strong ties between property taxes and local services, homeownership is also a significant influence on the health of communities. Communities with stable homeownership have a stronger tax base, which positively influences the quality of schools and other social services associated with health and well-being outcomes. When policies enable homeownership to grow, communities thrive.

Recommendation

Homeownership Supports. To help increase homeownership equity in Wisconsin, the Governor's Health Equity Council (GHEC) recommends that the state dedicate resources to supporting the development and expansion of strategies such as ownership support programs and community land trusts that help equalize economic opportunity and facilitate homeownership.

Wisconsin currently is home to several model programs supporting education and access for first time homebuyers and homeownership preservation for marginalized groups. One option is that the state provides additional funding to these programs to support their expansion and ability to increase the number of Wisconsinites they are able to serve. The state may also collaborate with these programs to explore and understand additional needs and potential expansion opportunities (e.g., by geography or target demographic groups).

Community Land Trusts. In addition to supporting existing ownership program models, we also recommend funding programs to develop Community Land Trusts (CLTs) designed to increase opportunities for low-income to moderate income individuals and families to access home ownership. Community Land Trusts are community-driven organizations or entities that

⁴ [Baltimore Study: Credit Scores, Washington Center for Equitable Growth](#)

⁵ [Neighborhood Context, Homeownership and Home Value: An Ecological Analysis of Implications for Health, International Journal of Environmental Research in Public Health](#)

acquire and maintain permanent ownership over parcels of land and govern the terms around which owners and tenants can utilize it. The land trusts can be used for commercial and retail purposes as a way to center and empower communities during the development of certain areas or neighborhoods, but primarily serve to advance housing affordability. They do this by using “ground leases,” which put resale restrictions into place and set guidelines about income eligibility to ensure permanent affordability. Typically, prospective homeowners enter into a long-term renewable lease instead of a traditional sale; when the homeowner sells, the family earns only a portion of the increased property value, and the remainder is kept by the trust – this helps to preserve affordability for future families while still allowing the homeowners to build wealth.

Recommendation rationale

Homeownership Supports. Currently, homeownership organizations and programs like those described above provide a vital service to Wisconsinites, and they do the job well. For example, since 1982, NeighborWorks Green Bay has counseled approximately 18,000 potential homebuyers, helped approximately 3,500 families purchase homes, and renovated 424 homes and apartments.⁶ Housing Resources Inc. supported more than 1400 individuals in 2020 alone.⁷ However, it’s clear that the scale of the issue of housing insecurity in Wisconsin and the barriers faced by individuals pursuing homeownership requires more resources than are currently available. The proposed support of these programs would aid local partners in building on processes that they have already shown to be successful in Wisconsin for enabling homeownership and would help to identify where and how additional resources could best be deployed.

There are numerous groups that the state could contract with or provide grants for homeownership supports. Some of the types of services that these organizations could provide include:

- Resources to develop affordable housing units
- Rehabilitation and sale of homes to eligible buyers
- Education services for pre and post homebuyers
- Down payment and closing costs financial support
- Renovation of both homes and non-profit commercial space.
- Tools and counseling to prospective homeowners (e.g., classes, one-on-one counseling, links to grant programs)
- Support services to current homeowners (classes, counseling, mortgage assistance, home repair grants)

⁶ [About Us, NeighborWorks Green Bay](#)

⁷ [2020 Impact Report, Housing Resources Inc.](#)

Community Land Trusts. There is a severe shortage of affordable housing opportunities for low- and moderate-income households and as these households become more cost-burdened, spending more than half of their income on housing, they are more likely to sacrifice other necessities like health food and healthcare, as well as experience eviction or homelessness. When communities experience growth or development, it is often the long-term residents and businesses of the area that get priced out of and displaced from their own neighborhoods. Investing in CLTs creates affordable housing opportunities for low-income households, giving them more resources to put towards other activities that improve health and wellbeing. Furthermore, CLTs also ensure that long-time local residents are given ownership over and the chance to benefit from the development and growth of their own neighborhoods, as opposed to being displaced as a result of external gentrification.

Examples of state-level CLT initiatives:

- One significant example of a CLT which has sought to influence displacement at the neighborhood level is Dudley Neighbors, Inc. a project of the Dudley Street Neighborhood Initiative (DSNI) in Boston. Involving 226 units of affordable housing, as well as an urban farm, parks and commercial space, the CLT was founded in 1988 after organizing by local residents led to the State of Massachusetts giving DSNI powers of eminent domain, so as to be able to claim neglected and abandoned properties and make them permanently affordable.
- Interboro CLT formed to support affordable homeownership in New York City by stewarding permanently affordable single-family homes and cooperatives. It has received funding from Citi Community Development and the Attorney General of the State of New York to develop a 200–300-unit pipeline. Not confined to one neighborhood, Interboro seeks to create clusters of units in different neighborhoods to create permanently affordable housing in the midst of rising prices and gentrification. Interboro’s model creates resale restrictions through a ground lease that allows for modest wealth building for owners while preserving affordability requirements — allowing approximately a 2.5% increase in equity per year with credits for home improvements. From the perspective of community and public-sector actors, Interboro also represents an opportunity to preserve the affordability benefits of existing city homeownership programs.

CLTs can also be leveraged as an organizing tool. By garnering engagement and investment into communities, local residents are well-positioned to have a greater influence on future housing and land use policies, which ultimately help to generate subsequent resources and new pipelines for permanently affordable housing options.

Implementation

Evaluation. Wisconsin might evaluate the outcomes of these efforts by tracking the rates of homeownership by various demographics over time, statistics around mortgage

approval and refusal, and the size of the homeownership gap over time. The state may also track process measures, such as the number of individuals reached by the organizations and services receiving support.

Funding. In order to secure funding to support creation of Community Land Trust (CLT) programs, the state could leverage existing federal funding sources. The HOME Investment Partnerships Program, an affordable homeownership program run by the US Department of Housing and Urban Development (HUD) awards block grants to state and local governments to develop affordable housing. One provision of this funding source requires participating jurisdictions to set aside at least 15% of their allocation to support Community Housing Development Organizations (CHDOs); according to the statute, CHDOs are non-profit organizations whose governing boards consist of at least one-third elected representatives of low-income neighborhood organizations, residents of low-income neighborhoods, or other low-income community residents. Many community development corporations (key community partners in the creation of CLTs) are certified as CHDOs, however, CLTs themselves can also become [CHDOs](#). In order to ensure that CLTs provide affordable housing options to low-income individuals, housing developed with HOME funding must be marketed to individuals with incomes at set percentages of the area median income (AMI).

In 2019, Wisconsin received \$318 million in HOME funding, which was managed by the Division of Energy, Housing, and Community at DOA⁸. To implement this recommendation, some portion of annual HOME funding should be allocated towards supporting CLT initiatives throughout the state.

⁸ https://files.hudexchange.info/reports/published/HOME_Snap_PJ_Snapshot_AAAA-WI_WI_20190930.pdf
<https://www.hudexchange.info/grantees/wisconsin/?program=7>

DRAFT

Support for implementation of guaranteed income pilot programs

Recommendation from the co-chairs: Michelle Robinson and Gina Green-Harris

Issue statement

The State of Wisconsin should support the advancement of work around guaranteed income policy by funding pilot programs for marginalized Wisconsin communities as an anti-poverty effort, as well as a strategy aimed at better understanding potential impacts of guaranteed income on these communities, their economic statuses, and health and well-being.

Background and problem description

Economic status is closely tied to health. Income and poverty influence health factors such as ability to access health care (e.g., insurance coverage, ability to afford copays) and to nutrition and physical activity (e.g., ability to afford nutrient dense food, live in safe environments that facilitate physical activity). Low economic status is also associated with increased exposure to physical stressors (e.g., pollution and other environmental toxins). Similarly, income is associated with the health outcomes of morbidity (e.g., prevalence of chronic conditions,) and mortality (i.e., life expectancy). Economic status and health can interact to create a “health-poverty trap”, where low economic status contributes to poor health, and poor health reinforces low economic status.⁶ As economic status is inequitably distributed, so too are the negative effects of these health factors and outcomes.

Over the past several decades, major shifts have occurred across Wisconsin’s economy. Important sectors, including manufacturing, have seen a decline in well-paying jobs as a result of automation, offshoring and outsourcing.⁹ Consolidation of farms and agricultural systems over time have also contributed to a significant reduction in the number of farms and farm-related jobs in Wisconsin, and resulted in urban-rural migration.¹⁰ The enduring effects of historic policies, such as Jim Crow laws, the Homestead Act, the Social Security Act of 1935, and the GI Bill of 1944 have also had disproportionate negative effects on the economic success of specific groups, including their ability to pursue higher education, pursue better paying jobs, and build wealth.¹¹

Systemic issues impacting educational and economic opportunity contribute to poverty and income inequality across Wisconsin. For example, per capita income in rural areas (\$49,842) is more than 13% lower than in urban areas (\$57,586).¹² Nearly three times the proportions of Black and Native American Wisconsinites are living in poverty (27.3% each) than White, non-Hispanic Wisconsinites (7.9%).¹³ Refugee and recent immigrant groups similarly face economic barriers and inequities in Wisconsin.¹⁴ The wealth gap in the United States is also significant. For every \$1 of wealth held by a White family a Black family holds only 12¢.³ These patterns repeat across many indicators of economic success, indicating systemic origins of the inequalities.

⁹ [Federal Reserve Bank Economic Data](#),

¹⁰ [Wisconsin population trends show urban areas growing, rural areas shrinking. *The Capitol Times*](#)

¹¹ [Wealth Gaps between White, Black and Hispanic Families in 2019, *Federal Reserve Bank of St. Louis*](#)

¹² [USDA Economic Research Service](#)

¹³ [US Census Bureau](#)

¹⁴ [Health, Income, & Poverty: Where We Are & What Could Help, *Health Affairs*](#)

Recommendation

To help counter systemic economic inequities and reduce poverty in Wisconsin, the Governor's Health Equity Council (GHEC) recommends supporting the implementation of guaranteed income pilot programs in five marginalized communities through the creation of a grant program. These pilots should be carried out in communities that represent Wisconsin's diversity of geographic settings and demographic composition and provide recurring monthly payments of at least \$500 to selected individuals or families with an income at or below 200% of the federal poverty level. This recommendation aims to ease the burden of economic inequities to allow individuals and families to dedicate additional resources (e.g., time, money) to health improving activities (e.g., health care utilization, socialization and community building, increased purchasing of nutrient dense foods).

Recommendation rationale

Guaranteed income seeks to ensure that recipients are financially able to meet their basic needs in order to equitably thrive and contribute to a vibrant Wisconsin. Guaranteed income programs provide recurring no strings attached money transfers to individuals and families. Guaranteed income programs target and direct money to those who are most in need, in contrast to universal basic income (UBI) programs which are not targeted for specific groups. Some factors that have been used in existing guaranteed income programs to determine eligibility include economic status, race and ethnicity, involvement in the foster care system, involvement in the carceral system, and parental status.¹⁵ Because of their targeted nature, guaranteed income programs effectively address economic inequities experienced by marginalized individuals. The recurring nature and flexibility of funds provided through guaranteed income programs also allow recipients to efficiently use the funds in ways that best meet their own needs, such as housing, food, clothing, or medical care.¹⁶ This differentiates guaranteed income from more narrow programs like FoodShare (SNAP) and Wisconsin Shares Child Care Subsidy Program, which only provide funds for certain categories of expenses, and Wisconsin Works' temporary cash assistance (TANF), which is limited to custodial parents who are working or actively trying to work.¹⁷

Guaranteed income programs have been successfully piloted internationally and, less extensively, in locations across the United States. Some examples of US based programs include:

- The SEED program in Stockton, CA, provided 125 residents randomly selected from below-median income neighborhoods with \$500 per month for 24 months. Compared to a control group, at the end of the program participants receiving guaranteed income had increased financial stability and increased full-time employment. They also experienced reduced symptoms of anxiety and depression.¹⁸
- The Magnolia Mother's Trust in Jackson, MS, provided 130 Black mothers living in affordable housing with \$1,000 per month for 12 months. Between the pre and post program evaluations, the number of participants who said they were able to prepare three meals per day for their

¹⁵ [Research, Center for Guaranteed Income Research, University of Pennsylvania](#)

¹⁶ [Guaranteed Income: An Economic Support Whose Time Has Come, Shriver Center on Poverty Law](#)

¹⁷ [Wisconsin ACCESS](#)

¹⁸ [Stockton Economic Empowerment Demonstration \(SEED\)](#)

families more than doubled (32% to 75%), and the proportion of participants with health insurance coverage increased by 25%.¹⁹

- Just Income GNV in Alachua County, FL, is a recently launched program supporting individuals who are formerly incarcerated or beginning felony probation. The program, designed to “mitigate known barriers to successful reentry and unlock the inherent potential of our justice-impacted neighbors” will provide 115 individuals with an initial \$1000 payment, then \$600 in each of the following 11 months.²⁰
- The State of California is in the process of initiating the first state-level, taxpayer funded guaranteed income program in the US. The legislature approved \$35 million over 5 years to provide \$500-\$1000 per month to pregnant people and young adults who recently left foster care. Funds will be distributed to and administered by local governments, who may apply for funds through the state Department of Social Services.²¹

These pilot programs have demonstrated multiple pathways through which guaranteed income improved the economic status of funding recipients. The ability to withstand a financial emergency emerged as a major benefit of guaranteed income. One participant in Magnolia Mother’s Trust shared that the funding she received helped her cover emergency expenses stemming from a car crash and a separate hospital stay that would have otherwise caused her to go into debt.²² Another father receiving SEED payments was able to pay to repair his car when it broke down, allowing him to keep his out-of-town job.²³ The ability to pay an unexpected bill is an important indicator of financial stability, but in 2020 36% of Americans said they would have difficulty paying a \$400 emergency expense, and 12% said they would not be able to pay it at all.²⁴

Other SEED recipients expressed that guaranteed income was protective against income volatility and made them feel financially secure enough to pursue higher education and employment opportunities. For example, one recipient was finally able to take time off work to complete a real estate license for which he’d been waiting for over a year. For individuals in low wage jobs the benefit of staying in that stable job may outweigh the risk of making a change and pursuing a better opportunity; guaranteed income can shift that equation to encourage career growth.²⁵ Participants across programs also indicated that guaranteed income enabled them to buy more and healthier food, pay medical expenses, and experience less anxiety, helping to interrupt the “health-poverty trap”.

Another program comparing outcomes for babies whose mothers received \$333 monthly cash stipends and mothers who received \$20 monthly cash stipends in their child’s first year showed that the higher payments were associated with stronger cognitive development in the babies.²⁶ In addition to these essential expenses, participants expressed gratitude and excitement that this financial support

¹⁹ [Magnolia Mother’s Trust](#)

²⁰ [Just Income GNV](#)

²¹ [Guaranteed Income Pilot Program, California Department of Social Services](#)

²² [Meet a mom of 2 who gets \\$1,000 a month through a basic income program — which helped her family pay their bills after an unexpected crisis, Markets Insider](#)

²³ [Jovan’s Story, SEED](#)

²⁴ [What a \\$400 emergency expense tells us about the economy, Federal Reserve Bank of Minneapolis](#)

²⁵ [Self-determination, SEED](#)

²⁶ [The impact of a poverty reduction intervention on infant brain activity, Psychological and Cognitive Sciences](#)

allowed them to buy birthday cakes and a dress for their daughter to wear to prom, which increased emotional well-being.^{27,28}

Despite the benefits demonstrated by the guaranteed income programs described here, sustainability remains a significant issue. Many programs are mostly or wholly supported by private funding and consequently were short demonstrations that ceased operation when that funding ran out. State funded guaranteed income pilot programs could be designed with sustainability in mind. The initial pilots could serve as models for learning about how guaranteed income may be efficiently and effectively scaled up to serve as a resource for marginalized Wisconsinites experiencing financial hardship. Although the funding for recipients would still be term limited, having a sustainable funding source would enable this work to lift more marginalized Wisconsin communities out of poverty on a longer-term basis.

Implementation

Funding for guaranteed income pilot programs should be allocated through the legislative budgeting process that would fund the establishment of a guaranteed income program that would fund pilots through grantmaking. The exact amount of funding needed could be determined at a later date, but five pilot programs supporting 150 recipients each at \$500/month for 24 months, for example, would require \$9 million across the life of the program, and increase to \$10.8 million if we assume a 20% overhead for program administration. Pilot locations may be selected through a competitive application process open to city and county level governmental agencies in partnership with community-based organizations.

The mayors of Madison, Milwaukee, and Wausau, for example, are already part of Mayors for Guaranteed Income, “a network of mayors advocating for a guaranteed income to ensure that all Americans have an income floor.” As they have begun laying the groundwork for guaranteed income, these three cities may be good candidate locations for state-supported pilots. Madison is already developing a pilot program that aims to provide at least 125 families with children with \$500 per month.¹⁸ This program is currently privately funded and could benefit from additional state funding to increase the scale and sustainability of the program.

Selected pilot programs could be administered at the local level by city or county offices related to health and social services, or by community-based organizations. In addition to supporting the direct money transfers to program participants, allocated state funds could support staffing and other logistical needs to administer the pilot programs. The details of pilot program target populations, how much funding each participant receives, and other details related to the scope of pilot programs could be decided on and described by the applicant city/county in their application. We suggest that programs provide participants with at least \$500 per month, an amount which makes a meaningful financial impact and helps supplement incomes to cover essential living expenses.²⁹ Eligible recipients should also be limited to individuals and families with an income at or below 200% of the federal poverty line.

²⁷ [Wisconsin cities look to basic income to close racial, other wealth gaps, Milwaukee Journal Sentinel](#)

²⁸ [SEED Data Dashboard](#)

²⁹ [Amy Castro On Early Results From Guaranteed Income Programs, UW Poverty Research and Policy Podcast](#)

Guaranteed income programs should address economic need that remains unmet by current social programs, and so pilots should be designed and implemented in a way that protects access to and eligibility for critical state and federally administered social programs, such as Medicaid. This can be achieved by structuring money transfers as a gift, complying with IRS gift limits, and providing benefit counseling to recipients.³⁰

Evaluation of the pilot programs' outcomes to further the body of research on the impact of guaranteed income is an essential aspect of this work. The pilots could be evaluated by measuring economic and health impacts of funded guaranteed income pilots. Economic metrics could track the financial stability and career advancement outcomes seen in guaranteed income pilots. Health metrics could evaluate how guaranteed income facilitates improved health behaviors, also seen in pilot programs, and, eventually, improved health outcomes. Some examples include:

- Economic:
 - o Financial sustainability: % of funding recipients who could cover a \$400 emergency expense¹⁵
 - o Personal and professional development: % of funding recipients employed full-time, % who furthered their education
- Health:⁶
 - o Behavioral: % of funding recipients who consume at least one serving of vegetables per day, % of funding recipients who have health insurance
 - o Outcomes: % of funding recipients experiencing symptoms of anxiety/depression

³⁰ [The Benefits Cliff and Guaranteed Income, *Guaranteed Income Community of Practice*](#)

Ensuring Wisconsin's Economic Future by Investing in its Children

Recommendation from the co-chairs: Michelle Robinson and Gina Green-Harris

Issue Statement

Distribution of wealth in the United States, as well as in Wisconsin, has become increasingly unequal – particularly along racial lines, across urban and rural communities, as well as between the lowest and highest earners. The use of “baby bonds” – or investments made for babies born in our state – can help to foster economic security and good health, close wealth gaps, incentivize families to come to Wisconsin, and position the next generation for success.

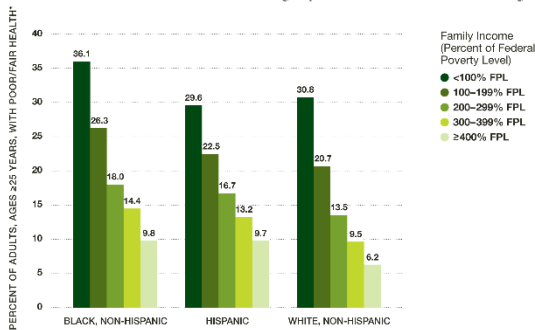
Background and Problem Description

Extreme wealth inequality deprives the next generation of Wisconsinites of economic opportunity right out of the gate. This growing gap has been driven by policies and tax codes that subsidizes asset-building for some individuals but fails to extend and expand that opportunity to all. Compounding this, practices like redlining, racial covenants, and the GI Bill kept marginalized communities from economic opportunity and building wealth over generations, contributing to the stark racial wealth gaps that continue to widen today.

A person's income-level is strongly associated with their health outcomes. For adults and children, across and between races and ethnic groups, the lower your income; or the income of your parents, the more likely you are to be not in very good health. Therefore, an individual's economic

Income Is Linked With Health Regardless of Racial or Ethnic Group

Differences in health status by income do not simply reflect differences by race or ethnicity; differences in health can be seen within each racial or ethnic group. Both income and racial or ethnic group matter.

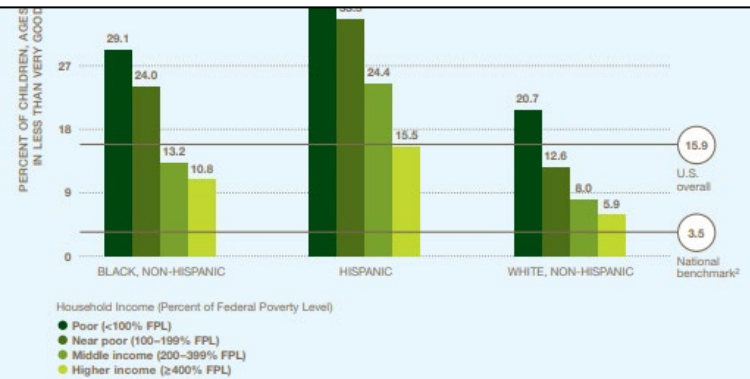


Prepared for the Robert Wood Johnson Foundation by the Center on Social Disparities in Health at the University of California, San Francisco.
Source: National Health Interview Survey, 2001-2005.
*Age-adjusted.
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context has significant consequences for their health, intergenerationally.

Figure 1: Percent of Adults, Ages ≥ 25 Years, With Poor/Fair Health

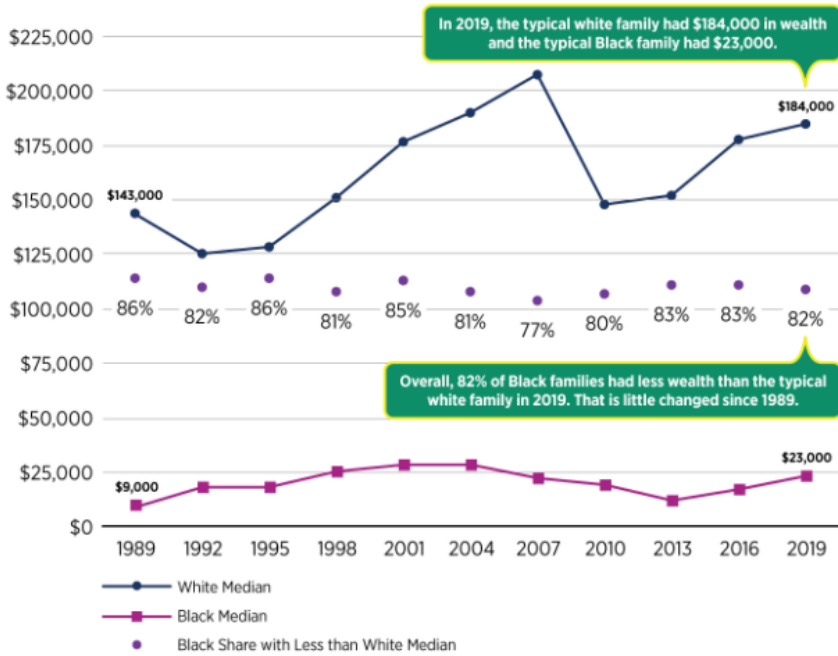
Figure 2: Percent of Children Ages ≤ 17 Years, In Less Than Very Good Health



Prepared for the RWJF Commission to Build a Healthier America by the Center on Social Disparities in Health at the University of California, San Francisco.
Source: 2003 National Survey of Children's Health.
1 Based on parental assessment and measured as poor, fair, good, very good or excellent. Health reported as less than very good was considered to be less than optimal.
2 The national benchmark for children's general health status represents the level of health that should be attainable for all children in every state. The benchmark used here—3.5 percent of children with health that was less than optimal, seen in Colorado—is the lowest statistically-reliable rate observed in any state among children whose families were not only higher income but also practiced healthy behaviors (i.e., non-smokers and at least one person who exercised regularly). Rates with relative standard errors of 30 percent or less were considered to be statistically reliable.

Figure 3: Federal Reserve Bank of St. Louis Graph of Wealth Gap

The median wealth gap between white and Black families



■ FEDERAL RESERVE BANK OF ST. LOUIS

Notes: White and Black median family wealth and share of Black families below white family median. Dollar values are adjusted to 2019 dollars using the consumer price index for all urban consumers (CPI-U) and rounded to the nearest \$1,000.

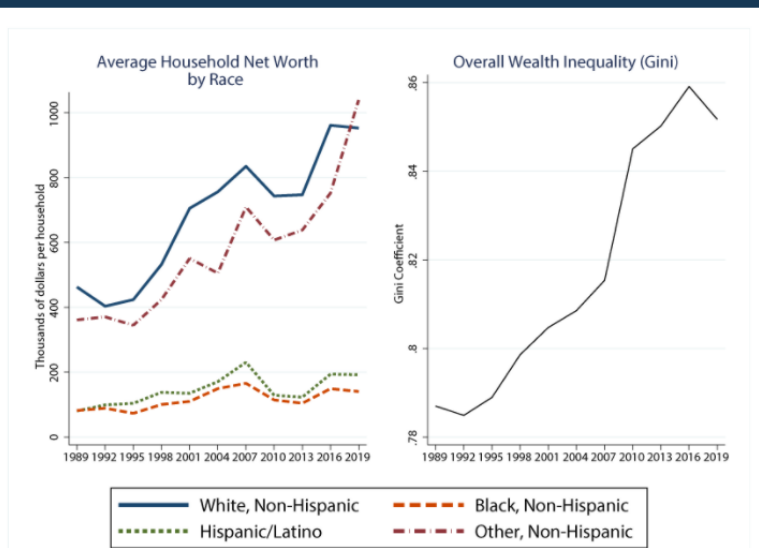
Sources: Federal Reserve Board's Survey of Consumer Finances and authors' calculations.

Racial and Ethnic Inequality. There are countless studies and analyses that illustrate the extreme wealth and income gaps between racial and ethnic groups. For instance, in a 2020 study, the Federal Reserve Bank of St Louis found that the median white family had \$184,000 in wealth; the median black family had \$23,000. That same study found that 82% of black families had less wealth than the median white family.

More recent studies, looking including other racial and ethnic groups, have corroborated these findings, and revealed additional, stark disparities in wealth among other groups as shown in a [recent study by the Board of Governors of the Federal Reserve](#). In fact, drawing on statistical model comparing the current distribution of wealth by race with a counterfactual where wealth is distributed in a manner “which assumes households of all races are equally represented at all points in the wealth distribution in proportion to their population shares” the authors found that by eliminating racial inequality the average Black household in the top quartile of wealth would have over twice the amount of wealth they currently do, and the average Hispanic household in the top quartile would see an 86 percent increase in its wealth. Important to note is this model eliminates wealth inequalities between races, but wealth inequality overall persists.

**Figure 4: Board of Governors of the Federal Reserve System:
Household Net Worth and Income, by Race and Ethnicity**

Figure 1. Household net worth and income, by race and ethnicity



Source: Survey of Consumer Finances.

The effects of systemic racism can be seen in data related to economic mobility, and in the differences in how durable or fragile building and maintaining intergenerational wealth is across racial groups. In a 2019 analysis, the Brookings Institution looked at whether children born into families in certain income categories were more or less likely to move from that category, when compared to what we would expect if that movement was completely random. The analysis

found that the “race gaps in upward and downward mobility persist then throughout the income distribution. On every rung of the income ladder, black children have worse prospects of the American Dream than white children – including at the very top.”

Geographic Inequality. Further, divestment from rural communities and globalization has harmed economic outcomes there as well. The UW-Madison Institute for Research on Poverty included data in this 2020 [Policy Brief](#) showing higher rates of child poverty, and lower levels of access to education and employment in rural areas. This Employee Benefit Research Institute [Issue Brief](#) finds that while individuals in rural areas were more likely to own their home and a vehicle, they were less likely to have a retirement account or investments that are more likely to generate higher rates of return.

Income Inequality. Additionally, studies of income inequality in Wisconsin have found that while the state’s gap is not as wide as the U.S., [as of 2015 it was reaching historic levels](#). In 2015, the top 5% of Wisconsin’s highest income households held 31% of the total income in the state compared to 18.3% in 1953, when income inequality is estimated to be its lowest, and up from 29.4% in 2000, the start of the millennium. The corresponding Gini coefficients are .58 in 2015, .55 in 2000 and .41 in 1953.

Approaches in Other States. This approach has been adopted or considered on the federal level and in several other states.

- *Connecticut.* The [CT Baby Bonds Program](#) was the first baby bonds program enacted in the country. The program makes a one-time \$3,200 contribution for all children whose births are covered by HUSKY Health, Connecticut’s Medicaid and Children’s Health Insurance Program. After the child turns 18 and has completed a financial literacy course, they can use the funds for higher education, starting a business, buying a home, or saving for retirement.
- *Washington DC.* The D.C. Council approved a bill to [create a baby bond’s program](#) that will put up to \$1,000 a year in trust funds for low-income kids born and residing in D.C. that they will be

able to access when the child turns 18. The program targets families enrolled in Medicaid and making less than 300% of the federal poverty line.

- *New Jersey.* In 2020, Governor Phil Murphy introduced [a baby bonds initiative](#) as part of his Revised Fiscal Year 2021 Budget. His plan would deposit \$1,000 into an account for every baby born into a household with income less than 500% of the Federal Poverty Level. The funds, which would be put into an account for each child, would be invested so that they generate returns that are at least equivalent to thirty-year US Treasury bonds. Recipients would be able to withdraw funds when they turn 18 for allowable uses that build wealth such as homeownership, higher and continuing education, or entrepreneurship.

Recommendation

We recommend the creation of a state-level baby bonds program where all babies born in the state of Wisconsin, after a specific date to be determined, receive an initial payment of \$3600 and an additional annual deposit each year until the child turns 18 that ranges from \$100 to \$2500 based on household income. These payments will be deposited in an account that will generate interest over time, and which the child can access when they turn 18.

We propose that the baby bond program have a core set of requirements set in state statute and that a Task Force would be created for the purpose of addressing several questions related to implementation questions that would be included in administrative rule prior to the rollout of this program.

Core requirements of the program should include the following:

- *Age.* Individuals would have access to the balance in their account when they turn 18, or at an alternative age determined by the Task Force and enacted in administrative rule.
- *Allowable Use of Funding.* Individuals would be able to use their account balance on any of the following:
 - Education expenses;
 - Cost of purchasing a home as a primary residence;
 - Cost of starting or expanding a business;
 - Cost associated with obtaining a license or certification;
 - Investment in a retirement account;
 - Medical expenses; and
 - Any other allowable use identified by the Task Force and adopted in administrative rule
- *Annual Deposit.* Each child born in Wisconsin will receive an initial deposit of \$3600 at the time that they're born, and an annual deposit ranging from \$100 to \$2500 based on household income each year until they turn 18.
 - The annual deposit will be based on a sliding scale.
 - As families move in and out of different household income levels – their eligibility for the program remains intact but the annual deposit will change accordingly.
 - Children in foster care would be considered eligible for the highest annual deposit amount.
 - At any point a child experiences the incarceration of a parent/guardian, they would be considered eligible for the highest annual deposit amount from that point on.

Recommendation Rationale

Our state's future rests on the wellbeing of its children who will grow up to be our state's future leaders who will make up the essential workforce that we will need as a state to continue to progress forward. In an article for WisContext, [Malia Jones writes](#) "By 2040, Wisconsin's projected population pyramid looks strikingly columnar, with nearly the same number of people in each group across every age. This distribution will have important effects on what's called the dependency ratio, economy, politics, health care, housing, transportation and just about every other aspect of life in Wisconsin." A dependency ratio is a measurement that demographers use to describe the pressure placed on the "productive" (i.e., working, individuals ages 15 - 65) population depending on the relative size of the dependent population (i.e., individuals who are unable to work or typically do not work due to their age – individuals 0-14 and 65+). A high ratio is associated with increased financial stress on working people and increased chances of social and political instability.

Wisconsin is trending towards this population structure because it has what is referred to as an aging population – which is a population where the proportion of the share of the population that is aging is increasing. One of the drivers of our state's demographic trajectory is its migratory patterns and Wisconsin has been facing consistent and significant migration out of the state, especially among its youngest adults. [A study](#) looking at migration patterns in the state between 2015 and 2016 found that Wisconsin lost 7,078 individuals, or .015% of its population. Most of this loss comes from the out-migration of individuals under the age of 26. A program like this baby bonds initiative is one way to incentivize young people to not only come to Wisconsin, but for those already here to remain in Wisconsin, start families, and plant down roots here.

Additionally, as globalization and automation continues to have its impacts on what jobs are available and where those jobs are located, the costs of pursuing higher education, acquiring housing and establishing business continues to rise, a baby bonds initiative can provide an essential lifeline to Wisconsin's future adults, providing them with resources that can help empower them by removing barriers to making choices that they may not be able to make without those resources. This has been clearly demonstrated in [evaluations of the Child Trust Fund](#), the world's first universal child savings scheme that funding benefits to children born in the UK between 2002 and 2011.

Lastly, given how income inequality is distributed in our state by race and place, a baby bonds initiative would allow Wisconsin to not only invest in each child birthed in our state, but to do so in a way that would allow us to reach children born in the most vulnerable and marginalized situations.

As such, a baby bonds initiative would provide our state with a powerful tool to combat persistent inequities for future generations of Wisconsinites by turning the tide on race-, income- and place-based disparities. By investing in the futures of our state's children, we are investing in a strategy that will help protect and preserve the economic health and wellbeing of our State and its future leaders.

Implementation

Prior to implementation, the Governor should convene a Baby Bonds Task Force to develop a package of recommendations to resolve the issues listed below. The Administration should then introduce this set of recommendations as an administrative rule for review and approval by the Legislature.

The Task Force shall representatives of all the following:

- State of Wisconsin Investment Board

- Department of Financial Institutions
- University of Wisconsin System
- Wisconsin Economic Development Commission
- Department of Safety and Professional Services
- Department of Children and Families
- Department of Public Instruction
- Office of Health Equity, Department of Health Services
- Department of Administration
- Ho-Chunk Nation (to provide perspective on the Ho-Chunk Nation Per Capita Distribution program [trying to find link with program description])
- UW-Madison Institute for Research on Poverty
- Six community members, to be appointed by the Governor
- One member of the Republican and Democratic parties from each house of the Legislature, to be appointed by party leadership

The taskforce should be charged with researching and interviewing subject matter experts to identify best practices and determine implementation details in the following categories.

- *Program Eligibility*
 - Implications for families that move from, or move and return to the state with eligible babies
 - Program and policy approach for households that include undocumented individuals, whose babies are born in Wisconsin
 - How to guarantee that the child themselves has full control over the account
- *Allowable Uses of Funds*
 - Additional allowable uses of funds not listed in statute
 - Who receives funds and when if a child passes away
 - Situations for early compassionate use of funds
- *Technical Implementation Questions*
 - The ways account balances will be invested (e.g., through the State of Wisconsin Investment Board, or through a third-party contractor)
 - Implications of this program on federal/state taxes
 - Implications of disbursement of these funds when calculating income for purposes of eligibility for other programs

The Task Force will have 12 months to complete its work, at which time it will submit a proposed administrative rule draft to the Department of Administration to promulgate through the rule process.

Peer-led support services for individuals who are incarcerated or at risk of incarceration

Recommendation from: Tamra Oman

Issue statement

Marginalized populations are incarcerated at higher rates, causing inequitable physical and social harm to the incarcerated individuals, their families, and communities in Wisconsin. To reduce the harms caused by incarceration, Wisconsin should support the development of peer-led services and programs that enable individuals to develop the skills and knowledge that they need to positively contribute to their communities and may leverage to gain future employment and successfully engage in society at large.

Background and problem description

In Wisconsin, approximately 20,000 individuals are currently incarcerated in state prisons, a 4x increase per capita over the past four decades. Compared to White individuals, a disproportionate number of Black (9.7x), Latino (1.5x), and Native American (6.3x) individuals are incarcerated in Wisconsin.³¹ A larger proportion of Black men are incarcerated in Wisconsin than in any other US state.³² Women, LGBTQ+, and those experiencing mental illness are also more likely than average to be incarcerated.^{33,34,35} These disparities stem from inequitable systems of social support, economics, justice, and other key factors.

Incarceration removes individuals from their families and communities, damages their future housing and employment prospects, weakens social connections, and much more.³⁶ It is traumatic to all directly and indirectly involved. Due to social stigma, structural barriers, and other factors the unemployment rate for formerly incarcerated individuals is more than 27%, higher than the peak national unemployment rate during the Great Depression.³⁷ Formerly incarcerated people are also ten times as likely to be homeless than the general population.³⁸ These stark inequities underscore the need for programs that better position individuals to improve their lives and succeed in society after incarceration. For example, incarcerated

³¹ [Wisconsin profile, Prison Policy Initiative](#)

³² [Prison Price Tag: The High Cost of Wisconsin's Corrections Policies, Wisconsin Budget Project](#)

³³ [The Gender Divide, Prison Policy Initiative](#)

³⁴ [Visuals, Prison Policy Initiative](#)

³⁵ [Prevalence of serious mental illness among jail inmates, Psychiatric Services](#)

³⁶ [Incarceration & social inequality, Daedalus Journal of the American Academy of Arts and Sciences](#)

³⁷ [Out of Prison & Out of Work: Unemployment among formerly incarcerated people, Prison Policy](#)

³⁸ [The vicious cycle of incarceration and homelessness, PBS News Hour](#)

individuals who received job training were more likely to be employed after release, and those who were employed were less likely to return to prison.³⁹

Incarceration is also associated with worsened health outcomes. Chronic conditions may be exacerbated, for example, by the stress of incarceration or by interruptions in care and treatment caused by their transitions into and out of incarceration. Additionally, as COVID-19 has exemplified, incarcerated individuals are at high risk of being negatively impacted by communicable disease outbreaks.⁴⁰ Because marginalized populations are incarcerated at inequitably high rates, they are also inequitably harmed by the health effects of incarceration.

Incarceration costs Wisconsin taxpayers more than \$1 billion each year at a rate of nearly \$37,000 per incarcerated person per year.^{2,41} These costs may be reduced by increasing the utilization of deferred prosecution and diversion programs. Governor Evers's 2021-2023 budget proposal acknowledged the importance of treatment alternative and diversion (TAD) programs as a component of the criminal justice system by more than doubling its funding over the previous state budget.⁴² Currently, the use of these programs is largely limited to cases involving individuals in need of mental health or substance use treatment. Individuals charged with or convicted of low-level offenses not related to mental health or substance use, such as those stemming from poverty, may also benefit from expansion of deferred prosecution and diversion programs, especially if those programs involve peer support from formerly incarcerated individuals and education and career training services. Currently, of the \$1.35 billion spent on incarceration in Wisconsin each year, only \$30 million (approximately 2%) is spent on skills training and re-entry programs.⁴³

Recommendation

We recommend funding the development and implementation of two potential programs that heavily feature engagement with formerly incarcerated individuals to serve as peer leaders and mentors:

The first program would increase the use peer support in prison pre-release and transition services. A team consisting of formerly incarcerated individuals and Wisconsin Department of Corrections (DOC) staff could determine the exact range of peer-supported services offered, but they could range from life necessities, such as securing housing and employment, to life skills that will help formerly incarcerated individuals avoid recidivism, such as budgeting, engaging with health care, scheduling and structuring their days, connecting with

³⁹ [Employment after Prison: A Longitudinal Study of Releasees in Three States, Urban Institute Justice Policy Center](#)

⁴⁰ [Health and Incarceration: A Workshop Summary](#)

⁴¹ [Tougher on Taxpayers, Badger Institute](#)

⁴² [Gov. Evers, Treatment Court Professionals, Local Leaders Highlight Need for Treatment Alternatives and Diversion Program Funding in Budget Proposal, Office of the Governor Press Release](#)

⁴³ [Convictions bar Wisconsinites from many jobs, making re-entry 'a real struggle', Milwaukee Journal Sentinel](#)

additional peer and community support structures, and more. These support services could begin as a pilot program, but eventually be offered to all incarcerated individuals beginning significantly ahead of their release date. The exact timeline could again be determined through a partnership between formerly incarcerated individuals and WI DOC staff.

The second recommendation is to pilot a peer-led community-based deferred prosecution and/or diversion program open to a wider range of individuals charged with or convicted of crimes, assessed on a case-by-case basis for eligibility. This program would aim to reduce the rates of incarceration of populations that are presently incarcerated at inequitably high rates. The program should be trauma-informed and asset focused to build upon an individual's strengths that can help them succeed in wider society and build an incarceration-free future. This positive focus may help to interrupt the cycle of individual trauma, and ultimately the generational trauma felt by families and communities as well.

This pilot program could be based on the Delancey Street Foundation model, which has been implemented in a variety of contexts.⁴⁴ The Delancey Street Foundation has seven rural and urban locations across the US in California, Massachusetts, New York, North Carolina, and South Carolina. The programs currently do not accept individuals who require significant physical or mental health support, or those convicted of sex offenses. Beyond those eligibility limits, all individuals are evaluated for admittance on a case-by-case basis. Delancey Street Foundations has also taught the principles of their model across the globe where it is now integrated into a variety of settings including schools, jails and prisons, community-based non-profits, and more.⁴⁵ In the original Delancey model, which we recommend for use in Wisconsin, instead of being incarcerated, individuals charged with or convicted of a crime are referred to a "residential education community" where they live, learn, and work for a set period of time.

The program would include internal vocational training and employment. Delancey requires residents to learn at least one manual skill, one clerical/computer skill, and one interpersonal/sales skill. Delancey Street's peer led programs run, for example, their own restaurants, landscaping companies, and other small businesses.⁴⁶ Locating this community and its associated businesses in a neighborhood with greater economic opportunity would give the business and residents a greater chance for success. The program also includes educational opportunities ranging from GED support to technical and college programming. Marquette University's Education Preparedness Program is a new "prison-to-school pipeline" upon which programming to support currently and formerly incarcerated individuals in academic settings could be modeled.⁴⁷

As with the pre-release transition services described in the previous recommendation, transitional services in this diversion program would be an important component to help

⁴⁴ [How We Work, Delancey Street Foundation](#)

⁴⁵ [The Delancey CIRCLE, Delancey Street Foundation](#)

⁴⁶ [Our Enterprises, Delancey Street Foundation](#)

⁴⁷ [Education Preparedness Program, Marquette University](#)

individuals successfully re-enter their communities, including housing search assistance and the opportunity to earn and save up money before the conclusion of an individual's time in the program. Through the utilization of peer-led, internally supported business the program would eventually become self-sustaining, but seed funds to secure a housing location and start-up capital are needed.

Recommendation rationale

Standard models of incarceration in the United States are generally punitive, not focused on individuals growth, improvement, and rehabilitation. They isolate individuals from support systems and wider society, and rarely adequately prepare them to re-enter their communities, increasing the chances of recidivism. These two programs, which focus on building life skills, furthering education, career and skill building, and community building set individuals up to improve their lives rather than returning to the same environment facing the same challenges they did before incarceration. Alumni of Delancey Street programs have, for example, gone on to be EMTs, teachers, attorneys, and work in schools.⁴⁸

Additionally, a significant portion of admissions to Wisconsin prisons are for probation or parole revocations without a new conviction, meaning the person was incarcerated or re-incarcerated for a non-criminal offense, breaking rules that in many cases are complex and make carrying out activities of everyday life quite difficult, including "simple acts done without explicit prior permission from probation and parole agents, such as accepting a job offer, unauthorized use of a cell phone or computer, borrowing money, or stepping over a county line".^{2,49} Having sufficient pre-release and re-entry peer support could help formerly incarcerated individuals more successfully navigate these challenges. Some progress has been made in reducing incarceration rates, especially during the pandemic. Due to a variety of policy shifts, overall state prison population has declined in the past couple of years, as has detentions due to holds, sanctions, and supervision revocation; the number of revocations, for example, declined by 37.4% from 2019 to 2021. Nonetheless, incarceration rates remain extremely high and its burden experienced inequitably. A more responsive and improvement focused diversion program with greater peer-engagement may give individuals the support they need to live and better their lives without the risk of incarceration for minor non-criminal mistakes.

The peer-led aspect of these programs is key. In these pre-release transition and diversion program models the peers are mentors, program leaders, and managers with meaningful decision-making power. Individuals with lived experience of incarceration are best positioned to empathize and positively engage with individuals at risk of incarceration. A peer

⁴⁸ [Our Graduates, Delancey Street Foundation](#)

⁴⁹ [11x15 Blueprint for Ending Mass Incarceration in Wisconsin, WISDOM](#)

led program will be empower all involved, and center and be responsive to the real-life needs of program participants.⁵⁰ While the lived experience of incarceration is essential, peers leading these programs should have formal or informal leadership experience, programmatic knowledge, and may have counseling or social work training. Individuals with lived experience of incarceration should also have decision-making input when hiring for these roles.

Additionally, deferred prosecution and diversion programs have been repeatedly shown to be more cost effective than traditional incarceration. According to an analysis of current Wisconsin diversion programs there is a benefit of \$8.68 per \$1 spent.⁵¹ Expansion of these programs benefits all residents of Wisconsin, especially those inequitably impacted by incarceration.

Implementation

As previously mentioned, a peer-led pre-release transition program could be designed through a collaboration between the Wisconsin Department of Corrections and formerly incarcerated individuals who could serve as peer leaders. The program could first be piloted at specific sites or with relatively small numbers of individuals across multiple sites. This per-support program would be run in complement to existing targeted re-entry programs, such as Opening Avenues for Reentry Success (OARS), which is run by WI Department of Health Services for individuals “living with a serious and persistent mental illness who are medium-to-high-risk of reoffending”.⁵²

Designing and implementing enhanced deferred prosecution and diversion programs will require the support and input of the Department of Justice (DOJ) and Department of Corrections. Some case referral and administrative structures from existing treatment and diversion programs (TAD) and Treatment Court could be used as a models for this new program. However, this program should not be treated as merely an expansion of existing TAD programs, but rather operate independently and be primarily shaped and run by the formerly incarcerated peers.

Funds to support the pilot program would need to be allocated through the budgeting process. A committee comprised of formerly incarcerated individuals and DOJ staff could be convened to design this pilot and determine an initial budget. Pilot funds may support activities including the salaries of peer staff members, buying or renting a physical location for the program’s business offices and housing, start-up costs for the program-run businesses, educational resources, and more until the program is established and becomes self-sustaining.

⁵⁰ [Prison-based peer-education schemes, *Aggression and Violent Behavior*](#)

⁵¹ [Treatment Alternatives and Diversion \(TAD\) Program 2014-2018 Participant Outcome Summary and Cost-Benefit Report, *State of Wisconsin Department of Justice*](#)

⁵² [Opening Avenues for Reentry Success \(OARS\), *Wisconsin Department of Health Services*](#)

Funds would also need to be allocated to support DOC and/or DOJ set-up and administration of the program.

The programs could be evaluated using cost-benefit analyses similar to those previously conducted on these programs. Rates of recidivism, post-program employment, and post-program homelessness should also be tracked and compared to traditional incarceration. Demographic information of participants should be tracked to ensure that the program is working as intended to support formerly incarcerated individuals and reduce inequities in rates of incarceration and does not unintentionally increase current inequities.

DRAFT

Policies and programs to improve health in incarcerated pregnant people

Recommendation from: Tamra Oman

Issue statement

Incarcerated pregnant individuals face a myriad of challenges that compound an already difficult process and time in their lives. Implementing policies and programs including anti-shackling, prison diversion, and doula training and utilization may improve the physical and mental health outcomes of incarcerated pregnant individuals and their babies.

Background and problem description

In the United States, approximately 5% of women* report being pregnant at the time they are admitted to state prisons.⁵³ Additionally, in Wisconsin Black and/or Latina women are incarcerated at disproportionately high rates compared to White women, so this issue has a disproportionately negative impact them.⁵⁴ Other marginalized groups, such as individuals experiencing mental health and/or substance abuse issues also experience disproportionately high rates of incarceration.⁵⁵ Women and non-White persons are also more likely to have a mental health condition go undiagnosed and untreated, increasing the potential health impact of these issues during pregnancy.

Pregnancy is one of the most mentally and physically taxing experiences a person can have. Lack of autonomy and control over a person's situation and day to day life, as occurs when incarcerated, may worsen anxiety and other health conditions, posing a risk to health of parent and child. Systemic inequalities also put marginalized persons at higher risk of having a health behaviors or conditions that may lead to a higher risk pregnancy, such as delayed care and high blood pressure.⁵⁶

Most Wisconsin state prisons and county jails were originally designed, and policies written, with only cisgender men in mind and may not be adequately updated and resourced to address the unique needs of incarcerated individuals with gender identities other than cisgender male, including individuals who give birth. At the state level, policies exist requiring "timely and appropriate prenatal, intrapartum and postpartum care," but more can be done to support individuals through labor, delivery, breastfeeding and pumping, and other pre- and

⁵³ [The Realities of Pregnancy and Mothering While Incarcerated, *Journal of the American Academy of Psychiatry and the Law*](#)

⁵⁴ [The Color of Justice: Racial and Ethnic Disparity in State Prisons, *The Sentencing Project*](#)

⁵⁵ [Prevalence of serious mental illness among jail inmates, *Psychiatric Services*](#)

⁵⁶ [Racial Disparities in Maternal and Infant Health: An Overview, *Kaiser Family Foundation*](#)

post-pregnancy experiences.⁵⁷ Policies and practices also vary at the county level, resulting in inequitable access to prenatal and postpartum supports.

The practice of shackling incarcerated women as they are giving birth also poses serious mental and physical risks to mother and child. Shackling may include handcuffs, ankle cuffs, belly chains, or soft restraints, which limit an incarcerated person's movement and may interfere with necessary medical care before, during, and after the birthing process. Federal law and United States Bureau of Justice guidelines "[prohibit] shackling of pregnant women in federal custody except where restraints are necessary to prevent serious harm or escape... defined as an imminent risk of escape or harm that cannot be managed with other reasonable means such as enhanced security measures or increased staffing".¹

At the state level, since 2018, the State of Wisconsin Department of Corrections (DOC) policies have stated that "restraints shall be utilized by the least restrictive means necessary. Restraint during transport to the hospital or during labor and delivery should not be used except when necessary due to serious threat of harm to the patient, staff, or others".⁵ Currently, no equivalent policy exists for all local, county jails, meaning anti-shackling policies and enforcement of these policies varies across the state, and there is not a mechanism for accountability or enforcement. In practice, since 2011 at least 40 women incarcerated in state and county prisons and jails were shackled while giving birth in Wisconsin, including though 20+ hour labor and in some cases, the shackling interfered with the administration of an epidural. It is unknown how many of these instances occurred after the new state prison policy was enacted in 2018.⁵⁸ Additionally, incarcerated pregnant individuals do not have access to their support systems throughout their pregnancies, or during labor and delivery. The use of doulas is one potential way to help address this need for adequate maternal support that is culturally appropriate. Trained doulas may provide pre-natal care, health education around pregnancy, birth, breastfeeding, and more pregnancy related topics. Existing prison doula programs include the Logan Correctional Facility program in Illinois⁵⁹, the Minnesota Prison Doula Project⁶⁰ and the Michigan Prison Doula Initiative.⁶¹ All of these programs bring doulas into prison settings to provide care and/or train incarcerated individuals as doulas. In addition to improving the pregnancy experience for the person giving birth, improved support has been shown to reduce the need for expensive medical treatments and interventions, such as Caesarian sections.⁶²

⁵⁷ [Policy and procedures: Provision of Services to Pregnant Patients, State of Wisconsin Department of Corrections Division of Adult Institutions](#)

⁵⁸ [Shackling of Pregnant Women: Unsafe and Inhumane, Madison 365](#)

⁵⁹ [Peer Doula Program at Logan Correctional Center, Chicago Volunteer Doulas](#)

⁶⁰ [Minnesota Prison Doula Project](#)

⁶¹ [Michigan Prison Doula Initiative](#)

⁶² [March of Dimes Position Statement: Doulas and Birth Outcomes](#)

Recommendations and rationale

To improve the health and well-being of incarcerated pregnant people, we have three policy and practice recommendations:

1. Develop and implement policies to recommend diversion or deferred prosecution whenever possible for pregnant people when they're charged with offenses such as low level non-violent offenses, or technical or crimeless revocations. Additionally, dedicate funding to build new and/or expand existing programming and community-based facilities to accommodate the increased number of diverted individuals. Diversion and deferred prosecution will keep pregnant individuals out of prisons and connected to their communities and support systems, including their health care providers. One such existing program is the ARC Maternal and Infant Program in Madison, WI, which may serve as a base model from which to develop additional diversion programs that serve the unique needs of pregnant individuals, including program flexibility/responsiveness and trauma-informed care.⁶³
2. Align Wisconsin state statute for state and county prisons and jails with Federal law and United States Bureau of Justice guidelines "which prohibits shackling of pregnant women in federal custody except where restraints are necessary to prevent serious harm or escape...defined as an imminent risk of escape or harm that cannot be managed with other reasonable means such as enhanced security measures or increased staffing". Banning shackling will reduce the risk of negative birth outcomes and the risk of adverse mental health effects from a traumatic birth.¹ Twenty-two states and the federal government already have legislation banning shackling of pregnant women through at least labor and delivery; some policies go further to prohibit shackling during hospital transport and through postpartum care.⁶⁴ Anti-shackling legislation will provide accountability and an enforcement mechanism for existing policies and expand the prohibition of shackling to prisons without a policy currently in place.
3. Develop and implement a program through which trained doulas are brought into the prison setting to support pregnant individuals, and train incarcerated individuals to serve as birth doulas to for their fellow inmates. Trained doulas may provide pre-natal care, health education around pregnancy, birth, breastfeeding, and more pregnancy related topics. Doulas may also provide much needed culturally specific care, and emotional support to pregnant and post-partum incarcerated persons, and studies have shown the use of doulas to be associated with lower rates of Cesarean sections, preterm and underweight birth.¹⁰ The program would also teach skills that may facilitate participant employment post-incarceration.⁷

⁶³ [ARC Maternal and Infant Program, ARC Community Services](#)

⁶⁴ [Where Does Your State Stand on Shackling of Pregnant Incarcerated Women?, Nursing for Women's Health](#)

Implementation and evaluation

Policies to increase the referral of pregnant persons to diversion and deferred prosecution programs would require coordination with and the cooperation of the Wisconsin Department of Justice. It may also require funding the development of additional specialized programs and policies specific to pregnant persons through the state budgeting process. The Departments of Justice and Corrections should engage with individuals who have been pregnant or given birth while incarcerated to determine how to best design and implement an expanded program that is trauma-informed and responsive to the unique needs of pregnant individuals. Policies and programs may be evaluated by tracking the percent of pregnant persons diverted, including stratification by demographic information to ensure programs are being implemented equitably.

Implementing anti-shackling policies would require legislative action. A bill banning the shackling of pregnant women was proposed in the Wisconsin legislature in 2017 but did not pass before the end of the session. This legislation should be re-introduced and passed in a timely manner. If implemented, the success of these policies may be measured over time by tracking the proportion of incarcerated individuals who give birth while shackled, and by measuring health care and other costs per incarcerated pregnant person.

Implementing a doula training program will require funding and logistical support from multiple agencies and processes. Program funding would need to be allocated through the budgeting process and administered through the Department of Corrections. The Division of Public Health's maternal and child health experts, alongside individuals with lived experience of being pregnant and giving birth while incarcerated, may help design and implement the program. Doula training program design and implementation could be modeled after the Logan Correctional Facility program⁷, and the Minnesota Prison Doula Project⁸ and the Michigan Prison Doula Initiative⁹ could serve as models for bringing outside doulas into Wisconsin state prisons. The program could be evaluated by tracking over time the proportion of complicated births (requiring medical intervention beyond standard labor and delivery) for incarcerated persons, the health care costs per incarcerated pregnant person, the number of doulas trained, and the number of pregnant persons served.

Title: Building economic stability for formerly incarcerated populations through increased employment opportunities

Authors: Gina Green Harris and Michelle Robinson

Issue Statement

Economic stability is a primary determinant of health and wellbeing. It impacts the quality of and access to fundamental drivers of health, such as housing, transportation, healthcare, childcare, and nutrition; further, it facilitates opportunity for things like leisure activities, creative thinking and risk-taking, building generational wealth, and the chance for upward mobility. Individuals who are leaving the carceral system face enormous barriers to successfully “re-integrating into society.” Increasing economic stability through programs that support employment opportunity is a strategic target to focus on, as these two determinants alone can initiate a cascade/domino effect of other social determinants of health (SDoH) that have significant impacts on one’s access to health and wellbeing.

Background and Problem Description

As of 2018 there were more than 5 million formerly incarcerated people living in the United States. In 2008, the most recent year for which data is available, one fourth of these individuals experienced unemployment, a rate more than five times that of the general population. This inequitably high rate is not for lack of effort by formerly incarcerated justice involved individuals. According to the same unemployment report, 93% of formerly incarcerated people aged 25 to 44 were actively looking for employment compared to 83.8% of the same age range in the general population.⁶⁵ Unemployment among this population is a matter of public will, policy, and practice, not differences in aspirations. In Wisconsin, approximately 9,000 formerly incarcerated individuals return to their communities every year, and nearly 70% of incarcerated individuals have a high school degree or equivalent, and one in four have at least some post-secondary education.^{66,67}

Incarceration, lack of employment, economic status, and health disparities are closely linked. Individuals leaving the carceral system face enormous barriers to successfully “re-integrating into society,” including finding employment, as demonstrated by inequitable unemployment rates. Employment is closely associated with lower risk of recidivism; consistent employment has been shown to reduce the risk of re-offending simply by providing individuals with the opportunity to leave a criminal past for a crime-free future.⁶⁸

Steady employment also facilitates economic stability, which in turn impacts the quality of and access to fundamental drivers of health, such as housing, transportation, healthcare, childcare, and nutrition. Employment and a family supporting income influence health factors such as ability to access health care (e.g., insurance coverage, ability to afford copays) and to nutrition and physical activity (e.g., ability to afford nutrient dense food, live in safe environments that facilitate physical activity). Low economic status is also associated with increased exposure to physical stressors (e.g., pollution and other

⁶⁵ [Out of Prison & Out of Work: Unemployment among formerly incarcerated people, Prison Policy Initiative](#)

⁶⁶ [Wisconsin Program Helps People Find Jobs After Prison, Vera Institute](#)

⁶⁷ [President Thompson proposes bold UW System Prison Education Initiative, University of Wisconsin](#)

⁶⁸ [Work as a Turning Point in the Life Course of Criminals: A Duration Model of Age, Employment, and Recidivism, American Sociological Review](#)

environmental toxins). Similarly, income is associated with the health outcomes of morbidity (e.g., prevalence of chronic conditions,) and mortality (i.e., life expectancy). Economic status and health can interact to create a “health-poverty trap”, where low economic status contributes to poor health, and poor health reinforces low economic status.⁶⁹ As economic status is inequitably distributed, so too are the negative effects of these health factors and outcomes. Employment and economic stability additionally facilitate opportunities to build wellbeing and pursue human needs and desires like leisure, spiritual, and physical activities; creative thinking and risk-taking; building generational wealth; and the chance for upward economic mobility. Access to the aforementioned factors that drive health and wellbeing are even more difficult for formerly incarcerated individuals, as seen in large disparities between this population and the general public. Increasing economic stability through programs that support employment opportunities for this population is strategic as these two determinants alone can initiate a cascade of improvement in other SDoH that have significant impacts on one’s ability to achieve health and wellbeing.

Because the strengths and needs of formerly incarcerated individuals are broad, effectively supporting them to gain and retain employment requires a multi-faceted, comprehensive approach. As such, the programs offered to incarcerated and formerly incarcerated individuals aimed at helping them enter the workforce need to be diverse in order to meet the unique needs of different individuals (e.g., individuals with mental illness, substance use disorder, etc.), in addition to programming that is offered across the entire spectrum of incarceration (e.g., education and job training *during* incarceration, training opportunities and connections to jobs *after* leaving the carceral setting, programs that promote flexibility for people in jail or on parole/probation, programs that provide wraparound services to meet other needs, etc.). While Wisconsin has a strong foundation of existing programs that seek to address the various needs and circumstances of individuals leaving corrections settings, one strategy in this recommendation focuses on an assessment of these programs to identify gaps and opportunities for expansion and alignment, as appropriate, to ensure that we are truly meeting the unique needs of individuals across the state.

Finally, formerly incarcerated individuals need support to build and develop skills and connect to career pathways, and Wisconsin also needs to make sure there are careers for these individuals to transition into. We must address both supply of skilled potential employees AND the demand for these employees. On the supply side, this proposal recommends expansion of existing programs that build skills and facilitate/support the process of connecting people to jobs – across a range of needs and circumstances. On the demand side, the recommendation also proposes two innovative solutions that increase the number of career opportunities that are available specifically to this population (i.e., worker cooperatives and employer incentives). Although employers express willingness to hire people with criminal records, evidence shows that having a record reduces employer callback rates by 50%. As previously described, formerly incarcerated individuals actively pursue employment at higher rates than the general population, but they face extreme structural and systemic factors towards achieving that employment. Further, when they *do* secure employment, it is often in the lowest-paying, least stable positions – which only contributes further to the cycle of hardship and barriers they already face, as opposed to lifting them up, giving them purpose and dignity, allowing them to become financially independent, and ultimately creating the best circumstances for rehabilitation and success.

⁶⁹ [Health, Income, & Poverty: Where We Are & What Could Help, Health Affairs](#)

Recommendation

Individuals who are leaving carceral settings face significant barriers to successful and unburdened “re-entry” – a central aspect of these barriers is lack of economic stability, particularly due to a dearth of employment opportunities. By building on existing and creating new programs that support both ends of the supply/demand dichotomy that impacts post-incarceration employment, Wisconsin will be able to provide a more comprehensive and holistic set of strategies for reducing the significant barrier that is post-incarceration employment. Improving access to employment helps improve economic stability which improves individuals’ access to health and wellbeing and reduces recidivism. In addition, such efforts may have impacts on racial disparities in incarceration and post-incarceration outcomes, and in health, strengthening Wisconsin’s economy, and ultimately saving taxpayer dollars.

As such, this recommendation package strategically leverages a comprehensive approach to ensure successful impact on building economic stability for formerly incarcerated individuals by addressing the full spectrum of factors that impact employment opportunity – a primary driver of economic stability. The approach comprises three overarching strategies:

1. Incentivizing employers to increase employment opportunities that are specifically targeted towards formerly incarcerated individuals.
2. Increasing opportunities for work outside of the traditional job market through investing in worker cooperative development programs targeting formerly incarcerated individuals.
3. Building on and expanding existing programs that provide training for and connection with job opportunities to better support successful reentry.

Strategy 1: Incentivizing employers to increase employment opportunities that are specifically targeted towards formerly incarcerated individuals.

RECOMMENDATION: Create a state-based program that incentivizes employers to hire formerly incarcerated individuals.

We currently have a program, the Work Opportunity Tax Credit, that provides one-time incentives to employers for hiring individuals falling within a set of targeted groups. The [WOTC](#) is a federal income tax credit designed to help people gain on-the-job experience and achieve better employment outcomes. The WOTC program offers federal tax credits to employers as an incentive to hire people in several specific target groups. Among the eligible categories is “ex-felons: convicted of a felony or released from prison for a felony within one year of the date of hire.”

The intended benefits of this program to our state could be strengthened by creating a parallel state-funded program. Examples of such programs include:

- The Supplemental State WOTC. As proposed in Governor Evers’ 2021-23 budget, which would create a supplemental state tax credit, with credit equal to roughly half of the federal WOTC, for employers in taxable years beginning after December 31, 2020. Together, with the federal tax credit, an eligible employer could generally claim a maximum of \$3,600 for each targeted individual employer for 400 hours or more for \$6,000 in wages or more; and \$2,250 for each

targeted individual employed for at least 120 hours, but less than 400 hours, for \$6,000 in wages or more.

- Credits could not be claimed on wages exceeding the wage limits that are set under the federal WOTC. Thus, in general, the maximum supplemental state WOTC would be \$1,200 for those employed 400 hours or more (20% of \$6,000) and \$750 for those employed at least 120 hours, but less than 400 hours (12.5% of \$6,000).
 - Partnerships, LLCs, and tax-option (S) corporations would not be permitted to claim the credit, but eligibility for, and the amount of, credit would be based on their payment of wages.
 - DOR would be authorized to administer the credit, and take any action, conduct any proceeding, and proceed as authorized under state income and franchise tax laws.
 - The proposed credit would incorporate the requirements and limitations of the federal WOTC for purposes of the state WOTC.
- New York State's [Recovery Friendly Workplace Tax Credit](#)⁷⁰ program could serve as another potential model. This tax credit is aimed at supporting employment access for individuals surviving addiction and in recovery.

Moving forward, we suggest that future incentive programs include the below features:

- the program is designed to provide an enhanced and expanded incentive to a larger number of employers than may be eligible under WOTC.
- the incentivize program be designed to provide additional credit opportunities for successful retention of hires with histories of incarceration beyond the first year.
- the program be paired with requirements for employer-supported programmatic resources to help support the individual to success.
- additional incentive for including mental health/substance use disorder covered in health insurance.

Strategy 2: Increasing opportunities for work outside of the traditional job market through investing in worker cooperative development programs targeting formerly incarcerated individuals.

[Worker Cooperatives](#) are values-driven businesses that put worker and community benefit at the core of their purpose. By placing workers' needs ahead of profits, worker cooperatives address one of the root causes of economic disparities. In contrast to more conventionally structured companies, worker cooperatives allow workers to participate in the profits, oversight, and management of the organization using democratic processes. Creating worker cooperatives that center previously incarcerated individuals offers a promising pathway for creating sustainable, dignified jobs, which would then allow individuals to generate wealth, improve health outcomes, and promote community and local economic development. Worker cooperatives are established by the creation of new businesses, or the conversion of existing businesses (by decision or through purchase) into coops.

⁷⁰ <https://oasas.ny.gov/system/files/documents/2021/12/rfwtc-legislative-authority.pdf>

including residential and commercial cleaning, hauling and moving, and landscaping using eco-friendly products.

RECOMMENDATION 1: Invest state and local resources in worker cooperative development programs targeting formerly incarcerated individuals. These investments should include revolving loan funds, loan guarantees, and grant programs for both worker cooperative businesses and the technical assistance providers to serve them.

Technical assistance supported under this initiative should be able to provide services and supports to formerly incarcerated individuals involved in cooperatives. Specifically, they should be capable of helping individuals navigate and address complex trauma.

For the loan programs, policymakers may consider organizations such as Pathways to a People's Economy identify New York State's business loan program as a potential model. The program intends to provide direct financing to businesses and loan guarantees to banks and credit unions funding NY businesses.

RECOMMENDATION 2: Create a taskforce charged with evaluating the barriers to the expansion, establishment, and survival of worker cooperatives in the states, and developing policy and program recommendations aimed at fostering a state context ideal for worker cooperatives.

The state of Maine provides a model of state law aimed at fostering a supportive environment for worker cooperatives: [HP0886, LD 1300, item 1, An Act To Create and Sustain Jobs through Development of Cooperatives \(mainelegislature.org\)](https://www.mainelegislature.org/HP0886_LD_1300/item_1/An_Act_To_Create_and_Sustain_Jobs_through_Development_of_Cooperatives_(mainelegislature.org))

Strategy 3: Building on and expanding existing programs that provide training for and connection with job opportunities to better support successful reentry.

Wisconsin needs different models and programs to effectively serve the different needs, backgrounds, and post-carceral circumstances of individuals leaving incarceration and support their ability to enter the workforce and compete in our state's workforce. Fortunately, Wisconsin has a variety of existing programs that could be expanded to better serve those groups.

RECOMMENDATION: Fund a study, led by an independent entity aimed at mapping and analyzing the current ecosystem of pre-reentry, reentry, and post-reentry programs to better understand the characteristics of the individuals best served by existing programs. The goal is to improve the targeting of existing programs, address gaps in services, and strengthen program implementation. We recommend that an advisory body composed of stakeholders from government, private sector, researchers, advocates for the incarcerated and formerly incarcerated, and individuals with lived experience who would be responsible for overseeing the development of this study and provide recommendations regarding program design and future program investments based on what is learned from the study.

The study could consider starting with the following programs:

- UW System's [Prison Education Initiative](#)
- Institutional Job Centers

- Institutional Job Training Labs & Boot Camp Programming
- Huber Program
- DWD's Apprenticeship Navigator Program
- DOC – Windows to Work
- DWD's Wisconsin Fast Forward Reentry Initiatives
- DOC – Farm to Facilities Program
- DOC – Community Corrections Employment Program (CCEP)
- DOC – Probation and Parole

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