



**Wisconsin Opportunity Act – Public Hearing  
February 17, 2020**

Thank you for the opportunity to provide comments on the proposed Wisconsin Opportunity Act. I am Mary Patoka, CEO of CAP Services, Inc. based in Stevens Point. CAP provides services to residents of Portage, Outagamie, Marquette, Waupaca and Waushara Counties.

Families in Wisconsin continue to struggle, evidenced by the ALICE (Asset Limited, Income Restricted and Employed) Report by the United Way. While the unemployment rate is historically low, many jobs available tend to be low wage jobs, part-time jobs, and jobs without benefits. We know many of these jobs have work schedules that come out weekly, creating even more challenges for those that need to plan for child care or transportation to work. And if someone wanted to consider self-employment, access to affordable capital and credit remains a challenge.

CAP Services, and its sister community action agencies in Wisconsin have a strong and effective history of addressing the needs of those experiencing poverty. Strategies have included both safety net and human and community development approaches. Many in our network just completed our triennial community surveys. In the case of CAP Services, the following needs have been prioritized by our Board: not enough money to pay all monthly bills; need better paying job; not enough money to respond to unexpected emergencies; need safe, affordable housing; and, need full-time, year-round jobs. Other high-ranking needs include access to affordable child care, dental and medical care, cost of heating and having reliable transportation/costs of maintaining a car.

Poverty is complex and multiple, long-term strategies are needed to create opportunities that increase financial stability for families. Community development initiatives employed through affordable and decent housing, job creation and business development, access to health and dental care and more are also designed to help families move toward self-sufficiency and develop strong and thriving communities. Some of our work last year to address these include:

- CAP's Skills Enhancement Program was developed from input from our needs survey back in 1991 and CAP recognized its 1,000th program graduate last fall. In 2019, 39 participants completed the program and got new jobs that on average, increased their annual income by \$16,118! 72% of these also got access to employer-sponsored health insurance benefits.
- Our free tax assistance team helped families keep as much money in their pockets as possible with services to 751 households that had returns valued at \$1,312,265 (including \$409,496 in earned income tax credits).
- CarStar again provided a road worthy car, at no cost, to a CAP family in January. The Work N Wheels Program also made 10 interest-free loans for families in need of more reliable vehicles.
- The Family Crisis Center, also created from input from our needs survey, experienced continued demand for services. It provided emergency shelter to 167 women and children fleeing domestic violence with over 5,200 nights of shelter. CAP's Outreach offices served 370 new clients, through over 1,900 contacts. Sexual Assault Victim Services (SAVS) staff provided support and advocacy services to 249 new clients through 929 contacts.
- Our loan fund investors supported a robust year of business lending that included 27 loans valued at over \$919,000, 11 new business starts, 28 jobs created, 9 more retained and business coaching of nearly 3,000 hours. CAP also presented its business expansion award to Carolina Buckner of Revita Dance Studio, LLC. Revita Dance Studio offers dance, music and martial arts classes for children ages 3+ along with fitness and martial arts classes for adults. They pride themselves in being a safe place for children to learn, develop their own voice and artistic expression.

- Families are front and center in Head Start where 694 children accessed services and parents were supported in their role as their children's first and most important teacher. The Children's Discovery Center, CAP's child care center, maintained its 5-star Youngstar rating.
- Hmong UPLIFT continued with its all-family approach to growth and development, advancing work to close the achievement gap for children but also provide the tools and support for parents in their education and employment goals.
- The Families Connect program focused on parenting skill development for 15 families with the reunification of parents who had their children removed from the home.
- And the Mental Health Navigator Program continued to reconnect individuals with their community and support their mental wellness. A school-based project in the Tomorrow River School District is in its second year.
- Staff did a deep dive in understanding transportation gaps in Portage County and strengthen its partnership with Central Transportation. The work identified new models that could help address gaps and needs. A representative of one of these models presented to interested community members.
- We also joined others in exploring models for affordable housing, including shared housing and housing cooperative models. Given the competitive and limited opportunities in multi-family rental development, we need to expand alternatives for communities. We continued with our homebuyer program – financing 10 homebuyers with loans for over \$179,000 and 12 rehab projects with loans of nearly \$430,000!
- The Weatherization Program recognized National Weatherization Day on October 30 with a visit by Wisconsin Department of Administration Secretary Joel Brennan at a client's home. She expressed her deep appreciation for the service and the security it brings for her family. A total of 184 households received assistance in 2019.

CAP Services has been able to leverage resources, both financial and non-financial resources to bring the community together to address areas of need. For example, local technical colleges and employers are key partners in CAP's workforce training programs. CAP's housing development initiatives reflect partnerships with county government and human service organizations, municipalities, bankers, and housing authority representatives, to name a few. Faith-based organizations have invested in CAP's revolving loan program to ensure access to affordable capital and housing for those they feel need it the most. All of these partnerships result in maximizing resources to meet the needs of those in our communities.

The Wisconsin Opportunity Act is designed to address many of these same community and family needs, particularly for those experiencing poverty. I encourage you to support this bill to better serve all of Wisconsin's residents. Thank you for the opportunity to offer comments. Should you have any questions, please do not hesitate to contact me (715.343.7512 or mpatoka@capmail.org).



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Attachments: CAP Services' 2018 Annual Report & 2018 CaFP Lending Report



## SKILLS ENHANCEMENT PROGRAM – Oral Testimony

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I'm Mary Patoka, CEO of CAP Services, based in Stevens Point.

Nearly 40% of the families living in our service area of Portage, Waushara, Waupaca, Marquette and Outagamie Counties meet the United Way's definition of ALICE – Asset Limited, Income Restricted and Employed. Today, you have the opportunity to learn about the challenges that face thousands of Wisconsinites who struggle every day, and the multi-strategy platform that will help increase their financial stability.

For example, let's say you have a household with a parent and two children. The parent works about 40 hours a week at two jobs, earning an average of \$10.52 an hour – \$421 gross weekly, but neither job offers health insurance benefits. The fair market rent for a two-bedroom apartment in Stevens Point is \$700 (one of the more affordable markets in the State). Full-time childcare might add \$740, food \$565, transportation \$740 (all costs with a car), not to mention things like health care, school-related costs and more. This parent is out of money after paying for rent and childcare.

CAP's community survey has identified not having enough money to pay all bills as one of the top priorities expressed by families over time– and we shouldn't be shocked. In response, CAP began offering its Skills Enhancement Program in 1991.

This program helps individuals increase their ability to compete for good jobs via access to education and training, supported by individualized case management. We use a holistic approach that recognizes most low-wage-earners face multiple barriers to becoming self-sufficient. And similarly, the Wisconsin Opportunity Act employs a number of strategies to address poverty.

CAP requires individuals be residents of CAP's service area; working a minimum of 20 hours per week; and have household income that is at or below 200% of the federal poverty guidelines (i.e. \$43,440 annual income for a family of three in 2020). The program provides financial assistance for tuition, books, and training-related child care and mileage.

This program has a positive impact on the student and their family, area employers, and the community at large. Consider it W3 – a win, win, win. Children see first-hand the rewards of education and hard work. Employers benefit from an increased pool of skilled workers and the community at large benefits from more stable and self-sufficient families.

Just last fall, CAP recognized its 1,000<sup>th</sup> graduate from the program. The average increase in annual income since inception is \$12,174. And if we look at the past five years, the average increase in annual income for those grads was \$15,955!

**2019 highlights:**

- 256 individuals received services in 2019
- 39 individuals completed training and got new jobs that included:
  - Average increase in annual income was \$18,417
  - Average increase in hourly wages was \$7.03 (\$10.52 at enrollment and \$17.59 at exit)
  - Average length of time in the program was 29 months;
  - Average amount of direct financial assistance provided was \$2,745;
  - 28 (72%) now have access to employer-paid health insurance benefits!
- Additionally, clients continuing in the program into 2020 received a total of 26 interim wage increases, averaging \$2.30 per hour and an average annual income increase of \$4,657.

The program was recognized with the Annie E Casey Foundation's Family Strengthening Award in 2004 and the Governor's Excellence in Community Action Award in 2014. In 2005, Senator Herb Kohl saw its potential and assisted with some federal funding to expand the services to all community action agencies in Wisconsin. Then Secretary of the Department of Workforce Development Roberta Gassman saw the impact and identified funding to sustain statewide services when the federal funding ended.

In 2010, then Senator Julie Lassa and others in the legislature, introduced a bill funded by General Purpose Revenue (GPR) titled the Wisconsin CORE Jobs Act - for Connecting Opportunity, Research and Entrepreneurship, that included funding for the statewide Skills Enhancement Program. One of the program's most ardent supporters is Tom Boldt of Boldt Construction. He and his family have been long-time financial supporters of the program, and committed to providing matching funds for the community action network when the program first expanded.

The statewide expansion of the program mirrors CAP Services experience in participant gains. From July 1, 2010 through June 30, 2016, 1,007 people were enrolled. Of all these clients combined on June 30, 2016:

- 141 remained enrolled in services
- 509 completed training & exited successfully.
- 16 were transferred to another training program.
- 341 did not complete training & exited unsuccessfully.

379 graduates got new jobs that increased wages by \$3.46/hour (a 38% increase to \$12.51/hour); increased annual income by \$9,920 per grad (a 79% increase to \$22,474); and, increased access to employer health care from 12% to 53%.

35% of those served were persons of color, 86% female and 92% of households served had dependent children. The average age was 31.

Wisconsin's Department of Children and Families assumed administration of the statewide program in July 2017. In 2018, the State reports 174 persons accessed services through 10 Community Action Agencies. 62% (53) completed a training program and of those 62% (33) secured new jobs with an average hourly wage increase of \$5.49 per hour and average annual household increase of \$15,544. Of this group, 82% (27/33) also now have employer-sponsored health insurance benefits. 2019 data is expected soon.

While there is no doubt the financial assistance is important to those wishing to advance, the value of the coaching and supportive services are invaluable. Some quotes from our clients are included below, including my favorite: *CAP Services opened the door to opportunity for me but also held it open until I could get through.*

In closing, the Wisconsin Opportunity Act is a comprehensive approach to supporting families in Wisconsin and does so in a multi-faceted, strength-based model. Addressing multiple needs will create long-term permanent financial stability, and that is what families need and what employers and communities can benefit from. Thank you

*More quotes:*

*I was able to take classes and become a Certified Nursing Assistant with their help. Once I graduated as a CNA, I was able to further my career, and enroll in classes to become a nurse... With the help that I received from Skills I was able to continue on my path to better my life."*

***A degree can make a big difference financially, but it can also do so much more. The self-esteem. The dignity and respect that you create within yourself feeds off to those around you.***

*CAP Services' Skills Enhancement Program has meant that I can go to school and still afford to have my son in a decent day care facility. Being a single mother and trying to go to school full-time leaves little time left to work full-time. I work 30 hours a week, but it is still not enough to pay the bills and afford actual day care. With the help of CAP Services I have put my son into a daycare, lessening the worries I have about him while I am in school.*

***You have been there and continue to help me in my time of need. I feel as though you have shown genuine interest in my achievements and well being. I greatly appreciate the education and skills enhancement opportunities that you have given me. I have hope that with your help I can reach my educational goal.***

*Before CAP Services, I saw myself and my children struggling to make ends meet in a low-paying job. CAP helped me with tuition and books to get an education I would not have been able to afford otherwise. I am now employed as an intern in my field of study earning a living wage. This is just the beginning of my quest to get my head above water. CAP Services was there for me and you can be sure that when I am able, I will be there for them.*