



## Legislation Text

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131304  
SUBSTITUTE 1

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Substitute resolution supporting enactment of a comprehensive federal legislative package to greatly reduce poverty, directing the Department of Administration - Intergovernmental Relations Division to actively seek enactment of this legislation, and directing the Intergovernmental Relations Division and other City agencies to support state legislation for the reduction of poverty in the state, and implement local initiatives that will strengthen support for such legislation.

This resolution supports the enactment of a comprehensive federal legislative package to greatly reduce poverty by:

1. Offering transitional jobs, at the minimum wage for up to 40 hours of work per week, to adults who are unemployed or underemployed.
2. Increasing the minimum wage by at least \$1.50 per hour, and indexing it for inflation.
3. Ensuring that the Earned Income Tax Credit, in concert with the Child Tax Credit, provide much larger earnings supplements to all workers regardless of marital status or number of children, and also provide parents or guardians of children with substantially larger earnings supplements that increase with the number of children, so that full-time work yields a combination of earnings (at the new minimum wage or higher) and earnings supplements that exceed the poverty line; and
4. Ensuring that seniors who retire by age 65 on Social Security, or have severe disabilities and receive disability benefits, have incomes above the poverty line.

The resolution also directs the Department of Administration - Intergovernmental Relations Division to actively seek enactment of this legislation.

This resolution further directs the Department of Administration - Intergovernmental Relations Division to support state legislation for the reduction of poverty in the state, and directs City agencies to develop and implement local initiatives, that demonstrate the impact of the 4 components of the policy package in reducing poverty, as a means of strengthening support for the federal legislation. Whereas, Milwaukee suffers from a high rate of poverty, with 30% of the city's residents living on incomes below the official federal poverty line; and

Whereas, Milwaukee has a high number of poor children, with 43% of its children living below the poverty line; and

Whereas, Such extreme levels of poverty do not simply mean a lack of income, but also make it impossible for many Milwaukeeans to rent decent housing, provide adequate nutrition for themselves

and their families, pay their utility bills, and give their children the support needed to succeed in school; and

Whereas, The intense and persistent poverty that many Milwaukeeans experience damages their health, both by increasing to dangerous levels the stress-induced cortisol that weakens their immune systems and by impeding them from getting necessary medical and dental care; and

Whereas, The high level of poverty in Milwaukee also raises the rate of crime and disorder, contributing to the shockingly high level of incarceration of African-American men and undermining public safety in many of the city's neighborhoods; and

Whereas, The most significant causes of poverty in Milwaukee are:

1. The severe shortage of jobs at most times, with the number of job seekers now exceeding the number of available job openings by a ratio of approximately 3:1.
2. The fact that a large share of jobs in the local labor market pay low wages, which makes it impossible for many workers who hold those jobs (even if working full-time and year-round) to rise above the poverty line.
3. The fact that 2 federal programs for adults who are no longer in the labor market-the Social Security program for seniors who have worked for decades, and the Supplemental Security Income (SSI) program for adults whose severe disabilities impede them from working-fail to provide minimum payments that are sufficient to lift seniors who retire, and persons with severe disabilities, above the poverty line.

; and

Whereas, In 2012, the Community Advocates Public Policy Institute, drawing on the experience of thousands of poor Milwaukeeans seeking help, the advice of numerous local and national experts, and an extensive body of research concerning what is actually likely to work to reduce poverty, developed a 4-part policy package aimed at greatly reducing poverty; and

Whereas, The impact of this policy package on poverty in Wisconsin has been analyzed by the Urban Institute, a nationally recognized, non-partisan, independent organization whose mission is to gather data, conduct research, evaluate programs, and educate Americans on social and economic issues; and

Whereas, The Community Advocates Public Policy Institute's policy package had the following 4 components:

1. A transitional job offer, at the minimum wage for up to 40 hours of work per week, to adults who are unemployed or underemployed.
2. A substantial increase in the minimum wage of approximately 25%.
3. A restructuring of the Earned Income Tax Credit (EITC) under which all low-income workers (regardless of marital status or number of children) would qualify for earnings supplements, and all

low-income households with dependent children would qualify for an additional earnings supplement that varies with the number of children.

4. A new tax credit for adults who receive disability income or Social Security income.

; and

Whereas, The Urban Institute found that the policy package developed by the Community Advocates Public Policy Institute would cut poverty in Wisconsin by more than 50%; and

Whereas, The Urban Institute specifically found that the policy package, had it been in place in Wisconsin in 2008, would have reduced poverty in Wisconsin between 58% and 81%; and

Whereas, Poverty would have dropped by 58%, from a baseline of 8.0% of the state's population to 3.4% of the state's population, if half of the unemployed poor took advantage of transitional jobs; and

Whereas, Poverty would have declined by 81%, from a baseline of 8.0% to 1.5%, if all the unemployed poor chose to work in transitional jobs and all also took full advantage of all available anti-poverty programs; and

Whereas, The sharp declines in poverty estimated by the Urban Institute were roughly the same for children, adults 18-64, seniors, African-Americans, Hispanics, and other groups; and

Whereas, There is every reason to believe that poverty in Milwaukee would be reduced by well over 50%, for all age groups and all racial and ethnic groups, if the policy package was implemented; and

Whereas, The Urban Institute estimated the policy package, assuming that half of the unemployed poor went to work in transitional jobs, would have cost a net of \$3.3 billion per year in Wisconsin in 2008, if implemented as a series of federal programs; and

Whereas, The policy package is the only approach to greatly reducing poverty within the United States that has been confirmed to cut poverty by more than 50% by an independent research organization, using recent data and a trusted simulation model; and

Whereas, The City of Milwaukee, in order to attack the severe and ongoing economic calamity of poverty that inflicts enormous damage on a huge percentage of its population, and is the most serious problem that faces the entire Milwaukee community, needs to embrace a bold plan for greatly reducing poverty; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City urges introduction and passage of federal legislation to greatly reduce poverty by:

1. Offering transitional jobs, at the minimum wage for up to 40 hours of work per week, to adults who are unemployed or underemployed.
2. Increasing the minimum wage by at least \$1.50 per hour, and indexing it for inflation.
3. Ensuring that the Earned Income Tax Credit, in concert with the Child Tax Credit, provide much

larger earnings supplements to all workers regardless of marital status or number of children, and also provide parents or guardians of children with substantially larger earnings supplements that increase with the number of children, so that full-time work yields a combination of earnings (at the new minimum wage or higher) and earnings supplements that exceeds the poverty line.

4. Ensuring that seniors who retire by age 65 on Social Security, or have severe disabilities and receive disability benefits, have incomes above the poverty line.

; and, be it

Further Resolved, That the Department of Administration - Intergovernmental Relations Division is directed to actively seek enactment of this federal legislation, working closely with advocacy groups, and federal legislators and other federal officials who share the same goals; and, be it

Further Resolved, That the Department of Administration - Intergovernmental Relations Division shall also actively support the introduction and passage of state legislation for the reduction of poverty in the state, and City agencies shall develop and implement local initiatives, that demonstrate the impact of the 4 components of the policy package in reducing poverty, as a means of strengthening support for the introduction and passage of the necessary federal legislation; and, be it

Further Resolved, That the Department of Administration - Intergovernmental Relations Division shall encourage other local units of government within Milwaukee County and across the State of Wisconsin, as well as the Wisconsin League of Municipalities, the National League of Cities, and other state and national organizations that focus on the success of cities and their residents, to adopt similar resolutions; and, be it

Further Resolved, That the City Clerk shall send copies of this resolution to the President of the United States, all members of Wisconsin's Congressional delegation, the heads of all appropriate federal agencies, all members of the Wisconsin Legislature, the Governor of Wisconsin, the heads of appropriate state agencies, all members of the Milwaukee County Board of Supervisors and the Milwaukee County Executive, all members of the Milwaukee Public Schools Board of Directors, the Milwaukee Public Schools Superintendent, and the leadership of the Wisconsin League of Municipalities and the National League of Cities.

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