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☛ Details: Follow-up: Audit Report 05-6, An Evaluation: Wisconsin Works (W-2) Program,
Department of Workforce Development

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
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INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
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- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Department of Workforce Development
Workforce Solutions Division
Administrator's Office
P.O. Box 7972
Madison, WI 53707-7972
Telephone: (608) 266-0327
Fax: (608) 261-6376
Email: dwwdws@dwd.state.wi.us



State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary
Bill Clingan, Division Administrator

September 30, 2005

The Honorable Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, WI 53702

Dear Senator Roessler and Representative Jeskewitz:

I am pleased to get back to you on the progress the Department has made in responding to your recommendations on the Wisconsin Works (W-2) Program. A lot has transpired in W-2 since we last discussed this with the Committee. Since that time the Department has:

- Released and awarded W-2 contracts for next contract cycle. This effort has resulted in establishing a new provider structure for W-2 in Milwaukee with a specific provider focus on Case Management, Job Development & Placement and SSI/SSDI Advocacy. As a result we will have three different types of Agencies reflecting each focus. This approach has resulted in an increase from 3 contracts to 8 contracts in the Milwaukee area including 2 new Agencies providing Job Development & Placement functions. We anticipate that this new agency specialization will improve the program's ability to both provide safety-net support to individuals and secure gainful employment for our low income citizens. New performance incentive payment structures have been put in place to reinforce this focus as well as new performance standards to monitor Agency outcomes. This change has also been accompanied by the creation of a Preferred Provider Registry for the above agencies to contract with for selected services and renewed requirements that the W-2 and Child Welfare Agencies work in close cooperation with the best interest of the children.
- We have continued to see the benefits of a growing economy as we had 15,835 entered employments since January 2004 and seen our overall caseload decline due to this by 37%. The current caseload is the lowest it has been since August, 2001.
- We have taken the necessary steps to respond to the decision of OIC-GM Inc. to cease operations following our reduction in their number of regions from 3 to 1 and the results of the new Single Audit report required by DWD. All cases were successfully transferred to new W-2 agencies and the process begun to actively engage individuals in connecting to the workforce. We were able to make payments to the creditors of the agency and are now in the final steps of disposing of all remaining records.
- Most recently we have successfully responded to Katrina evacuees who have come to Wisconsin either on their own or through organized efforts. We have provided temporary directions to our W-2 agencies so they may serve individuals devastated by the impact of Katrina and beginning their lives anew.

Actions Taken

I have attached a matrix that details individual steps we have taken on each of the recommendations. We have made good progress on all of these efforts and in conjunction with our RFP related changes; I feel we are continuing to move the program in directions we mutually agree upon. You will note that some of these recommendations require ongoing monitoring and some will require information technology system changes or research studies for these to be completed. DWD has engaged in a variety of means to address each of the recommendations:

- 1) **Policy Directives:** We have reviewed current policy and where necessary we have issued new directives to the W-2 Agencies in the form of Administrative or Operations Memos.
- 2) **CARES Changes:** CARES is the information system used by the W-2 Agencies to manage the program. We have reviewed CARES instructions and programs to determine if they enacted policy in the manner desired or allowed necessary coding structure and have made systems changes to address the issue.
- 3) **Reporting Changes:** We have reviewed our CARES reports to make sure we are providing the information to the W-2 Agency and DWS staff to monitor Agency actions. Where we have found it necessary we have made improvements in our reports.
- 4) **Monitoring Focus:** We have reviewed our monitoring activities and redirected them where necessary to address the recommendations.
- 5) **Research & Analysis Focus:** We have engaged in three major research and evaluation studies to provide in-depth information to guide our decision making.
- 6) **Training Focus:** We have reviewed the training we provide W-2 Agency staff as to content and number of offerings. Where appropriate we have redirected our efforts to emphasize program policy to assure that all W-2 Agency staff understands what is expected of them. Because we believe staff training is essential to good outcomes, we have included training that was begun during the review by LAB that we feel will support good outcomes into the future.

Status of Recommendations

Of the ten recommendations in the report, we believe that our actions to date on page 68 "ensure W-2 agencies assign participants to appropriate types and hours of activities"; page 70 "ensure custodial parent of an infant placements end at the appropriate time" and page 74 & 81 "provide guidance to W-2 agencies on recording accurate and complete information..." are complete and that ongoing monitoring and W-2 agency staff training are warranted to assure that the intended results occur.

Recommendations on page 47 "increasing consistency among W-2 agencies in approving and denying extension decisions; page 78 "review of the barrier screening tool..." and page 96 "actions DWD plans to take in response to its study that found different racial groups are sanctioned at different rates" will require the completion of our research & analysis to determine any required actions. We anticipate that both the study on the "barrier screening tool" and "sanctions" will be completed this fall. The study on "extensions" requires a longer timeframe to gather sufficient data to draw meaningful conclusions and is scheduled for completion in late spring of 2006. In the interim, we have reinforced the desired outcomes in these areas through issuance of policy directives, monitoring and expanded training sessions for W-2 agency staff.

Two of the recommendations require further CARES information technology changes to be complete. Interim policy directives, worker training and reports have been issued to address the recommendation on page 71 "ensure that W-2 agencies pay the correct cash benefit amounts...". CARES changes scheduled for the spring of 2006 will simplify the process for making placements which will in turn eliminate the core cause of this finding. The recommendation on page 93 & 94 "require W-2 agencies to uniformly report information on fact-finding..." will require the review of reason codes defining decisions, the development of a new database to record these findings and W-2 staff training in their use. These changes are scheduled for implementation by the start of the new 2006-2009 W-2 contract period.

Additional analysis will be required to determine what actions to take on the final two recommendations. Our plan is to begin a review of the recommendations on page 73 "suggestions for modifying administrative rule provisions for job access loans" in January of 2006 with the intent to have recommendations ready by the spring. The final recommendation "Either instruct W-2 agencies to comply with statutory provisions ...or recommend statutory changes to eliminate or modify these provisions" will require us to engage in a more in depth review of our non-participation issues and W-2 strikes policy. Our plan is to issue new instructions by July 2006 followed by training for W-2 staff in August and September 2006. DWS will determine by March 2006 whether to issue new directions on drug sanctions and Learnfare or recommend statutory changes.

Summary

I would be more than pleased to discuss our progress with you at a future date and would be willing to provide you with further updates as we address your recommendations.

Sincerely,

Bill Clingan
Division Administrator



Attachments

cc: Roberta Gassman, Secretary, DWD
Senator Robert Cowles
Senator Scott Fitzgerald
Senator Mark Miller
Senator Julie Lassa

Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Travis
Representative David Cullen
Janice Mueller, Legislative Audit Bureau

DWD Report to the Joint Legislative Audit Committee
Table One – CMC Cases Over 84 Days
September 30, 2005

Year	CMC Cases Up to 84 Days	CMC Cases More than 84 Days	Total CMC Cases	Percent of CMC Cases Over 84 Days
1997¹	501	429	930	46.13%
1998	1,516	740	2,256	32.80%
1999	1,406	229	1,635	14.01%
2000	2,026	249	2,275	10.95%
2001	2,371	316	2,687	11.76%
2002	2,759	335	3,094	10.83%
2003	3,507	291	3,798	7.66%
2004	3,826	268	4,094	6.55%
2005²	2,146	56	2,202	2.54%
Total	20,058	2,913	22,971	12.68%

¹ Sept-Dec 1997

² Jan-Aug 2005

DWD Report to the Joint Legislative Audit Committee
LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
 September 30, 2005

LAB Recommendation	Actions Taken	Future Planned Actions
<p>1 Report to JLAC by 10/1/05 on progress in increasing consistency among W-2 agencies in approving and denying extension decisions. (LAB report, p. 47)</p>	<p>1. Division of Workforce Solutions (DWS) staff now review all extension denials to identify reasons for their non-extension. DWS also conducts the following reviews to ensure that inconsistencies do not exist in extension approvals and denials:</p> <ul style="list-style-type: none"> • Review Financial Employment Planners' (FEPs) case comments in CARES to assure that there is sufficient contact between W-2 agency FEPs and the participants. • Review to see if participants have had repeated sanctions. Sanctions are imposed when participants fail to comply with assigned activities. • Review participants Employment Plans (EP) to ensure that where sanctions are imposed that the sanctions are appropriate. (Ongoing.) <p>2. In the spring of 2004, DWS issued several Operations Memos regarding extensions. (Operations Memos 04-12; 04-13 and 04-20.) In May 2004, DWS published a self-directed online training exercise for local W-2 staff titled "W-2 Time Limit Extensions" to clarify DWS W-2 policy concerning extensions and denials. This training is now offered online on an ongoing basis. (May 2004)</p> <p>3. In June 2004, W-2 training for new workers was updated to reflect</p>	

DWD Report to the Joint Legislative Audit Committee
 LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
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LAB Recommendation	Actions Taken	Future Planned Actions
<p>2 Report to JLAC by 10/1/05 on actions DWD has taken to ensure W-2 agencies assign participants to appropriate types and hours of activities. (LAB report, p. 68)</p>	<p>Operations Memos 04-12, 04-13, and 04-20. These updates to new worker training included the clarifications on extension policy. (June 2004)</p> <ol style="list-style-type: none"> 1. In May 2005, DWS developed a number of new monitoring reports that identify individuals who are placed in a Community Service Job (CSJ) and are engaged in less than 20 hours of work experience. These reports show the total number of hours assigned, the activities assigned and the number of hours for each activity. The reports are generated weekly and are used by DWS regional office staff to monitor W-2 agencies. W-2 agency staff also have access to these reports to use for their own internal monitoring. (May 2005) 2. In August 2005, DWS updated the activity codes in the CARES Manual to include new activity codes and to provide clarification regarding which activity codes may be used for which programs and how they may be used within the W-2 program. (August 2005) 3. In January 2005, DWS updated available activity codes and issued guidance on assigning up-front workforce attachment activities through the issuance of Operations Memo 05-05. (January 2005) 4. In August 2005, the "W-2T Engagement Strategies" website was published to provide information on appropriate 	<ol style="list-style-type: none"> 1. Throughout 2005, The "W-2T Engagement Strategies" website will be updated to reflect resource material on appropriate employment planning, referral to supportive services, and alternative employment options for W-2T participants. (Ongoing.) 2. Administrator's Memo 05-09 requires that FEPs receive W-2 refresher training every three years. Refresher training activities will be offered on an annual basis. Training is monitored via DWS' Pathlore Learning Management System and local agencies are required to provide annual training reports to DWS. (Ongoing)

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	<p>employment planning, referral to supportive services, alternative employment options and assignment of types and hours of activities for FEPs who work with W-2T participants. (August 2005)</p> <p>5. In June 2005, DWS published a self-directed online training exercise for local W-2 staff titled "Up-front Workforce Attachment Services & Activities: CARES Processing Requirements" to clarify DWS W-2 policy concerning available activity codes and assigning up-front activities. This training exercise is available online on an ongoing basis. (June 2005)</p> <p>6. In June 2005, a one-day classroom training program was released that is designed to focus on appropriate program and service expectations for FEPs working with W-2T customers as well as strategies for assigning appropriate types and hours of activities to W-2T participants. "W-2T Engagement Strategies" was offered to more than 200 trainees in 9 sessions throughout the state. This training is now offered on an ongoing basis. (June 2005)</p> <p>7. Between July 2004 and June 2005, eight sessions of a one-day classroom training program on "Case Management Interventions for W-2 Staff" were offered to 190 trainees. The course provides strategies to assist W-2 case</p>	

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LAB Recommendation	Actions Taken	Future Planned Actions
	<p>management staff with tools for effective decision-making and appropriate assignment of types and hours of participation activities. This training is now offered on an ongoing basis. (June 2005.)</p> <p>8. In March, 2005 a two-day classroom training program was released for W-2 staff that reviewed W-2 policy and CARES processes that occur from initial placement determination to case closure. "W-2 Refresher for FEPs" has been presented to 180 trainees in 9 sessions. As part of this course, the appropriate assignment of participants to types and hours of activities is covered. This training is now offered on an ongoing basis. (March 2005.)</p> <p>9. In October 2004, a one-day classroom training program for experienced W-2 line staff was released. "W-2 Case Management Strategies for Early Workforce Attachment" reviewed Administrator's Memo 04-20, and emphasized that the FEP assign appropriate activities and hours of participation to W-2 participants. Seven sessions of this program were presented to 340 trainees statewide. This training is now offered on an ongoing basis. (October 2004.)</p> <p>10. In September, 2004, a one-day classroom training program for W-2 supervisors was released. "W-2 Case Management Goals" reinforced</p>	

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LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
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LAB Recommendation	Actions Taken	Future Planned Actions
<p>3 Report to JLAC by 10/1/05 on how DWD plans to ensure custodial parent of infant placements end at the appropriate time. (LAB report, p. 70)</p>	<p>Administrator's Memo 04-20 regarding the utilization of appropriate participation types and hours. The course was presented 12 times throughout the state to 136 supervisors. This training is now offered on an ongoing basis. (September 2004.)</p> <p>1. DWS issued policy guidance to W-2 agencies reminding their staff on how to appropriately end a custodial parent of an infant (CMC) placement through Operations Memo 05-05 on January 6, 2005. (January 2005)</p> <p>2. DWS made a CARES change to alert workers one week earlier to when a CMC case is going to end. No additional changes to CARES are planned. Changing the alert has significantly reduced the number of CMC cases that go beyond 84 days. See Table One for updated information on the number of CMC cases that go beyond 84 days. Since the alert in CARES was changed, less than three percent of CMC cases go beyond 84 days. (January 2005)</p> <p>3. In March, 2005, DWS published a self-directed online training exercise for W-2 agency staff in support of Operations Memo 05-02. (See Number 1.) The training activity highlighted ending a CMC placement at the appropriate time. This training is now offered online on an ongoing basis. (March 2005)</p>	<p>1. DWS will continue to monitor the appropriate closing of CMC cases at 84 days. (Ongoing.)</p>

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LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
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LAB Recommendation	Actions Taken	Future Planned Actions
4	<p>Report to JLAC by 10/1/05 on DWD's suggestions for modifying administrative rule provisions for job access loans. (LAB report, p. 73)</p>	<p>1. DWS will propose Administrative Rule changes by January 2006.</p>
5	<p>Report to JLAC by 10/1/05 on the results of DWD's review of the barrier screening tool (BST) and on DWD's plans to ensure participants' barriers are appropriately assessed. (LAB report, p. 78)</p>	<p>1. Final review and release of the "Evaluation of W-2 Screening and Assessment Process" report. (November 2005)</p> <p>2. DWS will monitor completion of the training classes listed under "Actions Taken" to insure that W-2 agencies are properly utilizing the available training. (Ongoing.)</p> <p>3. In October, 2005 "Introduction to the Americans with Disabilities Act (ADA)" computer-based training (CBT) program will be published and made available to all W-2 workers. The program is intended to familiarize W-2 agency staff with the requirements of the ADA and how it affects interactions with W-2 customers. This course will be required training. Training completion will be monitored via DWS' Pathlore Learning Management System. (October 2005)</p>

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LAB Recommendation	Actions Taken	Future Planned Actions
	<ol style="list-style-type: none"> 3. In August 2005, updates were made to W-2 new worker training to reflect the barrier screen enhancements. (August 2005) 4. In March 2005, a two-day classroom training on "W-2 Refresher for FEPs" was released. The course reviews the assessment process and appropriate W-2 placement of participants and has been completed by 183 local W-2 agency staff in 9 sessions. This training is now offered on an ongoing basis. (March 2005) 5. In April 2005, DWS published an online training exercise in support of Operations Memo 04-62, "Enhancements to the Barrier Detail Screen." This training is now offered online on an ongoing basis. (April 2005) 6. Between July 2004 and June 2005, eight sessions of a one-day classroom training on "Case Management Interventions for W-2 Staff" were provided to local W-2 agency staff. The course stresses sound assessment and access to resources as being critical to effective case management. Approximately 190 staff attended this program. This training is now offered on an ongoing basis. (June 2005) 	

DWD Report to the Joint Legislative Audit Committee
LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
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LAB Recommendation	Actions Taken	Future Planned Actions
<p>6 Report to JLAB by 10/1/05 on the actions DWD plans to take in response to its study that found different racial groups are sanctioned at different rates. (LAB report, p. 96)</p>	<ol style="list-style-type: none"> 1. DWS has undertaken an update to the "Sanctions Study" it conducted in 2004. The completion and release of this report is anticipated for fall 2005. The results of this updated report will drive DWS' future actions in this area. (February 2005) 2. In August, 2005, W-2 new worker training was updated to place a stronger emphasis on diversity issues. This recommendation was included in the "Sanctions Study" (August 2005) 3. In April, 2005, DWS initiated delivery a one-day training program known as "Bridges Out of Poverty: Strategies for Professionals and Communities." The course provides information and skills for W-2 staff to help bridge the gap between the worlds of poverty and the middle class. The course has been offered 10 times to about 190 trainees across the state. This training is now offered on an ongoing basis. (April 2005) 4. In addition to the two training initiatives that are referenced above in Numbers 2 and 3, DWS has completed a work plan that addresses the top 19 recommendations from the "Sanctions Study" completed in 2004. Five of the 19 recommendations have been completed and work has begun on 6 others. (September 2005) 	<ol style="list-style-type: none"> 1. Final review and release of the updated Sanctions Study Report. (November 2005) 2. One-day classroom training, "Diversity: Making Cultural Connections through Self-Awareness," will be delivered throughout the state mid-2006. The course focuses on establishing a framework for understanding cultural diversity. (July 2006) 3. The work plan for the remaining priority items from the 2004 "Sanctions Study" will continue to be updated to reflect the release of relevant training courses, policy changes, best practice recommendations, monitoring activities and additional studies that are underway in DWS. (2006)

DWD Report to the Joint Legislative Audit Committee
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	LAB Recommendation	Actions Taken	Future Planned Actions
7	<p>Ensure that W-2 agencies pay the correct cash benefit amounts to participants. (LAB report, p.71)</p>	<ol style="list-style-type: none"> 1. Operations Memos 05-25, 05-27, and 05-32 established a two-worker W-2 auxiliary payment approval process with improved CARES tracking, plus monthly W-2 agency and DWS reviews of new W-2 auxiliary payment monitoring reports. (July 2005) 2. In March, 2005, DWS released a two-day classroom training on "W-2 Refresher for FEPs." This course provides a review of W-2 policy from intake to case closure, including how to ensure that all cases are receiving the correct payments. This course includes monitoring and how to process cases in CARES. Nine sessions have been offered to 183 W-2 agency staff. This training is now offered on an ongoing basis. (March 2005) 	<ol style="list-style-type: none"> 1. Changes to CARES are planned for spring 2006. These changes will simplify the process for changing a participant's placement in CARES, thus improving the accuracy of benefit issuance to participants. (May 2006) 2. Training in support of the above CARES changes will be provided to local W-2 agency staff in the most appropriate format (i.e., classroom or online). (August 2006)
8	<p>Provide guidance to W-2 agencies on recording accurate and complete information about participants' W-2 activities in the electronic case files. (LAB report, pp. 74 & 81)</p>	<ol style="list-style-type: none"> 1. In March, 2005, a two-day classroom training program for W-2 staff was provided that reviewed W-2 policy and CARES processes that occur from initial placement determination to case closure. "W-2 Refresher for FEPs" emphasizes recording accurate and complete information about W-2 participants in CARES. The course has been presented to 183 trainees in nine sessions. This training is now offered on an ongoing basis. (March 2005) 2. In January 2005, the CBT program, "High Error CARES Transactions," was published and made available to local 	<ol style="list-style-type: none"> 1. Administrator's Memo 05-09 which was released on June 13, 2005 requires that W-2 FEPs receive W-2 refresher training every three years. Refresher training activities are offered on an annual basis. Training is monitored via the Pathlore Learning Management System and local agencies are required to provide annual training reports to DWS. (Ongoing.) 2. DWS provides extensive training to new workers in the appropriate entry and maintenance of information in the CARES system. DWS monitors local agency use of the Division's new worker curriculum. (Ongoing.)

DWD Report to the Joint Legislative Audit Committee
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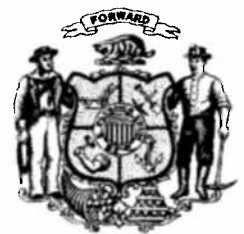
LAB Recommendation	Actions Taken	Future Planned Actions
<p>9</p> <p>Either instruct W-2 agencies to comply with statutory provisions relating to drug sanctions, Learnfare program sanctions, and W-2 strikes, or recommend statutory changes to eliminate or modify these provisions. (LAB report, p.90)</p>	<p>agencies. This online program consists of exercises that provide experience with CARES transactions that are error-prone (eligibility verification, payment reductions and case closings). This training is essentially the online version of the training identified in Number 1. This training is now offered online on an ongoing basis. (January 2005)</p> <p>3. In August 2004, DWS delivered classroom training to approximately 80 W-2 agency staff in Milwaukee who were identified as needing remedial training in processing CARES changes. "Critical CARES Processes for W-2" covered those screens and procedures in CARES that can be error-prone (eligibility verification, payment reductions and case closings). This training will be repeated on an ongoing basis. (August 2004)</p>	<p>1. DWS will determine whether to issue instructions to W-2 agencies or recommend statutory changes relating to drug sanctions and Learnfare program sanctions. (February 2006)</p> <p>2. DWS will issue new policy on strikes and other non-participation issues. (April 2006)</p> <p>3. DWS will develop and deliver training activities in support of the new policy on strikes and other non-participation. (June 2006)</p>
<p>1. DWS has reviewed W-2 policy on strikes and other non-participation issues and has begun drafting recommended changes to this language. (June 2005)</p> <p>2. DWS has reviewed W-2 policy on drug sanctions and Learnfare program sanctions and is evaluating whether to issue additional directions to W-2 agencies or to recommend statutory changes in these two areas. (August 2005)</p>	<p>1. DWS has reviewed W-2 policy on strikes and other non-participation issues and has begun drafting recommended changes to this language. (June 2005)</p> <p>2. DWS has reviewed W-2 policy on drug sanctions and Learnfare program sanctions and is evaluating whether to issue additional directions to W-2 agencies or to recommend statutory changes in these two areas. (August 2005)</p>	<p>1. DWS will determine whether to issue instructions to W-2 agencies or recommend statutory changes relating to drug sanctions and Learnfare program sanctions. (February 2006)</p> <p>2. DWS will issue new policy on strikes and other non-participation issues. (April 2006)</p> <p>3. DWS will develop and deliver training activities in support of the new policy on strikes and other non-participation. (June 2006)</p>

DWD Report to the Joint Legislative Audit Committee
 LAB Findings and DWD Action Taken in the Wisconsin Works (W-2) Audit
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LAB Recommendation	Actions Taken	Future Planned Actions
<p>10 Require W-2 agencies to uniformly report information on fact-finding hearings and comply with hearing decisions within ten days. (LAB report, pp. 93 & 94)</p>	<p>1. DWS is working with the DWD Bureau of Information Technology Systems (BITS) to create a new online fact-finding database that W-2 agencies will use to uniformly report their monthly fact-finding data to DWS. Work on this system began in September 2005. As part of this effort, DWS has narrowed the number of reasons for requesting a fact-finding in order to more precisely identify the reasons for fact-finding requests. (September 2005)</p>	<p>1. The new fact-finding database will be completed prior to the start of the 2006-2009 W-2 contract period. (December 2005)</p> <p>2. Before the rollout of the new fact-finding online database, DWS plans to pilot it with four W-2 agencies across the state. (December 2005)</p> <p>3. DWS will develop an Operations Memo which will address the changes made to the new online fact-finding database. (December 2005)</p> <p>4. DWS will require regional office staff to review each W-2 agency's fact-finding entries on a monthly basis and require that W-2 agencies comply with hearing decisions within ten days. (January 2006)</p>



WISCONSIN STATE LEGISLATURE



Matthews, Pam

From: Guarasci, Patrick - Office of Governor Jim Doyle
Sent: Thursday, October 06, 2005 3:00 PM
Subject: DWD Federal Performance Bonus Funds

Please see the release below for more information on the following DWD announcement. Please give me a call if you have any questions. The release will be issued to the press before close of business today.

Contact: Rose Lynch, 608-266-6753

Wisconsin Announces Receipt of \$6.4 Million in Federal Performance Bonus Funds for "Welfare to Work" Program

Department of Workforce Development (DWD) Receives Bonus for Achievements in Helping Low Income Working Families

Madison - Governor Jim Doyle and Department of Workforce Development (DWD) Secretary Roberta Gassman today announced the receipt of \$6,415,765 in federal dollars for demonstrated performance in the Temporary Assistance to Needy Families (TANF) program.

"Wisconsin has always been a leader in employment programs. And we are pleased that Wisconsin has been recognized with this bonus so that we can continue to provide employment services and other resources to Wisconsin's low-income families," said Governor Doyle. "Finding a job is the first step out of poverty and with these resources more families will be able to achieve this dream."

The welfare reform legislation of 1996 authorized funding for annual performance achievement bonuses within the TANF program, called the High Performance Bonus. States can choose to compete in any or all of the performance bonus categories, but must supply data to federal Department of Health and Human Services (HHS) in order to be considered for the award.

High Performance Bonuses are awarded for employment achievement among TANF recipient adults -- including job entry, job retention and increased earnings. Bonuses also were awarded for program achievements in helping low-income working families take advantage of available Food Stamps and Medicaid and State Children's Health Insurance Program coverage; in providing child care; and in increasing the proportion of children living in married couple families. Most of these awards are made for relative performance in the given year and for greatest improvement from the previous year.

Award amounts for each state depend upon the size of each state's TANF block grant. Under the law, states are limited to receiving bonuses in a given year of no more than five percent of their annual TANF block grant.

In addition to administering the state's W-2 program, DWD provides training and employment assistance to people looking for work; works with employers to fill job openings; helps the disabled secure employment; links youth with jobs; protects and enforces worker's rights; administers Wisconsin's apprenticeship program; pays Unemployment Insurance claims; and, administers Workers Compensation.

Said Secretary Gassman, "We are especially pleased to receive this funding. This is a great opportunity to increase our capacity to meet the needs of Wisconsin's families, and get children off on the right foot."

Patrick Guarasci
Legislative Liaison
Office of Governor Jim Doyle
(608) 261-6788

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WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

November 2, 2005

Ms. Roberta Gassman, Secretary
Department of Workforce Development
201 East Washington Avenue, Room A400
Madison, Wisconsin 53707

Dear Secretary Gassman:

On September 30, the Department of Workforce Development submitted a written report to the Joint Legislative Audit Committee summarizing its progress in implementing recommendations presented in the Legislative Audit Bureau's evaluation of the Wisconsin Works (W-2) program (report 05-6). We write to thank you for this report and to establish dates for additional follow-up reports to the members of the Committee.

The Department's report notes that while 3 of the 10 recommendations are "complete," departmental action on the remaining 7 requires further research, analyses, or changes to information technology systems. The Department anticipates that these actions will be accomplished at various points over the next several months. Therefore, by January 31, 2006, we ask that you submit a written report detailing the outcomes and findings of your studies of the barrier screening tool and sanctioning practices. In addition, by June 1, 2006, we ask that you submit a written report that:

- describes the outcomes of the Department's efforts to increase consistency among W-2 agencies in whether to approve or deny requests for extension of services;
- presents the Department's suggestions for modifying administrative rule provisions for job access loans;
- provides an update on the Department's efforts to instruct W-2 agencies to comply with statutory provisions related to drug sanctions, Learnfare program sanctions, and W-2 strikes or to recommend statutory changes to eliminate or modify these provisions;
- summarizes the status of anticipated information technology system changes to CARES that will ensure that W-2 agencies consistently pay the correct cash benefit amounts; and
- details the Department's efforts to ensure W-2 agencies uniformly report information on fact-finding hearings and comply with hearing decisions within 10 days.

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624

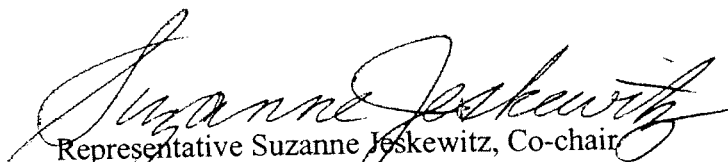
We appreciate the attention the Department has given to implementing the recommendations presented by the Legislative Audit Bureau. We believe these additional follow-up reports will provide needed assurance that all remaining recommendations have been fully implemented.

Thank you for your cooperation. We look forward to receiving your reports in January 2006 and June 2006.

Sincerely,



Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee



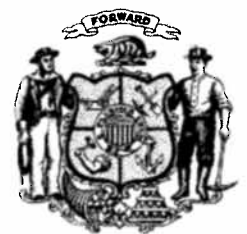
Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

cc: Mr. Bill Clingan, Administrator
Division of Workforce Solutions
Department of Workforce Development

Ms. Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE



FORWARD

Alberta Darling

Wisconsin State Senator

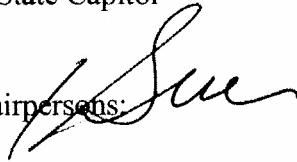
Joint Committee on Finance

January 27, 2006

Honorable Senator Carol Roessler
Co-Chair, Joint Audit Committee
8 South, State Capitol

Honorable Representative Suzanne Jeskewitz
Co-Chair, Joint Audit Committee
314 North, State Capitol

Dear Chairpersons:



Thank you for our recent conversations regarding the W-2 program. As you know, I have had longstanding concerns related to accountability and oversight of the W-2 contracts. In order to ensure these W-2 funds are accountable to the citizens they serve, as well as the taxpayers who fund them, I believe strong and continued state oversight is crucial.

I am following up on our conversations with a formal request for an additional hearing to the one you conducted in April 2005. Given DWD's past performance in contract oversight, I am especially concerned about its ability to monitor the larger number of contractors created under the recently announced W-2 changes. Specifically, the hearing should address concerns related to:

- the appropriateness of the RFP process;
- the criteria used in selecting W-2 contractors;
- the adequacy of W-2 agency performance standards; and
- strategies to improve accountability and contract oversight.

I appreciate all the work you have already done on these matters, but I believe it is important for Secretary Gassman to respond to these important concerns. I would appreciate this addressed as promptly as possible.

Sincerely,



ALBERTA DARLING
State Senator

Capitol Office: P.O. Box 7882 • Madison, Wisconsin 53707-7882 • Phone: 608-266-5830 • Fax: 608-267-0588 • Toll-free: 1-800-863-1113

District Office: N88 W16621 Appleton Avenue • Menomonee Falls, Wisconsin 53051

Email: Sen.Darling@legis.state.wi.us • **Web page:** www.legis.state.wi.us/senate/sen08/news/



Department of Workforce Development
Secretary's Office
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-3131
Fax: (608) 266-1784
Email: dwdsec@dwd.state.wi.us



State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary

January 31, 2006

The Honorable Carol A. Roessler
Joint Legislative Audit Committee
State Capitol
8 South
Madison, WI 53702

Representative Suzanne Jeskewitz
Joint Legislative Audit Committee
State Capitol
314 North
Madison, WI 53702

Dear Senator  Roessler and Representative  Jeskewitz:

I am writing to submit the written reports you requested in your November 2, 2005 letter regarding the outcomes and findings of the Department of Workforce Development's (DWD) studies of sanctioning practices and use of the barrier screening tool in the Wisconsin Works (W-2) program. These written reports are being submitted in conjunction with the Department's progress in implementing recommendations presented in the Legislative Audit Bureau's evaluation of the W-2 program (Report 05-6) that was released in April 2005.

Before discussing the two studies the Department has completed, I would like to bring you up to date on the status of the W-2 Contracts for the 2006-2009 period. Contracts for all areas of the state were in place prior to January 1, 2006, and ongoing services are being provided to all applicants and participants. The new W-2 Contracts have been strengthened by the addition of the following:

- W-2 agencies whose Community Service Jobs (CSJ) caseload reaches 50 or more participants for three consecutive months must earn 20 percent of their funding by achieving specific program placement outcomes;
- New language has been added to strengthen the Department's oversight of W-2 agencies financial and administrative operations, including special auditing, financial diagnostic reviews, and reviews by an independent fiscal agent;
- Private W-2 Contract agencies must demonstrate adequate Board oversight and independence to operate the W-2 program; private W-2 Contract agencies must have Board members who are trained in management responsibilities including financial statements and operations, accounting and auditing compliance, code of conduct, conflict of interest and monitoring of internal controls;
- Financial records must be maintained in accordance with Generally Accepted Accounting Principles (GAAP);
- DWD will utilize testers, on a random and anonymous basis, as a part of its program to monitor the compliance of the W-2 Contract agency with its duties under the Contract, including but not limited to initial requests for assistance, assessments, program and civil rights compliance; and,
- Contract language regarding penalty amounts for failure of W-2 agencies to fully comply with all contract requirements has been strengthened.

These and other Contract changes will enhance the Department's ability to closely monitor Contract compliance and improve the overall quality of the W-2 program.

The Department committed significant resources over this last six month timeframe to updating the original *Wisconsin Works (W-2) Sanctions Study* that was released in 2004. The new report, titled *The Impact of Race on W-2 Sanctions from 2000 to 2004*, includes an additional year's worth of data from 2004 to update the data and analysis that had been conducted on the 2000-2003 data.

Sanctions are a tool used by W-2 agencies to encourage participants to fully engage in activities to get connected to work as effectively and quickly as possible. Sanctions are generally issued when a participant fails to appear for training, work and/or comply with job search requirements. Participants are not sanctioned when they show "good cause" for an absence. Significant findings from DWD's most recent sanctions study include:

- Sanction disparities between blacks and whites have decreased significantly during the 2000-2004 time period;
- The updated study and review by DWD on the administration of sanctions by local W-2 agencies in Milwaukee has established that sanctions are equitably assigned to blacks and whites;
- Statewide, the study revealed that black W-2 participants in Community Service Jobs (CSJs) were actually sanctioned, on average, \$2 less than white participants in 2004. This compares to an average sanction of \$39 more for blacks than whites in 2000; and,
- In Milwaukee County, black participants in CSJs were sanctioned \$13 less than whites, compared to \$38 more for blacks than whites in 2000.

DWD attributes these improvements to the Department's renewed emphasis on operating the best and fairest program possible. As a result of the original 2004 study, DWD took stringent actions to reduce racial disparities, including:

- Meeting with all agencies that appeared to be sanctioning at higher than expected rates;
- Reviewing all sanctions policies and modifying those policies where needed;
- Monitoring all agencies to ensure sanctions are properly applied; and,
- Implementing a barrier screen tool to make more appropriate and consistent placement decisions.

Other significant findings from the study are:

- Hispanics did not experience disparate treatment in sanctioning. In 2000, Hispanics were sanctioned \$17.00 less than whites, and in 2004, Hispanics were sanctioned, on average, \$9 less than whites;
- On average, Hispanics also receive fewer sanctions than whites; and,
- In the balance of state (BOS), the sanction rates for black CSJ participants have remained higher than those for whites. However, drawing a general conclusion is not possible due to the small caseload sizes in most BOS agencies and the even smaller number of black participants in those agencies.

A copy *The Impact of Race on W-2 Sanctions from 2000 to 2004* can be found on our website at <http://dwd.wisconsin.gov/dws/w2/default.htm>. Please direct any questions regarding the report to Sandy Breitborde, Bureau Director for Workforce Information, at 266-8212.

Also, the Department will be releasing its *Barrier Screening and Assessment Evaluation*. This study examines the effectiveness of the Barrier Screening Tool (BST) and assessment process in addressing the employment barriers of participants in the W-2 program. The purpose of the BST is to provide Financial and Employment Planners (FEPs) with information that will enable them to develop suitable, individualized Employability Plans (EPs) for W-2 participants. During an onsite visit in 2005, an attorney from the United States Office of Civil Rights indicated that the BST developed by Wisconsin was one of the best he had seen in the country. The BST was implemented by the Department in May 2003. Since that time, several other states have contacted Wisconsin to obtain copies of our BST and at least two states have adopted it for their own use.

The BST and the procedures for its use are new and innovative and had not been evaluated prior to this study. The *Barrier Screening and Assessment Evaluation* examines how the barrier screening tool

and assessment procedures have been implemented by W-2 agencies, and the impact of the screening and assessment process on case planning for W-2 participants. It addresses the following three issues:

- Consistency in the use of the BST;
- Follow-through on potential barriers identified by the BST; and
- Impact of the BST on case planning.

The key findings of the study can be summarized in three areas: completion rates; screening and assessment; and case outcomes.

Completion Rates

- About half (49 percent) of CSJ and W-2 Transition (W-2T) participants completed the Barrier Screening Tool. Those in W-2T placements were more likely than those in CSJ placements to complete the BST (53% vs. 44% statewide).
- There was considerable variation in the BST completion rate by W-2 agency.
- There was considerable variation in the BST completion rates of FEPs within agencies.
- The longer a participant had been in the W-2 program, the more likely they were to have completed the BST.
- In the balance of state, black participants were less likely to complete screenings than white participants. The differences between Hispanics and whites in the balance of state were less pronounced. There were no statistically significant racial differences in Milwaukee County.
- The most frequently cited reason for participants declining a screening was that they "did not have time." The second most frequently cited reason for declining was that the participant did not feel that the BST would be useful. A smaller group of participants stated that they declined to be screened because of reasons related to the administration of the BST or the tool itself.

Screening and Assessment

- The most common types of potential employment barriers identified by the BST were "medical or physical barriers" and "trauma." In most cases, a potential barrier was identified in combination with other potential barriers.
- In those instances where the BST indicated that the participant needed a formal assessment, 56 percent of participants either had a formal assessment that met policy criteria or a valid reason for not completing an assessment.
- Participants with potential medical/physical or mental health barriers were most likely to have had a "good assessment." "Good assessments" were those where the participant either had a valid formal assessment for all potential barriers or a valid reason for not completing a formal assessment.

Case Outcomes

- In those instances where action was required on the part of the agency:
 - 47 percent of the participants had a required formal assessment with recommendations that addressed all potential barriers in their employability plan, or the agency had a valid reason for not completing the assessment; and,
 - 53 percent of the participants either lacked a required formal assessment or a recommendation from the assessment was not found in the participant's employability plan.
- Participants who completed the BST were more likely than those who declined to be assigned to activities related to assessments, counseling and rehabilitation.

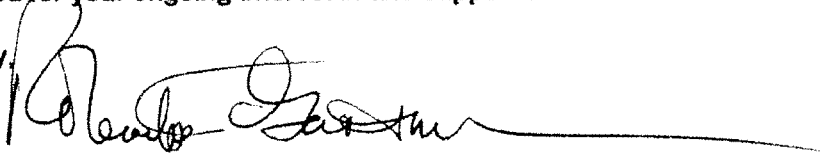
The Department intends to use the findings of this study to inform the following actions:

- Develop strategies on how to improve agency completion rates, including identifying best practices in W-2 agencies with high completion rates and promoting this information with other agencies;
- Develop additional policies and procedures for all W-2 agencies where appropriate;
- Review all required training for W-2 agency staff, especially for front-line supervisors and leads, and develop additional core curriculum requirements where necessary;
- Review completion rates among FEPs in W-2 agencies and develop strategies to improve the consistent application of the BST; and,
- Enhance ongoing monitoring efforts of the administration of the barrier screening tool and assessments in W-2 agencies throughout the 2006-2009 contract period.

For copies of the *Barrier Screening and Assessment Evaluation* or any questions, please contact Sandy Breitborde, Bureau Director for Workforce Information, at 266-8212.

As you requested in your November 2, 2005 letter, I will be sending you the Department's next report on our progress in implementing the recommendations of the Legislative Audit Bureau on June 1, 2006. Thank you for your ongoing interest in and support of the Wisconsin Works program.

Sincerely,



Roberta Gassman
Secretary

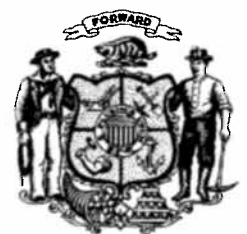
Enclosures

cc: Bill Clingan, Division Administrator
Senator Robert Cowles
Senator Scott Fitzgerald
Senator Mark Miller
Senator Julie Lassa
Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Travis
Representative David Cullen
Janice Mueller, Legislative Audit Bureau

Best to you &
many thanks
for your
ongoing
interest &
leadership.



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

February 23, 2006

Ms. Roberta Gassman, Secretary
Department of Workforce Development
201 East Washington Avenue, Room A400
Madison, Wisconsin 53703

Dear Ms. Gassman:

Thank you for your letter, dated January 31, 2006, which responds to our request for a report regarding the outcomes and findings of the Department of Workforce Development's (DWD) studies of sanctioning practices and the use of the barrier screening tool in the Wisconsin Works (W-2) program. We also appreciated your brief summary of the status of W-2 contracts for the 2006-2009 period, which was also included in your letter.

Driven by our ongoing concerns about oversight and monitoring in the W-2 program, the 2006-2009 contracts, and our overall commitment to audit follow-up, it is our intention to hold a public hearing to explore our concerns with you. The Joint Legislative Audit Committee will hold a hearing on audit follow-up related to the Legislative Audit Bureau's evaluation of the *Wisconsin Works (W-2) Program* (report 05-6), on Tuesday, March 14, 2006, at 10:00 a.m. in the Cooley Auditorium at Milwaukee Area Technical College at 700 West State Street in Milwaukee.

Please contact Ms. Pamela Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm your participation in the hearing. Thank you for your cooperation and we look forward to hearing from you on March 14th.

Sincerely,

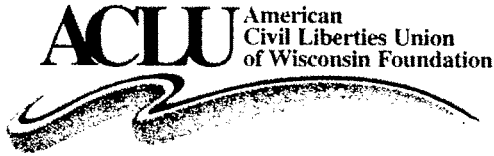
Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor





March 10, 2006

Bill Clingan, DWS Administrator
Dept. of Workforce Development
201 E. Washington Ave.
Milwaukee WI 53703

RE: *Race-Sanctions Study & W-2*

Dear Mr. Clingan:

I am writing to follow up on the February 21 letter you sent me regarding the Department's training on race and disability issues. As you know, these trainings were among the 19 consensus recommendations issued by the Sanctions Study group - including W-2 agency staff, advocates, and DWD staff - in December 2004. While your position is that current training is adequate, the explicit language of the recommendations indicates that the Department is not in compliance.

Given that these recommendations were made more than one year ago, and given the Department's repeated promises to implement them, we are disappointed in the continued delays Department's continuing failure to fully and adequately implement the recommendations. Our concerns were increased by the fact that the most recent analysis found that racial disparities in sanctioning *increased* outside of Milwaukee in 2004.

I am also taking this opportunity to address our concerns regarding the lack of adequate implementation of other sanctions study group consensus recommendations.

A. Training Recommendations

1. *Provide training to case managers and supervisory staff to increase awareness of diversity issues. Identify, analyze and share the results of research from other states that examine the impact of case managers' decision making on sanctioning, with the goal of reducing differential impacts.*

In your letter, you stated that "new employees and managers are informed of the "agency equal employment opportunity, civil rights and Limited English Proficiency policies." My understanding of the content of these trainings, and the way in which implementation is occurring, indicates they do not fully follow this recommendation.

Milwaukee Office
207 E. Buffalo St., Suite 325
Milwaukee, WI 53202-5774
(414) 272-4032 • FAX (414) 272-0182
e-mail: Liberty@aclu-wi.org
<http://www.aclu-wi.org>



Madison Office
122 State St., Suite 507
Madison, WI 53703
(608) 346-2200 • FAX (608) 255-2688
e-mail: Liberty@aclu-wi.org
<http://www.aclu-wi.org>

- a. The "Bridges to Poverty" training - which DWD has said it is using to comply with this recommendation - focuses only incidentally on race. The training does not mention Title VI of the Civil Rights Act, nor does it provide guidance for W-2 staff on how to apply diversity issues to actual W-2 practice.
 - b. The Department's "Civil Rights Compliance in Service Delivery" training is the Department's only training based on actual examples of how Title VI interacts with W-2 practice, and, as your own letter states, this training is NOT being provided to FEPs, supervisors, or other line staff who routinely have client contact.
 - c. Neither the "Bridges to Poverty" training nor any other Department training mentions, identifies or discusses the results of research from other states showing that case managers' discretionary decisions are often implemented in racially biased manners.
 - d. The Department has yet to make diversity training mandatory for all current staff who deal with W-2 applicants and participants. As I stated in a 7/1/05 email to you, Administrator's Memo 05-09 (6/13/05), p. 6, which sets out training requirements, mentions diversity training as one of many training options, and then only for experienced workers.
2. *Develop policy and staff training to emphasize the need for accommodations for participants with health conditions (or children with disabilities) that preclude full-time participation. Those accommodations can include but are not limited to reducing required participation hours.*

The Department has not fully complied with this recommendation, and some of the Department's actions and policies in fact have worsened the circumstances of disabled persons:

- a. It is unclear that all staff who deal with W-2 applicants and participants have undergone disability training. The 6/13/05 Administrator's Memo mentioned "special needs" training only as one of many training options, and then only for experienced workers. Your letter indicates that the computer-based ADA training will be mandatory during the current contract period, but it is unclear at what point in the 3-year contract resource specialists, case managers and supervisors will undergo training; how the Department intends to monitor training compliance; and how the Department intends to ensure that the contents of the ADA training are implemented in practice. This is a particular concern because many W-2 applicants and participants are disabled, and, as indicated below, there are significant aspects of DWD policy that contradict the ADA training.

- b. The U.S. Department of Health & Human Services Office for Civil Rights "*Policy Guidance: Prohibition on Discrimination on the Basis of Disability in the Administration of TANF*" explicitly requires that: "At a minimum, **intake workers should** be able to recognize potential disabilities, and to **conduct an initial screening to identify possible disability** for those individuals who agree to undergo screening. Such screening should be conducted only by trained staff, using screening tools that have been properly validated." The new ADA training makes this clear. Although this federal regulatory guidance was issued in early 2001, DWD has continually and steadfastly refused to require W-2 agencies to conduct validated disability screening **at intake (i.e., at the time of application)**. At the same time, since 2004 the Department has drastically expanded its policy and practice that agencies put new applicants in "up front job search." Because there is no prior screening, applicants with undiagnosed disabilities (e.g., learning, cognitive, or mental health impairments) and/or applicants who have been unable on their own to obtain formal written assessment of their disabilities, are routinely often forced into an up-front job search with which they are unable to comply - and then completely drop out of the system.
- c. The Department has not implemented any **policy** changes "to emphasize the need for accommodations for participants with health conditions (or children with disabilities) that preclude full-time participation," as stated in the recommendation.
- d. The Department has not issued any **policy** changes to emphasize that full time participation (in *any* tier, including CSJ) cannot be mandated for an individual with a disability that precludes "full engagement."
3. *Evaluate W-2 training curriculum to determine how discretionary aspects of W-2 policy are trained. Determine if training outcomes are consistent with stated law, administrative rule and policy. Focus training to ensure that FEPs and supervisory staff understand policy and appropriately use guidelines when exercising discretion.*

The Department says that a W-2 Refresher for FEPs has been or is being offered. However, it does not appear that the initial or refresher training address the core concerns identified in the sanctions study, including the very broad discretion used in determining an appropriate tier placement - which continues to result in persons of color being much more likely than whites to be placed in the more-frequently-sanctioned CSJ tier. Neither does training address racial bias in adverse actions such as sanctions, strikes and case closures, or develop consistent ways to limit the exercise of discretion so as to avoid disparate impacts on persons of color and disabled persons.

B. Policy/Statute Recommendations:

1. *Provide more guidance through policy in the area of granting "good cause." Guidelines should include reasons similar to those specified in Learnfare. The "good cause" process should be made accessible to people with a variety of barriers, and specify documentation for "good cause" and time frame. Agency practice must comply with state policy guidelines.*

An Operations Memo on this issue was issued on 12/21/05 but its contents have not been included in the W-2 manual (despite the fact that other manual revisions were made on 2/15/06). It is also unclear whether any training and monitoring of implementation of these changes has occurred to ensure that agency practice complies with the revised policy.

2. *Emphasize through policy that assessment, including formal assessment, is an ongoing process and not a one-time event. Establish a trigger that requires that additional assessments and intensive case management would be offered to participants who receive severe or repeated sanctions, or to establish if they are employed full-time.*

The recommendation was to: **1) emphasize through policy** the need for ongoing assessment; **2) set a trigger to** **3) require** additional assessments and **4) require** intensive case management for **5) participants** who receive severe **or** repeated sanctions (or to establish if they are employed full time). Since these recommendations were made in December 2004, there has been no **policy** change issued to implement it.

3. *Restore the fair hearing process. (This would require a statutory change.)*

This recommendation was made based on the determination that there are inconsistent outcomes among W-2 agency fact finders. Please advise whether any effort has been made to implement this recommendation (such as proposing the change in budget bills, working to introduce legislation on this point, etc.). My understanding is that this has not occurred.

4. *Establish a definition of what activities can be sanctioned. Only work activities should be sanctionable. Activities related to health needs would not be sanctionable. Train staff to assist customers on compliance.*

DWD is explicitly refusing to implement this recommendation, which means continuing sanctions even for disabled persons, and even for non-compliance with health-related activities.

C. Practice/Implementation Recommendations:

It does not appear that any of the following three recommendations have been implemented. Note that these require action from DWD to ensure consistent practice and elimination of racial and disability-related bias statewide, not just individual agency action to ensure uniformity within the agency.

1. *Identify best practices that reduce inappropriate sanctioning to be implemented with agencies statewide. Determine if there are case management strategies or practices that lead to inappropriate sanctions.*
2. *Develop an action plan of ways to improve case management, including targeted training, policy clarification and system and reporting tools that can help FEPs.*
3. *Hold periodic roundtables for FEPs and supervisory staff to review case scenarios and discuss as a group where the individual should be placed in W-2, with the goal of increasing uniformity in decision-making statewide.*

D. Monitoring Recommendations:

1. *Monitor adverse actions by race and require agencies with a high level of disparities to provide explanations.*

It does not appear this recommendation is being implemented. Information provided by DWD states that the Department's response to this recommendation is to conduct "targeted case review of sanctioned cases." That is NOT what this recommendation states or requires. Rather, this recommendation was explicit on the need for monitoring of racial equity issues, and was to require across-the-board data from agencies to show the rates of "adverse actions" by race, including terminations, denial of services, extension denials, and strikes, as well as sanctions. Moreover, the department is not requiring agencies with racial disparities to explain the basis for such disparities.

2. *Continue to monitor "significant sanction" cases through the DWS BW-2 Regional Offices to assure appropriate outcomes for all participants.*

The information DWD provided says that DWD will continue to monitor significant sanction cases. Please provide the current definition of "significant sanction," please state whether *all* regional offices are monitoring *all* significant sanction cases, and please provide copies of any instructions or other materials prepared to guide them in this review.

3. *Increase BW-2 regional staff to ensure adequate case management monitoring can be continued.*

DWD states it lacks the budget authority to comply with this recommendation. Please advise what the staffing levels are for each regional office, and which W-2 agencies each office is responsible for, and what strategies offices (especially those outside Milwaukee, where there was an *increase* in racial disparities in 2004) are using to ensure adequate case management monitoring.

E. Analysis:

1. *Analyze why people of color are much more likely to be placed in CSJs than white participants.*

DWD has stated that a “study of assignments to W-2 placements will look at work qualifications, barriers, and FEP decisions.” There is no further detail provided on this study, nor is it clear whether, when or how the study will be conducted and whose input will be utilized. This issue is of particular concern because the Department’s January 2006 analysis confirms that most persons of color continue to be placed in CSJ (a tier in which sanction and extension denial rates are much higher than in W-2T), while most whites are placed in W-2T. The sanctions study committee or similar group should be consulted in implementing any such study.

2. *Conduct a comprehensive study of sanctions, strikes and other adverse actions by race in the 2006-2008 biennium.*

DWD states it is monitoring sanctions. This is distinct from conducting a comprehensive study by race of “other adverse actions” including, at a minimum, application denials, denial of placement in a *paid* W-2 position, extension denials and terminations/case closures for reasons other than full-time employment.

3. *Analyze the significant changes in racial disparities between 2001, 2002, and 2003 and seek to identify patterns or factors that may have contributed to the reduction or increase. This could be used to develop best practices that could be implemented in Wisconsin, as well as other states.*

It does not appear this recommendation is being implemented. Further, the most recent Department analysis shows a significant *increase* in racial disparity in sanctions outside Milwaukee in 2004.

4. *Examine the findings related to Native American participants, whose sanction rates are also much higher than white participants.*

DWD references a "Targeted Sanction Study" which, it says, "included a review of March 2004 data in the Madison region." Please provide me with a copy of this study, and please clarify how that relates to this recommendation.

5. *Approve the proposal to evaluate the W-2 screening and assessment process.*

Please advise when this report will be issued and whether any drafts of that report already exist, and whether and how the report will consider the effect of race on disability screening.

6. *Create and release a standardized, annual report of sanctions by race.*

- a. The January 2006 DWD report showed a significant **increase** in racial disparities - based on both the dollar value of sanctions and the discrepancy between black-white and Hispanic-white participants - outside Milwaukee in 2004.
- b. Due to the way in which this analysis was designed it **understates** the racial impact of Department and agency actions. In particular, many of the variables employed in the regression analysis already have a substantial disparate racial impact. For example, only about 13% of white Wisconsin women have not graduated from high school while 31% of black Wisconsin women have not graduated from high school. Similarly, whites are far more likely than blacks to have access to vehicles. Thus, these variables already have a disparate racial impact - yet the study excludes or minimizes the consideration of that impact. This is improper.

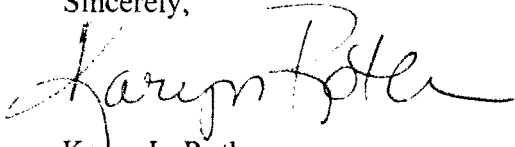
Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to . . . ***procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals*** because of their race, color, or national origin. ***Policies and practices that have such an effect must be eliminated*** unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

HHS, OCR - Civil Rights Laws and Welfare Reform Overview: Civil Rights Requirements - A. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.

("Title VI") (<http://www.hhs.gov/ocr/requirea.htm>)

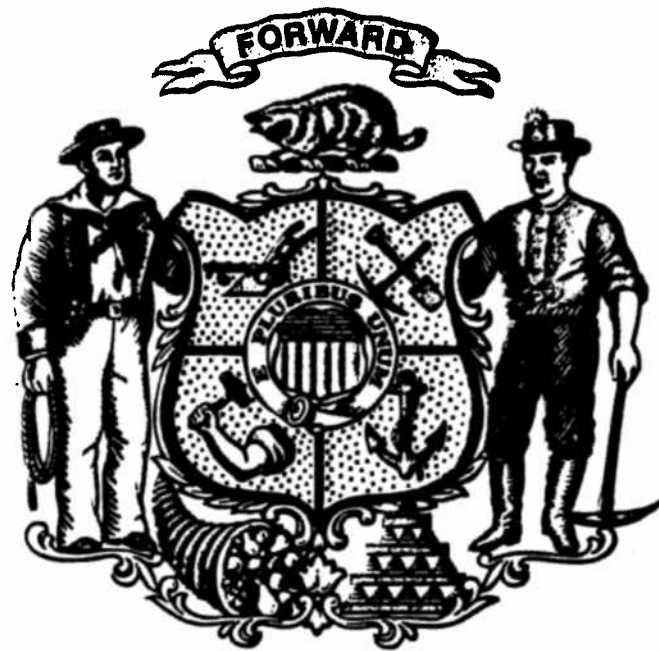
Given that these recommendations were issued more than a year ago, I request that you provide a timeline by which each and every recommendation will be fully implemented.

Sincerely,



Karyn L. Rotker
Poverty, Race & Civil Liberties Project Attorney

cc: Howard Bernstein, Legal Counsel
Roberta Gassman, DWD Secretary
Joint Audit Committee Members
Henry Hamilton & Rebecca Salawdeh, NAACP
Kurt Temple, HHS-OCR



Joint Legislative Audit Committee
Hearing Preparation Material
March 14, 2006

I. **An Evaluation: *Wisconsin Works (W-2) Program*** (report 05-6)

A. Background

The Legislative Audit Bureau released report 05-6 in April 2005. Since then, the Department of Workforce Development submitted follow-up reports to the Committee in October 2005 and January 2006. As per the co-chairs request in a letter dated November 2, 2005, the Department will provide one additional follow-up report on June 1, 2006.

B. LAB Recommendations to the Department of Workforce Development:

- Increase consistency among W-2 agencies in approving and denying extension decisions (page 47);
- Ensure W-2 agencies assign participants to appropriate types of hours and activities (page 68);
- Ensure custodial parent of infant placements end at the appropriate time (page 70);
- Modify administrative rule provisions for job access loans (page 73);
- Review the barrier screening tool and develop plans to ensure participants' barriers are appropriately assessed (page 78);

- Develop action plans in response to DWD's study that found different racial groups are sanctioned at different rates (page 96);
- Ensure W-2 agencies pay the correct cash benefit amounts to participants (page 71);
- Provide guidance to W-2 agencies on recording accurate and complete information about participants' W-2 activities in the electronic case files (pages 74 and 81);
- Either instruct W-2 agencies to comply with statutory provisions relating to drug sanctions, Learnfare program sanctions, and W-2 strikes or recommend statutory changes to eliminate or modify these provisions (page 90); and
- Require W-2 agencies to uniformly report information on fact-finding hearings and comply with hearing decisions within ten days (pages 93 and 94).

C. Potential Questions for the Department of Workforce Development on Contracts

1. W-2 agencies must now have board members who are trained in management responsibilities such as financial statements, auditing, and codes of conduct. How will this training be provided? How will you ensure compliance?
2. The contracts include new performance outcomes for those W-2 agencies with a certain caseload of participants in community service jobs. What are some other examples of ways the state has tied W-2 program funding to agency performance?

3. You indicate that the Department will implement random testing to assess W-2 agency compliance with contract provisions. How will this be done? Is the use of random testing a new approach for the Department or has it been used to assess compliance in the past?

II. **An Evaluation: *Milwaukee County Child Welfare* (reports 06-1 and 06-2)**

A. Background

The Legislative Audit Bureau released its audit report in February 2006. The Department of Health and Family Services submitted its first follow-up report on March 1st and will submit a second follow-up report in February 2007.

B. LAB Recommendations to the Department of Health and Family Services:

- Improve the timeliness of its investigations and the delivery of court-ordered services; reduce the time children spend in out-of-home care; ensure the adequacy of safety services; and improve service coordination with Medical Assistance, W-2, and other social service providers (report 06-1, page 82);
- Monitor families who return for additional safety services within 12 months, as well as those who have children placed in out-of-home care in the 12 months following receipt of safety services, and enforce contractual provisions if returning cases exceed prescribed rates (report 06-1, page 52);
- Ensure that all children in out-of-home care receive annual medical and dental examinations (report 06-1, page 66);
- Continue to work to improve the retention of child welfare staff (report 06-2, page 36);
- Appropriately calculate the Bureau's compliance with performance standards specified in the settlement agreement (report 06-1, pages 57, 59, 66);

- Collect and analyze information on services that contractors provide to families (report 06-2, page 18);
- Monitor and assess La Causa's financial condition (report 06-2, page 23);
- Require contractors to repay \$582,981 in unallowable costs and to either repay \$94,713 in questioned costs or provide additional documentation (report 06-2, page 27);
- Ensure that new staff complete pre-service training before managing cases (report 06-2, page 33).

LAB recommends that the departments of Justice, Public Instruction, and Workforce Development require Lutheran Social Services to reimburse them for any public funds spent on unallowable costs (report 06-2, page 25).

C. Potential Questions for Department of Health and Family Services

1. The Audit Bureau found that about one-third of investigations are not completed within the 60-day statutory limit. What is the Department doing to ensure that all investigations are completed within 60 days?
2. The Audit Bureau found that 27.4 percent of court-ordered services were not provided in a timely manner early in 2005. What has the Department done to ensure its contractors improve their performance?
3. The Audit Bureau found that 25 of 48 out-of-home care cases had problems with permanency planning, such

as insufficient coordination of services. What is the Department doing to improve permanency planning?

4. Has the Department changed how it monitors its contractors in order to ensure they are serving families effectively?
5. The average length of time that safety services are provided has steadily declined in recent years, even though contractors are paid for providing four months of services. What is the Department doing to ensure contractors do not close cases prematurely?
6. How many of the 14 mandatory performance standards did the Bureau meet during the last half of 2006? How does the Department plan to achieve the remaining standards?
7. Some of the problems that the Audit Bureau identified had previously been identified by the Bureau of Milwaukee Child Welfare through its own internal reviews. Does the Department plan to take steps to ensure that the results of these internal reviews are used to improve the program?
8. How is the Department working to reduce turnover among contract staff?



Joint Legislative Audit Committee
March 14, 2006

1. Attendance – clerk will call the roll

2. Opening Remarks:

“I would like to begin this morning by expressing our appreciation to Milwaukee Area Technical College for allowing us to make use of this space for our hearing today. It is unusual for this Committee to travel, but given the specific topics before us, my co-chair and I felt that it was only appropriate that we conduct this hearing in Milwaukee. It is also unusual for the Committee to be in front of video cameras. However, to provide access to the greatest number of persons, this hearing is being broadcast live over the Internet and an archive of today’s proceedings will be available on the Legislative Audit Bureau’s Web site. Since we are broadcasting live, Committee members will need to take care to be sure and speak into the microphones in front of them.

There are two items on our agenda this morning. First, the Committee will conduct a follow-up hearing on the Legislative Audit Bureau’s evaluation of the Wisconsin Works (W-2) program. During the W-2 portion of the hearing, we will accept testimony from invited speakers only. After concluding our

follow-up on W-2, we will then begin a public hearing on the Legislative Audit Bureau's evaluation of the Milwaukee County Child Welfare program. During this portion of the hearing, we will receive testimony from the public. Those wishing to testify are encouraged to fill out a hearing slip and return it to the page staff located on either side of the stage.

We are joined this morning by several Milwaukee-area legislators. We extend a welcome to: (identify those present by name). We are pleased to have you with us. Given the ambitious nature of our agenda today, and the number of persons whom we know wish to testify, I must ask my legislative colleagues from the Milwaukee area to be mindful that members of this Committee will be given the principal opportunity to ask questions of those testifying. In my role as chairperson, I will entertain questions from non-Committee members only if I feel adequate time is available. Thank you all for your cooperation this morning.

It is my intention that we will work through our agenda without recess. A box lunch will be available for Committee members at 11:30 in the room behind us. Out of respect for this facility, please note that absolutely no food or drink is allowed inside the Auditorium. Therefore, those of us on the Committee will

rotate out of the Auditorium during the noon hour and the hearing will be broadcast in that room.

Having described those logistics, let's begin. The first item is our follow-up hearing on W-2. We will hear first from the Legislative Audit Bureau, to be followed by staff from the Department of Workforce Development and Sen. Alberta Darling who requested this audit. Ann DeLeo of the W-2 monitoring task force will be our last speaker."

3. Follow-up: Audit Report 05-6, An Evaluation: Wisconsin Works (W-2) Program, Department of Workforce Development.

A. Background

The Legislative Audit Bureau released report 05-6 in April 2005. Since then, the Department of Workforce Development submitted follow-up reports to the Committee in October 2005 and January 2006. As per the co-chairs request in a letter dated November 2, 2005, the Department will provide one additional follow-up report on June 1, 2006.

B. Audit Bureau Staff – Jan Mueller & Paul Stuiber

C. DWD – Roberta Gassman, Secretary

D. Sen. Alberta Darling

E. W-2 Monitoring Task Force of the Milwaukee County Board of Supervisors – Anne De Leo

4. Audit Report 06-1 and Report 06-2, Milwaukee County Child Welfare, Department of Health and Family Services

A. Background

The Legislative Audit Bureau released its audit report in February 2006. The Department of Health and Family Services submitted its first follow-up report on March 1st and will submit a second follow-up report in February 2007.

B. Audit Bureau Staff – Jan Mueller & Paul Stuiber

C. DHFS - Helene Nelson, Secretary

- Burneatta Bridge, Administrator, Division of Children and Family Services
- Denise Revels Robinson, Director, Bureau of Milwaukee Child Welfare

D. Legislators in attendance

E. Andy Reitz - Child Welfare League of America (flying in from east coast)

F. Jess McDonald - consultant, former head of Illinois Child welfare (driving from Springfield, IL)

G. Lutheran Services Society (?)

H. Public

5. Adjourn