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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)

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Feds might go after OIC money

\$200,000 went to George TV station

By STEVE SCHULTZE sschultze@journalsentinel.com

Posted: April 22, 2005

A federal agency will investigate whether the government should try to recover \$200,000 in welfare reform money that the now-defunct Opportunities Industrialization Center of Greater Milwaukee claimed it spent on an investment, though a federal prosecutor said was an illegal kickback.

However, state welfare officials say they have no problem with the payment of Wisconsin Works (W-2) money to a Virgin Islands television station controlled by former state Sen. Gary R. George, who is now serving a prison term for his role in a kickback conspiracy.

At issue is \$200,000 in two payments made by an affiliate of OIC in 2000 and 2001. The OIC board approved the investment and shifting the sum from OIC's account to a sister firm called Opportunities Investments Associates.

Carl Gee, the former OIC president now also serving a prison term, told his board that the expenditure was an investment that could pay off down the road for OIC. However, OIC never got any stock certificates in the Atlantic Broadcasting Co., which was sold by George's family last September for about \$600,000.

Both Gee and the OIC affiliate were convicted in federal court for misuse of federal money in connection with the \$200,000 transaction, which prosecutors said was a kickback to George.

The money came initially from the federal government in the form of welfare block grants. The State of Wisconsin then used some of that money to pay OIC more than \$200 million from late 1997 through early 2005 under contracts it had to operate the W-2 program in Milwaukee County.

Andrew Bush, a top official with the U.S. Department of Health and Human Services, said in an interview his agency would review the use of the \$200,000 and determine whether any action should be taken to recoup the sum.

"We'll look to see if that money was spent consistent with the purposes of the TANF program," he said, referring to the state's Temporary Assistance to Needy Families block grant.

Federal officials also will review financial records to determine whether all or part of the \$200,000 came from sources other than the W-2 funds, said Bush, director of the federal Office of Family Assistance.

State W-2 officials continue to absolve OIC of impropriety in spending the \$200,000 on the TV investment.

Howard Bernstein, a lawyer with the state Department of Workforce Development, said there's no dispute about the original source of the money being from federal welfare funds. However, OIC didn't violate its state contract because it charged the \$200,000 expenditure to the \$6.4 million in profits the firm earned during the first four years of W-2, Bernstein said.

The profits were money left over after paying benefits and administrative costs from late 1997 through 2001 and offered by the state as an incentive for private firms to bid on what was considered a risky new endeavor, he said.

Those profits, once paid, had no strings attached, he said. The profit provision was stripped from the W-2 program starting in

2002.

"From our angle, we determined conclusively that it was unrestricted funds" that OIC used for the TV station payments, Bernstein said. "We have looked at those dollars and have done the best that we can It's not subject to further scrutiny."

That analysis mirrors what Gee's lawyer argued in a Jan. 24 letter to U.S. District Court Judge Rudolph Randa, in appealing for a light sentence. The attorney, Dennis Coffey, acknowledged the \$200,000 paid to the George family TV station came from W-2 and said the money was "paid as a bonus for exemplary performance under the provisions of a W-2 contract."

However, U.S. Attorney Steven Biskupic has said it's illegal to use federal welfare money for criminal purposes. He has sought to recover money from the sale of the TV station to help pay restitution ordered in the Gee and George cases.

Biskupic was unavailable for comment Friday.

The state separately was able to recover about \$444,000 in W-2 money that OIC improperly spent on other kickbacks to George, support for a local radio program, and other costs before OIC shut down in February.

Jack Goodnow, a court-appointed receiver for OIC, said Friday it would be up to law enforcement officials to try to recoup the \$200,000 paid for the TV station. A date for an auction of OIC's assets will be set soon, he said.

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Milwaukee Journal Sentinel April 26, 2005

Study urges revamped training in W-2

By STEVE SCHULTZE

sschultze@journalsentinel.com

Education and training for Wisconsin Works clients have been a costly failure and should be sharply curtailed and retooled to meet employer needs, according to a study set for release today.

W-2 agencies assign nearly all clients without high school diplomas to some type of adult education, a practice that's "worse than mere folly," according to a report from the Wisconsin Policy Research Institute, a conservative-leaning think tank.

Clients lose out because the training seldom leads to completion of a diploma or a decent job and because employers say those efforts are unimportant, the report says.

Instead, the state should gear W-2 training specifically to skills that employers want and should adopt a version of Gov. Jim Doyle's expanded trial jobs proposal, which would

It says programs should be tailored to business needs

subsidize employers for a W-2 client's salary for up to 30 hours a week for up to nine months.

Such on-the-job training programs elsewhere in the United States, with other family supports, have proved the most effective way of getting welfare clients into family-supporting jobs, said the study's author, David Dodenhoff, an Arizona researcher.

The approach would boost program costs considerably, Dodenhoff said. "There's no cheap way of buying an effective development program with this population," he said.

Doyle's expanded trial jobs plan won't add costs to W-2 because the state subsidy to a private employer would cost about the same as the \$673 monthly stipend paid to W-2 clients, said Rose Lynch, a spokeswoman for the state Department of Workforce Development.

A survey of Milwaukee-area employers conducted as part of the study found that prospective employees placed much higher value on a strong work ethic and a positive attitude than on having basic math and reading skills or a high school diploma.

The report's emphasis on restricting education and training to a more select group of W-2 clients puts it solidly in the camp of Republican lawmakers, legislators who have argued that the original "workfirst" philosophy of W-2 has eroded.

W-2 client advocates also have argued that too many clients who aren't ready for work have been excluded from training opportunities.

But Dodenhoff says in the report that although the state should spend more on training

some W-2 clients, the number should be a relatively tiny portion of the overall caseload.

"One needs to be realistic about what education and training can do for welfare clients, which is to produce very modest results for a small percentage of the caseload," the report says.

John Keckhaver, an analyst for the non-profit Wisconsin Council on Children and Families, said he agrees with the study's call for more specific job skills training and for expanding the trial jobs program, which has drawn only several dozen participants since the inception of W-2 in late 1997.

Keckhaver disagreed with one of the central premises of the study, however. The state has provided far too little - not too much - education and training for W-2 participants, Keckhaver said.

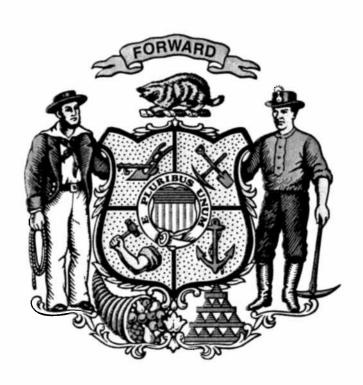
The report grossly overestimates how prevalent such training has been in W-2, he

The report says about 60% of W-2 participants from mid-2002 to mid-2003 were enrolled in some type of education and training, including about 90% of clients without a diploma, at a cost of some \$10.1 million.

A state audit released this month said 32.6% of W-2 clients received basic adult education during a six-month period in 2004, another 6.8% got job skills training, and 21% got motivational, parenting and life skills instruction.

More than half were enrolled in job searches, meaning they were considered ready for work.

The report urges better targeting of training and a strict pay-for-performance" policy, in which companies providing W-2 services get paid based on how well they train clients for iobs.





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Editorial: The truth about W-2

An editorial May 11, 2005

Finally, a top state official has spoken the bitter truth about Wisconsin's so-called "welfare reform" experiment: It was designed to fail.

A decade ago, opponents of the cynical moves by former President Bill Clinton, former Gov. Tommy Thompson and other political charlatans to "end welfare as we know it" argued that Clinton's underfunded and underthought national initiatives and Thompson's Wisconsin Works scheme were doomed to fail our most vulnerable citizens and the taxpayers who would have to foot the bill for the sure-to-be corrupt new program.

At the time, a handful of Wisconsin legislators tried to raise objections to Thompson's legislation. Former state Sen. Joseph Wineke, D-Verona, derided the bill as "wacky" and said it would only pass because it was being considered in the election year of 1996.

"This bill spends more money, provides less services and makes government the employer of last resort," Wineke explained. "It's big government at its worst. But we've got to pass it because we're all afraid of those 30-second (campaign) commercials that say we're soft on poor people."

State Sen. Fred Risser, D-Madison, who joined Wineke in opposing Thompson's plan said, "The bill is designed to keep the poor poor."

And so it was.

But, once the measure passed, the debate went elsewhere. A few political leaders, notably state Rep. Becky Young, D-Madison, and state Sen. Gwen Moore, tried to keep the discussion alive - mainly by prodding Thompson to make necessary changes in W-2. Sometimes Young succeeded, often she did not.

Over time, W-2 turned out to be every bit as scandal-plagued and ineffectual as the critics suggested it would be. But only now has a prominent statewide official begun to bluntly address the fundamental flaw in the program: its initial design.

Speaking last week at a forum organized by the state Legislature's Black and Hispanic Caucus, Lt. Gov. Barbara Lawton noted that few of the women who have taken part in the W-2 program have gone on to family-supporting jobs. And then she explained why: Because W-2 was

set up to force women into whatever low-paying job was available, "not to get them out of poverty."

Far from helping low-income women achieve economic security, Lawton said, "The very design (of W-2) in many ways ... undermined (that goal). Its intent was wrong from the get-go."

Lawton is right. And her willingness to address the problems in W-2 - along with pressure from members of the Black and Hispanic Caucus - has moved the issue back toward the political front burner. Now the question is whether other Democrats and thinking Republicans will recognize that the issue should never have been "ending welfare as we know it." The issue should be "ending poverty as we know it."

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Posted on Tue, Apr. 26, 2005

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more important than training **Employers find work ethic**

should focus more on jobs, less on classes, a WISCONSIN: The welfare-to-work program study says.

BY CARRIE ANTLFINGER ASSOCIATED PRESS

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MILWAUKEE - The state's welfare-to-work good work ethic they can get on the job, according a study released today.

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education and basic training because employers hiring entry-level workers care more about a program should assign fewer participants to

"I'm not bad-mouthing training, but if you are going to do it, do it right, and the state is not doing Wisconsin Works." In the study, he said about 60 percent of clients participate in education or it right," said David Dodenhoff, who wrote "Road to Nowhere: Education and Training Under training.

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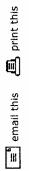
adults to work or get job training in exchange for a check and subsidized child care. They may also services locally, ranging from job training to child care. W-2, which was started in 1997, requires Under Wisconsin Works, or W-2, the state contracts with public and private entities to deliver receive food stamps or medical assistance. Wisconsin Works participants who are not prepared for work and have many classes to complete for their high school diploma or general equivalency diploma, or GED, should be moved right into work and take classes intermittently, Dodenhoff said. Now, those who are the least-prepared for work receive training and education the soonest.

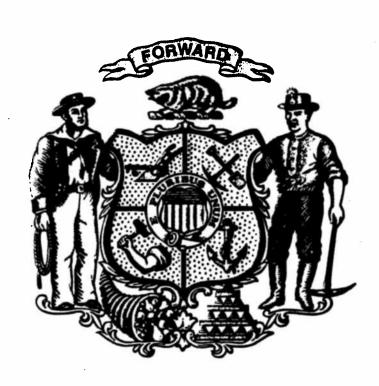
People with a better work history or fewer classes to finish should take the courses because they will be more likely to finish them and can get a better job, he said. A W-2 spokeswoman said the state will look at all the study's findings, while a child-advocacy group spokesman said the study misrepresents W-2, which his organization contends should put more emphasis on training.

Among Dodenhoff's suggestions:

- W-2 should dramatically cut back the number of participants it assigns to basic skills training, GED preparation and high school diploma completion.
- Education or training shouldn't be available through a W-2 agency unless a local employer has participated in creating the program or affirmed it is a valuable activity.
- participants. For example, a GED course provider would receive payment for people who actually received their GED within a fixed period of time, and clients who finish would be rewarded Education and training should be put on a pay-for-performance basis for provider and financially.







W-2 program audit spurs controversy

Associated Press

MADISON - Lawmak-

ers said Wednesday they were disturbed some contractors who run the state's landmark welfareto-work program had lost



ROESSLER

sight of their major focus: helping people get jobs.

The lawmakers said an audit released earlier this month shows too many participants in the state's W-2 program are getting cash benefits but failing to get work - and aren't getting much help from private contractors paid mil-

lions of dollars to run the

program.

"I am very troubled by the analysis that tells us this program has moved more back to an entitle-ment mentality and a service mentality rather than a work program," said Sen. Carol Roessler, Oshkosh, co-chairwoman of the Joint Legislative Audit Committee.

The audit by the Legislative Audit Bureau found almost 21 percent of the participants received cash benefits but did not work, more than half of the people in the program had previously been on the W-2 rolls, and a majority of the participants failed to pull themselves above the poverty line.

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Study focuses on training for state's W-2 participants

Associated Press

MILWAUKEE - The state's welfare-to-work program should assign fewer participants to education and basic training because employers hiring entry-level workers care more about a good work ethic they can get on the job, according to a study to be released today

"I'm not bad-mouthing training, but if you are going to do it, do it right and the state is not doing it right," said David Dodenhoff, who authored "Road to Nowhere: Education and Training Under Wisconsin Works." In the study, he said about 60 percent of clients participate in edu-

cation or training.

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medical assistance.

Wisconsin Works participants who are not as job ready and for their high school diploma or general equivalency diploma (GED) should be moved right into work and take classes intermittently, Dodenhoff said. Currently those who are least job ready receive training and education the soonest.

Those with a better work history and those with fewer classes to finish should take the courses because they will be more likely to finish them and can get a better job, he said.

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Dodenhoff looked at previous evaluations of W-2 and surveyed 145 Milwaukee-area employers for the study, which was released

may also receive food stamps or by the Wisconsin Policy Research Institute.

He found that employers of entry-level workers consider a have many classes to complete good work ethic and dependability much more important than education or job-specific training.

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Study: W-2 training wasteful for participants, employers Family advocacy group disagrees

By Carrie Antflinger Associated Press April 27, 2005

MILWAUKEE - The state's welfare-to-work program should assign fewer participants to education and basic training because employers hiring entry-level workers care more about a good work ethic they can get on the job, according a study released today.

"I'm not bad-mouthing training, but if you are going to do it, do it right and the state is not doing it right," said David Dodenhoff, who authored "Road to Nowhere: Education and Training Under Wisconsin Works." In the study, he said about 60 percent of clients participate in education or training.

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Among Dodenhoff's suggestions:

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- Education and training should be put on a pay-for-performance basis for provider and participants. For example, a GED course provider would receive payment for people who actually received their GED within a fixed period of time, and clients who finish would be rewarded financially.

Dodenhoff said his suggestions would ensure that clients don't waste time while in W-2, which has a general limit of five years of participation.

"The state of Wisconsin and W-2 agencies have pursued a much-tooambitious education and training agenda with respect to W-2 clients," the study says.

Rose Lynch, spokeswoman for the Department of Workforce Development, which oversees W-2, said the department received the report Monday and hadn't had time to analyze it, and she couldn't comment on the specifics.

But she said the state was already implementing changes suggested in a recent comprehensive report by the Legislative Audit Bureau (LAB).

"We'll look at all the information he supplied and review again the various components of the program and which pieces maybe do require changes," she said.

Dodenhoff's study supported, with some tweaks, Gov. Jim Doyle's proposal for Trial Jobs Plus, which would have the state pay companies to hire W-2 participants. Lynch said DWD was pleased by that.

John Keckhaver, research analyst at Wisconsin Council on Children and Families, said the study "grossly misrepresents what's going on within W-2."

He pointed to the audit bureau's finding that only 4.9 percent of money spent by agencies went to education and skills training from W-2's start through June 2004. That report also showed only 9.6 percent of participants from January to June of 2004 received training in high school equivalency or job skills, or took technical college courses, which Keckhaver said is key to higher wages and better job stability.

"We don't focus very much on education and training in Wisconsin at all, and the LAB report points that out," Keckhaver said.

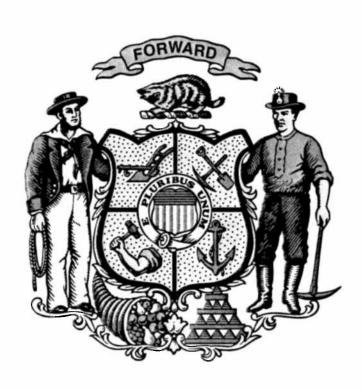
Dodenhoff said one of his reports from 2003 showed that 60 percent of participants received job training or education. He said the state audit and his numbers are not comparable because their methodologies are different and they use different time spans.

Keckhaver said a large number of people leave training and educational opportunities because they are required to move into a job if the opportunity presents itself.

Dodenhoff suggested the state should let participants finish training if they want and take jobs after it.

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Milwaukee Journal Sentinel April 28, 2005

Critics recommend overhaul of W-2

Troubled program is ineffective, they say

By STEVE SCHULTZE

sschultze@journalsentinel.com

Madison — The state's deeply troubled welfare reform program desperately needs to reform itself, critics told lawmakers Wednesday at the Capitol.

Battered by scandals, bureaucratic bumbling and new evidence that the poor stay poor after W-2 stints, the hard-luck Wisconsin Works program needs a dose of tough love to correct its flaws, critics charged.

"W-2 was a bad idea," said Kristin Settle, an analyst for the Institute for Wisconsin's Future, a Milwaukee policy and advocacy agency. "W-2 has not lived up to its primary objective of getting people out of poverty."

"I'm not going to sugarcoat it," said state Sen. Alberta Darling (R-River Hills). "In Milwaukee, there are significant issues of lack of management accountability," by the state as well as local W-2 providers.

The attacks on the 8-year-old, \$1.5 billion program were bolstered by a new state audit that found that few W-2 participants get jobs that pay more than poverty-level wages; fewer than half of potential clients get screened for problems such as alcohol or drug addiction; and 20% of clients collecting monthly checks had no work or training assigned to them.

Speakers testifying before the Legislature's Joint Audit Committee recommended more aggressive oversight and Improved screening and placement of participants. They also called for a dramatic restructuring of the program in Milwaukee County, where 80% of the state's W-2 clients live.

An overhaul plan by the Milwaukee County W-2 Monitoring Task Force advocates replacing the current system in which multimillion-dollar contracts go to a few private firms serving specific geographic regions. Four companies split \$204 million for operating W-2 in Milwaukee County for 2004-'05.

· Under the reform proposal, clients' first stop would be at a

county-run intake center, and from there they would be referred for screening and case management by a variety of smaller social service agencies. State officials stationed in Milwaukee would oversee the program, a move needed because of the county's large caseload and "history of program mismanagement," according to the plan.

"The present structure of W-2 has led directly to the deficiencies cited in the audit," said Anne DeLeo, a member of the county task force and a Legal Action lawyer who has represented many W-2 clients.

Gov. Jim Doyle has also suggested that he might parcel out contracts to a larger numbers of private providers in Milwaukee County, starting next year. But he hasn't backed any specific plan.

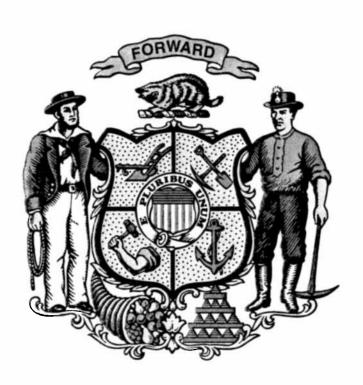
Roberta Gassman, secretary of the Department of Workforce Development, said her agency was holding meetings with current providers, client advocates and others to help restructure the program in Milwaukee.

She acknowledged flaws but said the state has made progress in fixing them.

Gassman touted her department's efforts to investigate and ultimately fire Opportunities Industrialization Center of Greater Milwaukee in February. The agency's demise was accelerated last year with the conviction of its former president, Carl Gee, in a criminal kickback scandal involving former state Sen. Gary R. George.

The state also has tightened procedures to curb overpayments to clients, Gassman said. The audit released earlier this month found that \$3.2 million had been mistakenly paid, some to new mothers and some to clients who switched W-2 program categories. New mothers are eligible for up to 12 weeks of cash payments without doing the usual work or training.

She said her department also was studying ways to curb the growing incidence of women using W-2 as a temporary "paid maternity leave" before returning to jobs that don't provide the benefit, a practice disclosed in the audit.



The Capital Times April 28, 2005

W-2 program off course, lawmakers say

By Ryan J. Foley

Associated Press

Lawmakers said Wednesday they were disturbed that some contractors who run the state's landmark welfare-to-work program had lost sight of their major focus: helping people get jobs.

The lawmakers said an audit released earlier this month shows too many participants in the state's W-2 program are getting cash benefits but failing to get work - and aren't getcontractors paid millions of dollars to run the program.

'I am very troubled by the analysis that tells us this program has moved more back to an entitlement mentality and a service mentality rather than a work program," said Sen. Carol Roessler, R-Oshkosh, co-chairwoman of the Joint Legislative Audit Committee.

Former Gov. Tommy Thompson pioneered the program in 1997 to replace the

ting much help from private traditional welfare system with a goal of helping poor families achieve self-sufficiency through work. While many states copied the effort after it received praise from the federal government, an audit released earlier this month by the Legislative Audit Bureau found the program had mixed success in helping poor people move out of poverty.

It found almost 21 percent of the participants received cash benefits but did not work. more than half of the people in

the program had previously been on the W-2 rolls, and a majority of the participants failed to pull themselves above the poverty line.

Participants, mostly women and children, numbered more than 15,000 as of last June, with almost 80 percent of them in Milwaukee County.

They get cash payments averaging \$673 per month and food stamps for up to five years in exchange for working with companies, some of which are subsidized by the state. Pri-

vate companies and local government agencies are paid by the state to deliver services such as job training and child care and to help the participants line up employment.

The audit showed agencies were assigning fewer work hours than in 1998, they were being subsidized at different levels for offering similar services, and they were confused about whether they should emphasize providing education and training services or helping people quickly find work.

Department of Workforce Development officials said future contracts will add new requirements to improve contractors' relationships with employers and help participants retain jobs. The state is drafting proposals for contracts covering the next twoyear period starting Jan. 1.

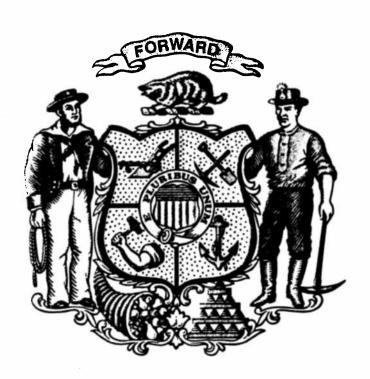
"Somewhere along the way, some of the agencies kind of forgot or did not stay focused on work force attachment," said Workforce Development

Secretary Roberta Gassman, who pledged "a continued focus on the importance of connecting to work."

Gassman noted some of the participants who did not work were disabled or had other barriers, and officials needed to continue to address their needs. In some cases, they should be routed to other forms of public assistance, she

Sen. Alberta Darling, R-River Hills, said the audit highlighted "a lack of management accountability" among contractors who, in some cases, are not finding work for participants. She called for more oversight of the contractors by the department and lawmakers.

'A lot of these people have been getting checks, without any effort of getting these individuals on to work," said Darling, one of the lawmakers who requested the audit. "It is a work program and it did get off track because it became a benefit program for many people.'



Posted Apr. 28, 2005

Legislators blast W-2 status quo

Welfare program not providing work incentive, say lawmakers

The Associated Press

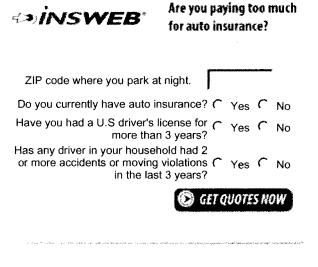
MADISON — Lawmakers said Wednesday they were disturbed some contractors who run the state's landmark welfare-to-work program had lost sight of their major focus: helping people get jobs.

The lawmakers said an audit released earlier this month shows too many participants in the state's W-2 program are getting cash benefits but failing to get work — and aren't getting much help from private contractors paid millions of dollars to run the program.

"I am very troubled by the analysis that tells us this program has moved more back to an entitlement mentality and a service mentality rather than a work program," said state Sen. Carol Roessler, R-Oshkosh, co-chairwoman of the Joint Legislative Audit Committee.

Former Gov. Tommy Thompson pioneered the program in 1997 to replace the traditional welfare system with a goal of helping poor families achieve selfsufficiency through work. While many states copied the effort after it was praised from the federal government, an audit released earlier this month by the Legislative Audit Bureau found the program had

the poverty line.



It found almost 21 percent of participants received cash benefits but did not work, more than half the people in the program had previously been on the W-2 rolls, and a majority failed to pull themselves above

mixed success in helping poor people move out of poverty.

Participants, mostly women and children, numbered more than 15,000 as of last June, with almost 80 percent of them in Milwaukee County.

They get cash payments averaging \$673 per month and food stamps for up to five years in exchange for working with companies, some of which are subsidized by the state.

Private companies and local government agencies are paid by the state to deliver services such as job training and child care and to help the participants line up employment.

The audit showed agencies were assigning fewer work hours than in 1998, they were being subsidized at different levels for offering similar services, and they were confused about whether they should emphasize providing education and training services or helping people quickly find work.

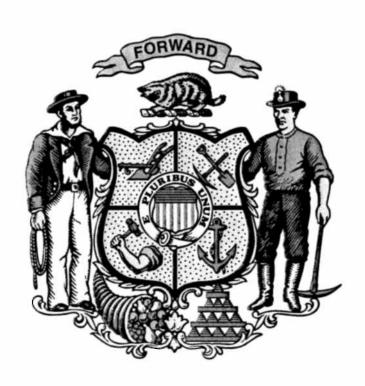
Department of Workforce Development officials said future contracts will add new requirements to improve contractors' relationships with employers and help participants retain jobs. The state is drafting proposals for contracts covering the next two-year period starting Jan. 1.

"Somewhere along the way, some of the agencies kind of forgot or did not stay focused on work force attachment," said Workforce Development Secretary Roberta Gassman, who pledged "a continued focus on the importance of connecting to work."

Gassman noted some of the participants who did not work were disabled or had other barriers, and officials needed to continue to address their needs. In some cases, they should be routed to other forms of public assistance, she said.

State Sen. Alberta Darling, R-River Hills, said the audit highlighted "a lack of management accountability" among contractors who, in some cases, are not finding work for participants. She called for more oversight of the contractors by the department and lawmakers.

"A lot of these people have been getting checks, without any effort of getting these individuals on to work," said Darling, one of the lawmakers who requested the audit. "It is a work program and it did get off-track because it became a benefit program for many people."





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Editorial: W-2 needs housecleaning

From the Journal Sentinel

Posted: May 1, 2005

Spring is a time for renewals and cleanings. Speakers who testified before the Legislature's Joint Audit Committee said it's time to do both for the state's W-2 welfare reform program. We couldn't agree more.

The program in Milwaukee - where 80% of the state's W-2 clients live - has been battered by scandal and bureaucratic bumbling. Most important, the people the program is supposed to help aren't getting that help, according to a growing pile of evidence. A state audit recently found that few W-2 participants get jobs that pay more than poverty-level wages, fewer than half of potential clients get screened for problems such as alcohol or drug addiction and 20% of clients collecting monthly checks had no work or training assigned to them.

"W-2 was a bad idea," said Kristin Settle, an analyst for Wisconsin's Future, a Milwaukee policy and advocacy agency. "W-2 has not lived up to its primary objective of getting people out of poverty."

She's right about the objective; wrong about the idea. The idea was, in fact, good: Replace a dysfunctional welfare system that some say was encouraging a culture of poverty with a system that will move people into a work force where they can eventually obtain family-supporting jobs. The problem has been with the execution.

"I'm not going to sugarcoat it," said state Sen. Alberta Darling (R-River Hills). "In Milwaukee, there are significant issues of lack of management accountability" by the state, as well as by local W-2 providers.

Clearly, it's time to clean house in Milwaukee and renew the program's commitment to helping those in need.

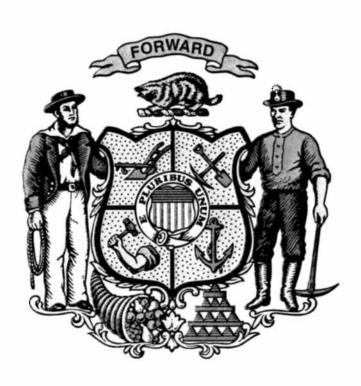
The Milwaukee County W-2 Monitoring Task Force advocates replacing the current system for delivering services to clients, in which big contracts go to a few private firms serving specific geographic regions. The reform would involve, among other things, a larger variety of smaller social service agencies, as well as more state oversight. Gov. Jim Doyle has suggested parceling out contracts to a bigger number of private providers.

All ideas should be on the table. Yes, the state is moving forward on tightening up the current system to make it more accountable and effective. Opportunities Industrialization Center of Greater Milwaukee was fired by the state after it became embroiled in scandal. The state also has tightened procedures to curb overpayments to clients.

But as some of last week's witnesses argued, adjustments may not be enough. "The present structure of W-2 has led directly to the deficiencies cited in the audit," said Anne DeLeo, a member of the county task force and a Legal Action lawyer who has represented many W-2 clients.

Fundamentally changing the way services are delivered in Milwaukee County may be the only solution to the mess that now exists.

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Political winds rattle W-2

Focus on jobs is shaky at times

By STEVE SCHULTZE sschultze@journalsentinel.com

Posted: May 1, 2005

The rap on the state's Wisconsin Works welfare reform program - costly, ineffective and sometimes cruel to its poor clients - reflects the whipsaw politics it has been subjected to by three governors in office since the program began.

Or so say the heads of private Milwaukee W-2 agencies that have shouldered the biggest caseloads and reaped millions of dollars for their efforts.

The notion that W-2 has suffered from a flip-flopping mind-set was not supported by top state officials overseeing the program or by advocates for the poor, who have long argued that the harder edge to the earlier W-2 program harmed clients.

But the criticism of a wavering job focus injects a new factor in efforts to come to grips with the sobering findings in a new state audit: Few clients finding jobs to pull them from poverty; deep program inconsistencies; and client overpayments.

Caseloads tumbled dramatically in W-2's early years under former Gov. Tommy G. Thompson, who set a strong and unambiguous policy of pushing clients quickly into jobs. That started to change during ex-Gov. Scott McCallum's brief tenure, some local agency heads say, as a cascade of complaints of harsh treatment of clients, inappropriate placements and unfair punishment for program infractions mounted.

The softening of W-2, in the view of agency heads and some critics, accelerated after Gov. Jim Doyle took office - especially with a striking revision to a state W-2 contract proposal request issued in 2003. Gone was the tough Thompson-era language declaring: "For those who can work, only work should pay" and that the state should limit its help. In its place were a new set of philosophical goals emphasizing fairness and that "W-2 shall be participant-friendly."

Then, late last year with caseloads rising at an alarming pace, Doyle's W-2 bureaucracy called for a 40% caseload reduction and a re-emphasis on getting participants into jobs fast. W-2 contractors saw that as a crackdown signaling a return to W-2's initial no-nonsense approach.

In unusually frank comments to state auditors, the agency heads groused about seesawing guidelines for W-2, concerns about financial pressures they face and burdensome oversight by the state. The remarks were included in background documents prepared by the Legislative Audit Bureau for its latest review of W-2.

Jerry Stepaniak, who heads the Milwaukee office of Maximus Corp., the state's largest W-2 contractor, said the old "work-first" philosophy had evolved to a "message that seems to be that when agencies are in doubt, they should allow participants to remain in the program" longer, keeping monthly cash payments.

General statements from state officials "seem to indicate that participants must work, but do not

W-2

State Program Money



Graphic/<u>Enrique</u> Rodriquez

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35,000Families receiving welfare in 1997. **10,000**Approximate number

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explicitly say that," Stepaniak told auditors.

Unanticipated caseload growth last year led to fewer training opportunities, Stepaniak said, adding that Milwaukee agencies were getting one message from the state's W-2 administrators in Madison and a different one from state W-2 overseers in Milwaukee. Even after Doyle's 40% caseload reduction directive in 2004, "the regional office is stressing that agencies need to keep participants in paid placement," Stepaniak told auditors.

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Asked last week to expand on those remarks, Stepaniak said, "I wouldn't add anything." Although he told auditors last summer that Maximus might have to drop from the program if the state didn't pump in more money, Stepaniak last week backed away from that threat.

He said his for-profit company would decide whether to bid for a contract extension for 2005-'06 after the state issues requests for new W-2 contract proposals in June. Maximus stands to get some \$87 million under its current two-year pact, bringing its eight-year total to nearly \$233 million, the most of any W-2 provider.

Caseload drops

Since its start in late 1997, W-2 has cost taxpayers more than \$1.5 billion, as the number of welfare cases plunged from some 35,000 families statewide to under 10,000 now. Five private firms providing W-2 service for Milwaukee County have held contracts totaling just over \$1 billion. Of that sum, the local companies - only three are still in business - kept \$35 million in no-strings profits from the program's first four years.

"We have brought the caseload down, which is what the Department (of Workforce Development) has been interested in," Stepaniak said.

The statewide W-2 paid caseload dipped to 9,889 families in March, continuing a trend that started last fall. Milwaukee County accounted for about 75% of the cases, as usual. Another 3,686 families statewide receive some services but no cash payments.

Officials from United Migrant Opportunity Services and Opportunities Industrialization Center of Greater Milwaukee had similar concerns. W-2 has come "full circle" from an aggressive work program to a gentler program in which participants "were not as frequently required to look for work," UMOS' Tina Koehn told auditors.

W-2 subcontractor Tom Prete said the recent abrupt return to a tougher work focus was prompted by the state's financial squeeze.

Prete told auditors that W-2 caseworkers "are trapped by the political climate and are unable to stand up and follow (original) policies." Prete is co-owner of CW Solutions, a Madison-based W-2 training and quality-control subcontractor that has done work for Maximus.

The shifts have happened mostly in Milwaukee, where regional W-2 officials have interpreted policies more liberally, Prete told auditors.

Change in focus rejected

Roberta Gassman, Doyle's top W-2 administrator, rejected the idea that the work-first philosophy of W-2 has changed. Concern for problems with the program led to greater attention to consistency in placement, training and penalties for program infractions by clients, she said.

The wording in the state's contract proposal document changed to reflect those concerns, but did not discard the work-first emphasis, Gassman said.

"We felt some of the agencies kind of lost focus," she said, adding that's why her department issued directives last year calling for caseload cuts.

State Sen. Lena Taylor (D-Milwaukee) also disagreed that the W-2 focus had changed. What's shifted is that W-2 clients now in general have far greater barriers to landing and holding jobs than in the past, Taylor said.

Doyle has said he'd like to see an end to the current system in which a handful of large firms run W-2 in Milwaukee County, replaced by more and smaller agencies next year.

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W-2 program design derided

Officials, critics voice problems at community forum

By STEVE SCHULTZE sschultze@journalsentinel.com

Posted: May 2, 2005

Wisconsin Works was born to fail, Lt. Gov. Barbara Lawton said Monday at a Milwaukee community forum on the troubled welfare-reform program.

Few participants have gone on to family-supporting jobs because W-2 was set up to quickly find them any job, "and not to get them out of poverty," Lawton told a crowd of about 75 attending the forum, held at the NACCP headquarters on N. King Drive and organized by the Legislature's Black and Hispanic Caucus.

"The very design (of W-2) in many ways . . . undermined it and has written its absolute failure," Lawton said. "Its intent was wrong from the get-go."

Her remarks were among the most critical by a top state official in the wake of a state audit that found problems with the 8-year-old, \$1.5 billion program. Her comments also follow a criminal kickback scandal at what was the largest private agency running W-2 under contract with the state.

A report by state auditors last month said fewer than 20% of W-2 graduates had jobs that paid more than poverty-level wages a year later; that a fifth of W-2 clients collected checks without any work or training assignment; and that the state had mistakenly made \$3.2 million in client overpayments.

W-2 was launched under former Republican Gov. Tommy G. Thompson, but with bipartisan support in the Legislature. No one at the Monday forum defended the program's original design, though Lawton acknowledged that "welfare reform was absolutely necessary."

Assembly Speaker John Gard (R-Peshtigo), one of the program's sponsors, said in remarks published in his newsletter last month that "W-2 was never intended as a get-rich scheme. It's intended to help people learn the skills they need to get and keep a job. For the most part, it's doing just that."

Gard couldn't be reached for comment on Monday.

Lawton and Roberta Gassman, Democratic Gov. Jim Doyle's top welfare administrator, said that the governor was committed to fixing W-2. Part of his prescription includes toughening state oversight.

Doyle also backs raising the minimum wage and permitting new mothers to collect \$673 in W-2 monthly payments for six months without working or attending training sessions - up from three months. Those proposals face tough fights in the Legislature.

Gassman urged adoption of Doyle's trial job proposal, in which the state would subsidize wages

W-2

State Program Money



Graphic/<u>Enrique</u> <u>Rodriguez</u>

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for real jobs for W-2 clients. She was more circumspect than Lawton on the program's faults, describing it as "not as successful as we would like it to be."

The crowd leaned heavily toward critics of W-2.

Nancy Nestler, executive director of Multicultural Community Services Inc., a W-2 subcontractor, said many clients had been stuck in practice "community service jobs" that were little more than busywork.

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Ellen Bravo, of 9to5 National Association of Working Women, said W-2 was created under the false assumption that women on welfare refused to work. W-2 graduates wind up with "the same kinds of (low-wage) jobs they had before W-2," she said.

Bravo called for better education and training options in W-2.

Regina Chesir said she was embarrassed to have to turn to W-2 at age 51 and was sharply critical of her experience in the program. Photocopiers and fax machines at a job center run by United Migrant Opportunity Services, a Milwaukee W-2 agency, have been broken for days, leaving clients supposedly working on job searches with nothing to do.

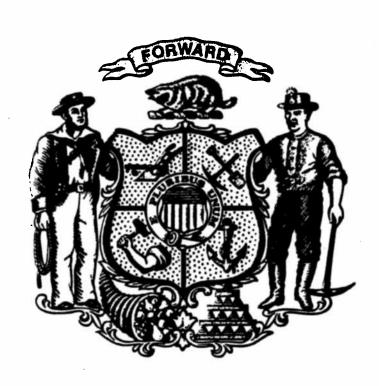
"I read in the paper you get all these millions and you can't get a copier fixed for 10 days," Chesir said.

Milwaukee W-2 agencies have held contracts worth more than \$1 billion since the program began in late 1997, and UMOS' share of that is \$219.5 million.

Paula Lampley, a W-2 director for UMOS, said of the copier problems: "That's not our way of doing business. That's totally unacceptable to us."

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LOCAL NEWS from Northwestern

Posted May 03, 2005

Editorial: Review of W-2 isn't reason to draw curtains on show

There's a difference between the new Legislative Audit Bureau's review of the state's W-2 welfare-to-work program and negative comments. We should be wise not to confuse a mixed review with reason to end what has been an innovative social program.

People have misunderstood W-2, or "Wisconsin Works." Many think its purpose is to eliminate poverty. Wisconsin Works wasn't designed to end poverty; it was designed to eliminate welfare. The goal was to help people get off of welfare as one step on their road toward getting out of poverty.

A key question to ask when evaluating W-2 should be whether or not people are getting off of welfare and, subsequently, getting out of poverty. And the report points out some of W-2's compliments, according to state Sen. Carol Roessler. One of those is that 42 percent more people using W-2 are above the federal poverty line than they were four years ago.

Let's remember that the old welfare program didn't give employers what they wanted. The W-2 program has objectives which try to get people into entry-level jobs so that they can learn the skills they need. Roessler is quick to point out that the best tool to get a good paying job is to have a job.

We would be misleading someone to suggest that the Legislative Audit Bureau report be dismissed. It included some highly critical evaluations of overpayments made and a lack of sanctions applied in Milwaukee. That city's W-2 program suffers from bad management. A crackdown would be in order.

But don't abolish W-2. It's a legitimate, well-intentioned program that gives people the tools to help themselves. There are success stories.

The bottom line of W-2 is that the program was built to give people a step out of the welfare system. The next step was to get a job. The step after that was to get more than a minimum wage job and to rise out of poverty.

A good dose of purpose should be kept in mind when reading evaluations of a government program that can do what it was designed to do.

The Final Thought: The W-2 welfare-to-work program has its flaws but doesn't deserve to be scrapped.





When Seeing is Still Not Believing

by David A. Clarke Jr. Milwaukee County Sheriff

Why is anyone surprised and why are some disappointed that an audit of the State's W-2 program reveals that the poor have continued to remain poor? This "if we just spend more money" has morphed into the "if we just reform the system" campaign. This is what we now hear about the welfare state.

The advocates of W-2 now say that the program needs more accountability, an overhaul, more aggressive oversight, a dose of tough love, better restructuring, better screening of clients, to hold more meetings, to fix flaws in the program, to revamp its training. One misguided soul even blames the structure of W-2 as the culprit for the deficiencies. The list is endless. And, furthermore, if the audit shows otherwise, why are the social service agencies that receive money allowed to rhetorically claim that they "make a difference" and are renewed often with an increase in funding? The audit findings and the claims of success are mutually exclusive.

I have a better idea that over time will in fact help people being served by this catastrophe. Drive a stake right through the heart of W-2. Yes, kill it and give it a proper burial so it does not come back. Do not remake it, recreate it or reorder it. End it. I hate to rain on the parade of misguided liberals but there is no such thing as perfecting the welfare state. The spending more money approach followed by the reform the system approach has been going on since the middle of the 20th century. It does not work. It has been an abomination.

Ever since President Lyndon Johnson's Great Society, liberal elites and their interest groups have continued to deal with their own guilt of the legacy of slavery by pursuing the flawed strategy of creating more governmental social service programs with little or no accountability and nothing other than anecdotal evidence of results. Continuing to pursue this flawed agenda with the idea that pouring more money into these failed programs will some day uplift people who are unmotivated and uneducated into the mainstream has dealt a catastrophic blow to any hope of eliminating what is cultural in nature, not economic.

These programs have continually proven over and over again to be a disincentive to such things as self-confidence, instilling a strong work ethic, pursuit of education and strengthening families by encouraging marriage. These four things will never become a "lifestyle" as long as liberals and those government officials they support continue to dream of a perfect welfare state that has since turned into a nightmare. The last figure I saw indicated that since Lyndon Johnson's Great Society, the U.S. has spent over

three trillion, that's with a "T," dollars in the war on poverty and yet there are more people living in poverty in America today than when this pipe dream started back in the '60s, ironically.

Remember that before W-2 people were fearful of improving their lives because the safety net of welfare had become a "lifestyle" and a very intoxicating one. People did not want to envision life without it. For people with no education and lacking psychological courage, this is a mental hurdle too high to scale. Why bother getting up to go to work, staying in school, or get married when the government will send you a check every month not to.

Even the language used by advocates of the perfect welfare state and W-2 is destructive. They refer to people in the program as "clients" and ultimately they are treated as such. A client is dependant on

someone or a program to provide something that they cannot do for themselves. Attorneys refer to people as clients, and rightfully so, because most people cannot defend themselves through the legal system. An attitude that the poor are "clients" encourages a culture of dependency - where they cannot fend for themselves and they thus develop a mind-view that does not steer people toward self-reliance. Treating people as customers, on the other hand, would be more beneficial. Customers only need information and will make their own decisions about what's best for them. Once a customer makes a decision, they get on with their lives.

Keeping alive social service programs that do nothing more than keep minorities mired in a culture of dependency is self-defeating. This hurts the very people that liberals profess to want to help. Government has always done a terrible job at social uplifting. This is a better role for the church, the private sector and communities. Very little government funding is necessary, if at all. You do not help people by taking money from those who have it and giving it to those who do not. If government truly wants to help, they can do so by setting people up to become self-reliant so that they can take control of their own lives. They can do this by creating public policy that strengthens families. People will do the rest on their own. Government currently is doing too much rowing when it should be steering.

For themselves, the disadvantaged are going to have to begin to embrace a respect for the value of an education. I call education "the great American opportunity."

The liberal support of the perfect welfare state does nothing more than allow poverty pimps to continue to pursue an agenda of eternal victim hood - people unable to care for themselves. These two groups profess to be friends of the poor. As my mom and dad were fond of saying, with friends like that, who needs enemies?



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Kill W-2 and every other welfare program

By DAVID A. CLARKE JR.

Posted: May 3, 2005

Why is anyone surprised and why are some disappointed that an audit of the state's W-2 program reveals that the poor have continued to remain poor?

This "if we just spend more money" approach has morphed into the "if we just reform the system" campaign. This is what we now hear about the welfare state.

The advocates of W-2 say that the program needs more accountability, an overhaul, more aggressive oversight, a dose of tough love, better restructuring, better screening of clients, to hold more meetings, to fix flaws in the program, to revamp its training.

One misguided soul even blames the structure of W-2 for the deficiencies. The list is endless. Furthermore, if the audit shows otherwise, why are the social service agencies that receive money allowed to claim that they "make a difference" and are renewed often with an increase in funding? The audit findings and claims of success are mutually exclusive.

I have a better idea that, over time, will help people being served by this catastrophe. Drive a stake right through the heart of W-2.

Yes, kill it and give it a proper burial so it does not come back. Do not remake it, recreate it or reorder it. End it.

I hate to rain on the parade of misguided liberals, but there is no such thing as perfecting the welfare state. The spending-more-money approach followed by the reform-the-system approach has been going on since the middle of the 20th century.

It does not work. It has been an abomination.

Ever since President Johnson's Great Society, liberal elites and their interest groups have continued to deal with their own guilt of the legacy of slavery by pursuing the flawed strategy of creating more social service programs with little or no accountability and nothing other than anecdotal evidence of results.

Continuing to pursue this flawed agenda of pouring money into these failed programs to someday uplift people who are unmotivated and uneducated into the mainstream has dealt a catastrophic blow to any hope of eliminating what is cultural in nature, not economic.

These programs have continually proved over and over to be a disincentive to such things as self-confidence, instilling a strong work ethic, pursuit of education and strengthening families by encouraging marriage. These four things will never become a "lifestyle" as long as liberals and those government officials they support continue to dream of a perfect welfare state that has since turned into a nightmare.

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staying in school or getting married when the government will send you a check every month not to?

Even the language used by advocates of the perfect welfare state and W-2 is destructive. They refer to people in the program as "clients" and are treated as such. Clients are dependent on someone or a program to provide something that they cannot do for themselves.

Attorneys rightly refer to people as clients because most people cannot defend themselves through the legal system. An attitude that the poor are "clients" encourages a culture of dependency - where they cannot fend for themselves and they thus develop a view that does not steer people toward self-reliance.

Treating people as customers would be more beneficial. Customers only need information and will make their own decisions about what's best for them.

Keeping alive programs that do nothing more than keep minorities mired in a culture of dependency is self-defeating and hurts the very people that liberals profess to want to help.

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David A. Clarke Jr. is the Milwaukee County sheriff.

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Lawton: W-2 was designed to fail

May 4, 2005

MILWAUKEE (AP) - Wisconsin's lieutenant governor told a community forum that the state's welfare-to-work program was designed to fail.

Few participants have gone on to family supporting jobs because Wisconsin Works, or W-2, was set up to quickly find them any job, "and not to get them out of poverty," Lt. Gov. Barbara Lawton said Monday at a forum at the NAACP headquarters. "Its intent was wrong from the get-go."

Lawton acknowledged that welfare reform was needed, but a state audit last month found problems with the 8-year-old, \$1.5 billion program established by former Gov. Tommy Thompson with bipartisan legislative support. The report found:

- Fewer than 20 percent of W-2 graduates had jobs that paid more than poverty-level wages a year later.
- A fifth of W-2 clients collected checks without any work or training assignment.
- The state mistakenly overpaid \$3.2 million to clients.

There have also been scandals involving the state's largest private W-2 contractor, which had its contracts revoked and is now closed.

Lawton and Roberta Gassman, head of the agency that runs the program, said Gov. Jim Doyle was committed to fixing W-2, partly by increasing state oversight.

Assembly Speaker John Gard, R-Peshtigo, defended the program in remarks published in his newsletter last month, saying "W-2 was never intended as a get-rich scheme. It's intended to help people learn the skills they need to get and keep a job. For the most part, it's doing just that."

Most in Monday's crowd were critical of the welfare-to-work program.

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WISCONSIN STATE LEGISLATURE





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Our view: Welfare reform in Wisconsin still getting negative reports

By Tribune editorial staff

In the weeks since Wisconsin's welfare reform effort got a mixed review from a state audit committee, there has been considerable attention to whether the costly reform effort has provided enough training and made enough of an effort to get people out of poverty.

In a story by The Associated Press, single mother Tina Sustache of Milwaukee said the state didn't provide enough training for her to get a good job.

Since its inception in the mid-1990s, a total of \$1.5 billion has been spent in the W-2 program, which was supposed to shift the emphasis in welfare from entitlement to job opportunity.

The results have been mixed. Pam Fendt, a W-2 researcher at the University of Wisconsin-Milwaukee, was quoted in the same story as saying that too many people in W-2 end up in temporary jobs, and that the programs needs to be revised. "It's not as though that was a unique feature of W-2, becoming a temp worker was always an option for a welfare mother. Why spend \$1.5 billion of public money if there isn't some value added?"

A story in the Sunday edition of the Milwaukee Journal Sentinel quoted welfare officials in Milwaukee County — where 80 percent of the state's welfare caseload lives — who contended that the state often has shifted in its thinking about moving people into jobs.

Lt. Gov. Barbara Lawton has noted that the W-2 audit report found a large number of new mothers who are not involved in any work or training.

Although there are some reports that put W-2 in favorable comparison with welfare efforts in other states, it seems pretty clear that the program needs to be rethought — particularly in the Milwaukee area, but also throughout the rest of the state. Let's make W-2 more geared to getting people into good jobs. That means making sure we provide the education and training people need to succeed.

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Murphy's Law A new weekly column of uncensored news and views by Bruce Murphy

The Real Reason W-2 Didn't Work
And: Jessica McBride Plays Fast and Loose

There has been a flurry of articles about the failure of W-2, or Wisconsin Works, but no one has looked into history to understand why. In essence, W-2 took a lean, mean welfare reform program called Pay for Performance and bloated it with more administration and lots of opportunities for graft and greed. The result was a waste of taxpayers' money, with no improvement in the program.

Seldom has a government reform gotten more publicity than W-2. Visitors from Britain, New Zealand, the Netherlands and nearly every state in the union came here to taste the magical elixir we had supposedly concocted to make welfare vanish. In fact, Wisconsin had already managed the not-very-difficult task of pushing people off of welfare prior to W-2.

Pay for Performance was instituted by **Jason Turner**, the conservative theorist brought in by former Gov. **Tommy Thompson**. Turner went on to help create W-2 and run a similar program in New York City. Pay for Performance, started in 1996, was a get-tough program with mandatory job search and work requirements for welfare recipients. The idea was simple: Create enough hoops for recipients to jump through and they'll give up or get a job.

In less than two years, the number of welfare recipients dropped from 35,000 to 21,844, according to a study by the University of Wisconsin-Milwaukee Employment & Training Institute, a record of reduction that has never been equaled. Under W-2, which took over in September 1997, the caseload continued to decline but at a slower rate. Within two years, the rolls had dropped to just over 11,000 recipients, including about 6,000 on W-2 and more than 5,000 pushed into other government-supported subsidy programs.

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Both W-2 and Pay for Performance slashed the rolls largely because of a booming economy that was creating jobs, coupled with a tough policy of mandatory work. But Pay for Performance relied more on Milwaukee County employees who had long experience handling welfare. Community groups like Goodwill, Opportunities Industrialization Center and the YWCA were also hired to oversee clients, but their only reward for meeting performance

standards was getting continued funding from the state. W-2, by contrast, made community groups and the for-profit company Maximus the main players and showered them with administrative money, allowing them to earn profits. The result was widespread greed and corruption.

No one studied and wrote about W-2 more than reporter **Jason DeParle** of The New York Times. DeParle has given many high-minded speeches and interviews about welfare reform but has chosen not to put much emphasis on the corruption his own book documents.

Consider the record of Maximus. "The company spent \$100,000 of program funds on backpacks, coffee mugs and other promotional fluff. It spent tens of thousands on employee entertainment, including meals, flowers, parties and retreats. It spent \$3,000 to take clients roller-skating at the zoo. In one of the more inventive uses of welfare funds, it doled out \$2,600 for professional clowns to liven up Maximus events," De Parle wrote.

Nearly three-quarters of transactions examined by legislative auditors couldn't be documented or explained by Maximus. "The bookkeeping has the lund appeal of shabby sin exposed to daylight," DeParle writes.

Bridgette Ridgeway, a Maximus consultant, told DeParle she estimated that the company spent some \$2.3 million on marketing, creating two Maximus advertising jingles, "hiring two of Tommy Thompson's cronies for advice on how to target political donations and win new contracts" and creating TV ads and CD-ROMs to advertise its services to the National Governor's Association.

OIC spent \$67,000 to sponsor the "Ray Rhodes Show," back when Rhodes coached the Green Bay Packers. United Migrant Opportunities spent \$23,000 on advertising at Milwaukee Brewers games. Goodwill Subsidiary Employment Solutions spent \$270,000 to lobby for more work in other states, mostly in Arizona.

"Maximus," DeParle writes, "encouraged the hiring of family and friends." Maximus Vice President **George Leutermann** "put his wife, his son and his niece on the payroll, along with his mistress and his mistress' mother."

Leutermann ultimately moved to New York City, where Turner had gone on to run welfare. There, Leutermann and Maximus got a huge state contract and Leutermann put Turner's father-in-law on the Maximus payroll, according to DeParle.

Meanwhile, Maximus wasn't doing much to serve clients in Wisconsin. Ten months into W-2, state auditors found that 67 percent of Maximus' clients had no work assignments. Officials at Maximus told DeParle that their performance was "dismal," but the state gave the agency a passing grade. Given that Thompson was then "mulling a run for president... the last thing they wanted was any hint of failure," DeParle writes.

Despite all of the money going to W-2 agencies, there was "a scandalous absence of casework," DeParle writes. He cites the example of Opal, one W-2 recipient whose life he tracked who had seven different caseworkers, "at least two of whom had been on drugs."

Ultimately, as state auditors have found, the five agencies that did such a miserable job of running W-2 were rewarded with some \$35 million in profits. The corruption at OIC has been endlessly documented, but was the performance any better at Maximus? The only difference is Maximus didn't get such press scrutiny.

For future policy-making, there are several lessons here: 1. Given how successfully Pay for Performance worked, without any profit taking, it's difficult to see why huge profits and administrative fees need to be paid; 2. Given how well the earlier program worked using Milwaukee County workers, maybe the state should go back to relying more on them; and 3. Whatever approach is used, the program needs timely and independent assessments by someone like the Legislative Audit Bureau, not political spin jobs of the sort Thompson insisted on.

Beyond these lessons, there still remains the central question: What is the goal of welfare reform? As the audit bureau study shows, most W-2 recipients are still earning misery-level

wages. If the aim is to get people out of poverty, why not spend some of W-2's administrative money to provide wage supplements to clients so they can actually support their families?

Jessica McBride Plays Fast and Loose

University of Wisconsin-Milwaukee journalism lecturer Jessica McBride, who appears periodically as a pundit on the television shows of Charlie Sykes and Mark Belling, has decided she likes their talk radio shows – a lot. McBride's column notes the great impact of talk radio on local elections and politics, which is unquestionably true. But then she goes after the *Milwaukee Journal Sentinel*, noting that "the 'mainstream' media rarely give talk radio credit, preferring to write off the trifecta of Milwaukee talk show hosts [Charlie Sykes, Mark Belling and Jeff Wagner] as 'radio ranters' and 'talk bullies of the right' – phrases that actually appeared in the Milwaukee newspaper."

The "actually appeared," with its tone of shock, makes it sound as though the paper's news stories have described talk radio that way. But the "ranters" phrase appeared in an opinion column by businessman **John Torinus**, who I assume is a Republican, in a column that unsuccessfully called for the GOP to tolerate moderates like Mary Panzer and avoid internecine war. The "talk bullies" phrase was included in an opinion column by **Greg Stanford**, a liberal who is no fan of conservative talk radio.

It seems more than a little odd, if not downright disingenuous, that a journalism professor overlooks the obvious: Columnists often make value judgments that don't express the views of the newspaper. That's why their writing is labeled as opinion. As for these particular columnists, if they were to even the score by going after liberal talk radio ranters or bullies, who could they target? There simply isn't political equity in that arena.

McBride is certainly right that any story trying to explain recent elections should include the impact of talk radio, but since when has the Journal Sentinel given credit to anyone else in the media? McBride worked at the newspaper and is well aware that, like many publications, MJS avoids giving credit to competitors. They are even less likely to do so if the competitor is a sometime critic, as writers at Milwaukee Magazine have found. That is regrettable but not in any way ideological.

Where's the Critic?

Since the death of *Journal Sentinel* art critic **James Auer**, there's been no announcement of his replacement, though **Mary Louise Schumacher** is now called the "visual arts reporter." Has the paper decided it won't have a critic but will instead content itself with a reporter? That seems likely, as Schumacher's photo doesn't appear in paper, as it does for critics. And Schumacher reported on the Milwaukee Art Museum's Degas show, the biggest show of the year for the museum, but did no review. That's a bit like the sports section previewing the Packers-Bears game and then failing to report who won. The clear loser is the community of readers.

Is Scott Walker just pretending to be a reformer? Bruce Murphy takes on the county exec in the May issue of *Milwaukee Magazine*. Send me a copy.

Contact Bruce Murphy at bruce.murphy@qg.com.

And watch for "The Dish on Dining," critic Ann Christenson's Web-only column with the latest info on Milwaukee restaurants, every Thursday only at www.milwaukeemagazine.com.

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