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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

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Committee on Audit...

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Wisconsin Works needs retooling

The Daily Telegram

Last Updated: Monday, May 09th, 2005 09:39:09 AM

There's more bad news about Wisconsin's welfare-to-work program and this time it involves the agencies that operate the program. State records show that 26 of 55 agencies running Wisconsin Works, or W-2 as it's known, failed to meet performance standards for automatic contract renewal, according to the Milwaukee Journal Sentinel. They failed to meet standards that include getting at least 35 percent of their clients into jobs, having 35 percent or more get high school diplomas, and having 35 percent improve in reading and math ability. These performance ratings by the state Department of Workforce Development ought to be of concern to lawmakers and to state officials for a couple of reasons. The agencies' less than stellar performance ratings apparently could still see their contracts renewed if they can beat out other bidders for 2006-07. But agencies that aren't getting the job done right should no longer be hired by the state.

Another reason for concern is that the news about performance ratings follows last month's troubling state audit of W-2 that found that few program participants are actually moving on to jobs that pay more than poverty-level wages. More specifically, the study found that less than one-fifth of program graduates had obtained jobs that paid more than poverty-level wages a year later; a fifth of the participants had collected checks without any work or training assignment, and that the state overpaid \$3.2 million to clients, by mistake.

Under W-2, the state pays public and private agencies to supply services such as job training and child care. Adults must work or get job training to receive a check and subsidized child care.

Getting people off of welfare is obviously a good thing, but to believe that Wisconsin Works is working as it should be is foolishness. The problems with W-2 — created under former Gov. Tommy Thompson with support from both parties — suggest changes are needed for it to be effective. Better state oversight and management is probably one thing that's needed, and legislative hearings would be in order. It's encouraging to hear that Gov. Jim Doyle wants to improve Wisconsin Works, but others in key political positions, unfortunately, have a different view.

In comments in his newsletter, Assembly Speaker John Gard, R-Peshtigo, defended the program and said 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." His use of the words "get-rich scheme" suggests sarcasm, or else a callous response to the fact that few W-2 participants are getting jobs that pull them out of poverty. And if they don't get beyond poverty, what's the point of the program?



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26 W-2 agencies fall short

3 in Milwaukee among those failing to meet standards

By STEVE SCHULTZE
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Posted: May 6, 2005

Nearly half of all agencies operating the state's Wisconsin Works welfare reform program - including three Milwaukee County agencies - have failed to meet performance standards for automatic contract renewal next year, state records show. The sub-par performers still could win renewals despite their low grades, if they beat other contract bidders. The W-2 law aims to inject free-market competition into what in the past had been strictly a government service, meaning the best overall proposal wins.

But some critics say it's time to start over, noting a repeat pattern of agencies winning W-2 contract renewals despite a history of failure.

"If these companies aren't getting the results we are looking for, why are they continuing to get contracts?" asked Kristin Settle, of the non-profit Institute for Wisconsin's Future.

Of the 55 agencies running the program statewide, 29 met all seven performance standards and will have their contracts renewed for 2006-'07 if they choose to stay in W-2. Those standards include placing at least 35% of clients in jobs; having 35% or more of clients earn high school diplomas; and having 35% or more post reading and math gains.

The state is spending \$286 million for the current two-year W-2 contracts, which end in December. Agencies in Milwaukee County will get \$203.3 million of that and handle about 80% of the state caseload.

The three Milwaukee County W-2 agencies that failed to win automatic renewals were Maximus Inc., United Migrant Opportunity Services and the Opportunities Industrialization Center of Greater Milwaukee. OIC, which posted the lowest scores of any agency in the state last year, lost its contract in February and shut down following a criminal kickback scandal.

Maximus failed to meet two of the seven standards but has appealed the state's denial of its automatic contract renewal. The inclusion in the tally of transferred clients unfairly hurt Maximus' performance scores, Jerry Stepaniak, a Maximus vice president, said in an appeal filed with the state Wednesday.

UMOS failed to meet job placement, high school diploma and program monitoring standards, state figures show. That agency won't appeal the state's denial of its automatic contract renewal, UMOs spokesman Rod Ritcherson said.

But UMOs will bid on renewing its contract, Ritcherson said. He also said client transfers had unfairly skewed his agency's performance statistics.

The same Milwaukee agencies failed to achieve automatic contract renewals two years ago. But all won new contracts.

W-2 Program

By The Numbers

\$286 million

State contracts with local W-2 agencies for 2004-'05

\$203 million

Contracts in Milwaukee County

55

Number of W-2 agencies statewide

29

Number of W-2 agencies passing standards for contract renewal

0

Number of Milwaukee County agencies passing standards

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4/25/05: Study urges revamped training

The latest mediocre performance ratings, by the state Department of Workforce Development, based on 2004 data, underscore a series of problems uncovered in a multi-year state audit of W-2 that was released last month.

The audit found that few W-2 graduates went on to jobs that paid more than poverty-level wages; fewer than half were assessed for employment barriers such as substance abuse; and that 20% of clients getting cash payments in the service job category had no work or training assignment.

Funding limitations and a W-2 caseload with a greater concentration of clients with serious problems have contributed to the performance problems, said Charity Eleson, executive director of the Wisconsin Council on Children and Families.

Eleson said, however, that the audit results should be taken by state policy-makers as an opportunity to overhaul the program.

Rose Lynch, spokeswoman for the state Department of Workforce Development, said the state will continue to work with existing agencies for improvements.

in W-2

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Working to improve W-2

Trial Jobs Plus tries to make Wisconsin Works more effective by including employers in the process

By **JOEL DRESANG**
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Last Updated: May 7, 2005

One of the shortcomings of the Wisconsin Works welfare program is a lack of employer involvement, according to a recent state audit. And for a system aimed at replacing welfare with work, employer buy-in is critical.

That is why a bipartisan effort has led to a proposal for Trial Jobs Plus. The plan - which is part of Gov. Jim Doyle's budget and will be considered by the Legislature's Joint Finance Committee in coming weeks - would create a pilot project through which the state would compensate employers for taking a chance on hiring W-2 participants with little work experience.

The concept is similar to a tenet of Milwaukee's New Hope Project, a precursor to W-2, from which Barton Clark has benefited.

"I painted this whole building," says Clark, who is in the rambling, 119,000-square-foot former shoe factory that is now the Milwaukee Enterprise Center-North, a business incubator at 2821 N. 4th St.

Through New Hope, Clark landed a \$6-an-hour janitorial job at the building a year ago, his first employment since leaving prison three years earlier.

Scrounging for work

For three years, hampered by the depressed economy and his felony convictions for theft and firearm possession, Clark scrounged for work.

He would change flat car tires on the street.

He would hang around construction sites, pleading for odd jobs.

He collected cans and sold blood plasma.

"Nobody wanted to take a chance on me," Clark says.

Finally, New Hope found him the temporary position, which became his regular job when another janitor retired. Now he is making \$10 an hour and qualifies for the earned income tax credit - an anti-poverty benefit for low-income parents.

"If it wasn't for the job, I would have gone right back to the streets, because I needed to survive," says Clark, who is 41 and has four children, two of them still school-age. "It literally saved my life because I became so frustrated I was ready to go back out there and do what I had to do."

Barton Clark



Photo/Dale Guldán

Barton Clark, 41, starts his day as a maintenance man and cleaner shortly before dawn. He works at the Milwaukee Enterprise Center cleaning the lobby area and parking lot before moving on to the rest of the six-story building. A proposed reform program called Trial Jobs Plus would help people like Clark find employment through Wisconsin's W-2 welfare plan.



Photo/Dale Guldán

Barton Clark struggled for three years to find work after being

That would have meant dealing drugs, which could have risked returning to prison - the last place Clark wanted to go.

"I was adamant about not doing anything that would jeopardize my freedom," he says.

Successes at New Hope have helped suggest how to fix part of Wisconsin Works that hasn't been working.

"Trial Jobs, as originally envisioned, has not worked," said state Sen. Carol Roessler (R-Oshkosh), who was part of the legislative leadership that shaped W-2, which was launched in 1997.

As co-chairwoman of the Joint Legislative Audit Committee, Roessler received confirmation last month from the independent Legislative Audit Bureau that employer engagement in providing on-the-job training for W-2 participants has fallen short.

"We need to move to a model that has greater potential for enabling work placements that have stability and a lasting opportunity," Roessler said.

As a result, Republican lawmakers and Democrats in the Doyle administration have collaborated on the Trial Jobs Plus pilot, which would provide real work and real wages for up to 1,000 W-2 participants in Milwaukee and at least two other counties, including Fond du Lac County, which is in Roessler's district.

As proposed, the \$3.1 million pilot would run from January 2006 to June 2007 and reimburse businesses for employing W-2 participants at up to \$5.15 an hour for 30 hours a week for up to six months, with the opportunity for a three-month extension.

In addition, placement service, mentoring and counseling through the W-2 agency will strengthen the ties between employers and employees, Roessler said.

Helping workers and employers

"We believe that this would assist not just the low-income individuals, but it would also assist the employers in terms of developing a future labor pool," said Roberta Gassman, workforce development secretary.

Trial Jobs Plus would tweak the current Trial Jobs option, through which employers are reimbursed up to \$300 a month for up to three months for taking on W-2 participants who can't get other work.

The report from the Legislative Audit Bureau discovered through W-2 agencies that employers considered the subsidy too meager for the administrative burden of participating in the program.

"The feedback we have gotten from employers is it is not a viable option for them, and so the W-2 agencies have not been using it because they have very limited employer interest in it," Gassman said.

Tim Sheehy, president of the Metropolitan Milwaukee Association of Commerce, said the Trial Jobs Plus plan would make it more worthwhile for businesses to take a chance on relatively inexperienced workers.

"I like the concept of setting up something where it's an enticement for employers to hire people that might not be ready to be hired," Sheehy said.

Many small- and mid-size manufacturers need reliable, trainable, team-oriented workers, Sheehy said, and if they can't find them locally, they'll be forced to grudgingly send the work elsewhere.

released from prison, but no one would take a chance on him. New Hope Project found him a temporary job, which became his regular job when another janitor retired. "If it wasn't for the job, I would have gone right back to the streets, because I needed to survive," says Clark, who is 41 and has four children.



Photo/Dale Guldán

Clark earns \$10 an hour in his job as a janitor at Milwaukee Enterprise Center and qualifies for the earned income tax credit - an anti-poverty benefit for low-income parents. "It gives you a sense of pride," he says.



Photo/Dale Guldán

Successes at New Hope Project, which helped Clark, suggested ways to fix problems with W-2.

"Most of the employers that we heard from were in industries where they were facing labor shortages," Gassman said. "And they saw this as a strategy to help them find and train people who could become their future workers and help them address their labor shortages."

Employers not consulted enough

A report last week from the non-profit Wisconsin Policy Research Institute in Thiensville criticized W-2 for consulting too little with employers and diverting participants to education and training plans instead of focusing first on employment.

The report, based in part on a survey of 145 Milwaukee-area employers, suggests the Trial Jobs Plus proposal could be "an important addition" to W-2.

"On-the-job training is one of the models out there that has been effective," said David Dodenhoff, a senior fellow at the institute and author of the report.

In addition to increasing incentives for businesses to get involved, Trial Jobs Plus aims to boost the experience and income of W-2 participants.

"With real work and real pay, it would really simulate the world of work," Gassman said, "and because they'd be drawing a salary, they'd be eligible for the earned income tax credit, and that could be a significant boost to the family."

For 2004, the federal earned income tax credit provided up to \$4,300 for qualified working parents. The additional Wisconsin credit was up to \$1,849.

"It can add up to a ton of money," said Greg Duncan, a Northwestern University economist who is writing a book on New Hope. Real work helps inexperienced workers learn the sorts of "soft skills" sometimes lacking from W-2 participants - habits such as showing up on time consistently, dressing properly and staying at work until it's quitting time, he said.

"The real question is how much can you teach this stuff off in a classroom somewhere rather than learning this on the job?" Duncan said.

At his job, Barton Clark talks about the lift that regular work has given him.

"It gives you a sense of pride," he says. "It keeps you from being depressed and despondent. You can stick your chest out. You can pay your child support."

Clark says he recently got another job offer through an application he filled out on a whim. The job would have paid him \$3.50 more an hour, a 35% raise.

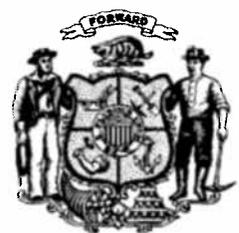
He turned it down, though, because it was at a metal shop, and he figures at the rate factory jobs are leaving, he would lose the job and be back out on the streets again.

"There's job security in this job because they can't send this job overseas," Clark says of his maintenance position. "They can't outsource this."

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WISCONSIN STATE LEGISLATURE





SHEBOYGAN, WISCONSIN

Posted May 10, 2005

Editorial: Education, training key to fixing W-2

The path from welfare to work is education and that's where the emphasis should be in Wisconsin Works, the state's 8-year-old program designed to get people off the welfare rolls.

Touted as a bold and innovative program under then-Gov. Tommy Thompson, W-2 is now being criticized as ineffective and even corrupt. But rather than scrap the program and the state's \$1.5 billion investment, a retooling is in order along with better oversight of its administration.

The original design of the program was good: Get people off welfare and into jobs, then get them the education and training needed to get a better job.

It's the education and training efforts that seem to have been overlooked.

Critics of the program point to the recent report by the Legislative Audit Bureau that showed only a handful of those in the W-2 program working in jobs paying above poverty-level wages, and 1 in 5 participants collecting monthly checks without working or taking part in education or training programs.

Perhaps the goal of quickly getting people off welfare rolls in the late 1990s was done more for Thompson's political reasons than to actually move welfare clients into meaningful jobs. Gov. Scott McCallum and now Gov. Jim Doyle both have tried to shape the program into a political plus, but the emphasis remains on reducing the number of people on welfare and not on seeing that they advance in the workplace.

Critics also point to the problems of agencies, especially the Opportunities Industrialization Center of Greater Milwaukee — in which the people contracted to help others make the transition from welfare to work instead sought to line their own pockets. Criminal charges have been filed against OIC leaders and the agency has been stripped of its contract.

The state adopted a "get tough" policy with welfare recipients under W-2. It should be doing the same with agencies hired to administer the program. Closer monitoring and better followup on reporting by W-2 agencies is a must.

But the key to W-2 success must still be how well the program succeeds in educating and training people so they qualify good-paying jobs. Now, too many are stuck in low-paying, community-service jobs that offer no real opportunity for growth.

Roberta Gassman, Gov. Jim Doyle's top administrative official on W-2, says there are fixes in the works, and she also correctly notes that by itself W-2 will not end poverty in Wisconsin.

The success of W-2 lies in how effectively the state deals with the problems outlined in the audit and how much emphasis is placed on the long-term goal of W-2: to get welfare recipients into good-paying jobs.

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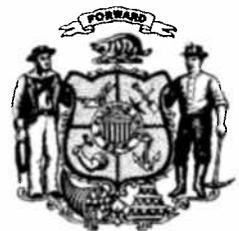
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W-2's critics will always decry reforming welfare

Last Updated: May 14, 2005



Patrick

McIlheran

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You may have heard there's a big report out on W-2, the program meant to end welfare as Wisconsin knew it. You may have heard this summed up as: The whole program's a bust.

You may note that critics have been saying this since 10 minutes after welfare reform became law.

"W-2 was a bad idea," legislators were told in April by an analyst for a union-backed think tank - and the theme of criticism from the political left is that the audit proves that W-2 has failed.

The audit proves no such thing. It recommends improvements - monitoring this agency and adjusting those sanctions - but its 278 pages also tell us the extent to which W-2 got the big idea right.

The caseload, about 22,700 to start, was down to about 15,500 last June. That's more than in 2000, when the economy sickened, but it's not on course to hit 1997's level again. It's well below the old welfare system that so alienated Wisconsin's taxpayers.

Critics say clients leaving W-2 aren't much better off. Even with tax credits for the working poor, only about a third of W-2 graduates were above the poverty line. The bright prospects of, say, investment banking rarely await those just off the rolls.

"The stated premise of W-2 was that the program would put people on the road out of poverty," says Pam Fendt, a policy analyst at the University of Wisconsin-Milwaukee's Center for Economic Development. She believes that will happen only with more comprehensive training.

I certainly wouldn't want to live on the \$11,300 that W-2 graduates average. Many of the graduates don't have to: The proportion above the poverty line rises to 42% if you consider people who've been off the program for four years, 57% among those who've held a job during that time and 74% if they've gotten married.

That is, recipients who adopted some of the habits of mainstream society tended to do better.

That, rather than the direct relief of poverty, was the thinking, says Jennifer Noyes of UW-Madison's Institute for Research on Poverty. She ran W-2 briefly in 2000 and 2001. She sums up the idea as, "You can't get out of poverty on welfare. You have to have a connection to employment."

That's the second key victory for W-2: It changed the terms by which the state helps the poor.

"W-2 means the end of the automatic welfare check," said Gov. Tommy Thompson in 1995. "We believe that everyone is capable of some level of work, and W-2 will help participants move directly into work at the earliest possible time."

"And that has happened for thousands and thousands of people," says state Rep. Suzanne Jeskewitz, the Menomonee Falls Republican who's helping lead the panel now reviewing W-2.

"We needed to not pay for people to do nothing."

This critical change was a lesson to be learned not by the poor but by all citizens. While it may be soothing to tell ourselves that, being a kind and progressive state, we would of course help those who cannot help themselves, an open-ended entitlement to other people's money tells those receiving the help that they're helpless.

Far better, for all W-2's flaws, to define help not in terms of what is owed the poor by a rigged society that somehow caused their woes but, rather, of how best to help people change themselves to join in the economy.

W-2's flaws can be fixed. "Welfare reform isn't over yet," says Noyes. "It isn't done. It's evolutionary."

There's broad agreement, for instance, that the Doyle administration's proposal for subsidized but real jobs could put more W-2 grads above the poverty line.

Jeskewitz sees opportunities to reduce hassle for recipients.

The most basic measure against poverty is good education, and Wisconsin has invested millions of dollars and a decade of attention to one of the nation's broadest innovations in school reform, Milwaukee's parental choice program.

All these things say that, welfare reform's deficiencies notwithstanding, Wisconsin can't be faulted for failing to try. Much of what it has tried has helped, certainly more than what W-2 replaced.

This is worth remembering when reform comes under attack from people who never liked it from the start.

Appeared in the Milwaukee Journal Sentinel on May 15, 2005.
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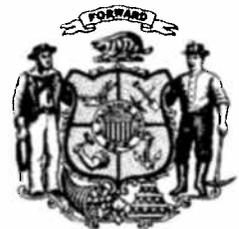
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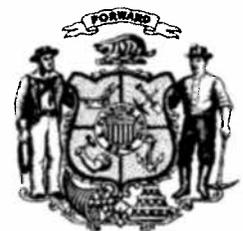
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About Patrick McIlheran

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WISCONSIN STATE LEGISLATURE



Original URL: <http://www.jsonline.com/news/metro/may05/326582.asp>

OIC official planned to pay, lawyer says

Fraud trial under way in \$46,000 purchase of 545 phones

By STEVE SCHULTZE
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Posted: May 16, 2005

The former chief financial officer for the now-defunct Opportunities Industrialization Center of Greater Milwaukee never intended to stick her employer with a \$46,000 bill for cell phones she bought through OIC, her attorney told a federal judge Monday.

U.S. Attorney Steven Biskupic said, however, that Cordelia I. Ekwueme used OIC to get a discount on the 545 phones and start a new business reselling them in Nigeria. She cut a special deal for the Cingular V400 phones Nov. 22 - the same day she turned in her resignation at OIC, Biskupic said.

Documents outlining a business plan for the Nigerian phone scheme seized from Ekwueme's New Berlin home included income projections and blank sales receipts, according to search warrant records.

Ekwueme, 47, planned to distribute the phones through a church in her native Nigeria, Robin Shellow, Ekwueme's attorney, said during opening statements in Ekwueme's fraud trial before U.S. District Judge Lynn Adelman.

Ekwueme also planned to give away some of the phones to friends and relatives in Africa, Shellow said, and Ekwueme intended eventually to pay for the phones.

"These transactions had nothing to do with OIC," Shellow said in the non-jury trial. "Cordelia didn't misrepresent anything."

In testimony Monday, former OIC President Tyrone Dumas said Ekwueme submitted a letter in October saying she planned to resign in March. But under pressure from Dumas and as OIC's financial problems worsened, she submitted a second letter of resignation in November that moved up her quitting date to Dec. 31, said Dumas, a prosecution witness.

Once the state's largest Wisconsin Works provider, the agency went out of business millions of dollars in the red in late February. That followed allegations of improper spending of welfare-reform money and the felony convictions of former OIC President Carl Gee and former state Sen. Gary R. George in a criminal kickback conspiracy.

Dumas said that Ekwueme had told him that OIC's deficit was about \$2 million. An independent firm later placed the shortfall at more than \$4 million.

Asked by Biskupic whether he and Ekwueme got along, Dumas described a "heated meeting" with her about an overdue OIC audit. Ekwueme and some on her staff "felt insulted that I would check their accounting procedures," Dumas said.

Ekwueme unsuccessfully sought the interim president job that Dumas got, Shellow noted. But Dumas denied that there was bad blood between him and Ekwueme.

OIC Troubles

Recent Coverage

 [1/26/05: Former OIC executive charged with fraud in cell phone case](#)

 [1/12/05: Charges expected in OIC phone case](#)

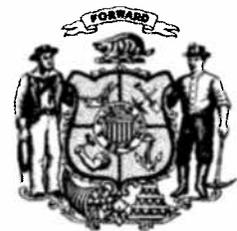
 [1/7/05: Surprise, surprise: A new OIC scandal](#)

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WISCONSIN STATE LEGISLATURE



Original URL: <http://www.jsonline.com/news/metro/may05/327143.asp>

Former OIC official acquitted of fraud

Deception denied in cut-rate phone buy

By GINA BARTON
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Posted: May 18, 2005

The former chief financial officer of the Opportunities Industrialization Center of Greater Milwaukee Inc. was acquitted Wednesday of federal fraud charges.

Cordelia Ekwueme's supporters cried, applauded and raised their arms in prayers of thanksgiving after U.S. District Judge Lynn Adelman handed down the not guilty verdict Wednesday. The verdict came after a three-day trial in federal court in Milwaukee. Ekwueme had chosen to have the judge decide her fate rather than a jury.

Ekwueme, 47, had been charged with one count of illegally transporting goods taken by fraud, a felony. Federal authorities alleged that Ekwueme ordered \$46,000 worth of cell phones through OIC, intending to resell them in Africa.

During the trial, federal prosecutors tried to prove that Ekwueme ordered some 500 cell phones at a government rate from Cingular Wireless, intending to resell them for a profit in her native Nigeria. Prosecutors said Ekwueme got the discounted rate only because she led officials at the phone company to believe the phones were for business use at OIC. Prosecutors also alleged that Ekwueme planned to stick OIC with the bill. Such a fraud would be a federal crime because before its collapse earlier this year, OIC was a large contractor with the Wisconsin Works welfare reform program and was funded largely with federal grant money.

"The defendant deceived OIC, deceived Cingular and deceived the government," assistant U.S. Attorney Gregory J. Haanstad said during his closing argument.

But defense attorney Robin Shellow contended that a Cingular sales representative offered Ekwueme and other OIC employees a discount on phones for personal use. During the defense case, several former OIC employees testified that they, too, bought discounted phones to give to their relatives and friends in Africa.

The defense contended that the Cingular salesman made special deals on the phones - and even showed the OIC workers how to evade international charges by manipulating the phones' hardware - because he wanted to meet his sales goals. "It's a complete red herring that she sold the phones. That's not a violation of this statute," Shellow said during her closing argument. "The fact Cingular feels it's inappropriate . . . is a big 'Who cares?' "

Ekwueme never denied selling about 200 of the phones to Nigerian companies.

Testifying in her own defense Tuesday, she said she fully intended to pay for the phones, but never got a bill. In explaining his ruling, Adelman said Ekwueme was guilty of poor judgment, but he had doubts about whether she had obtained the phones by fraud.

"She should have been more skeptical about purchasing phones in such an unorthodox way," he said.

OIC Troubles

Recent Coverage

-  [1/26/05: Former OIC executive charged with fraud in cell phone case](#)
-  [5/16/05: OIC official planned to pay, lawyer says](#)
-  [1/12/05: Charges expected in OIC phone case](#)
-  [1/7/05: Surprise, surprise: A new OIC scandal](#)

Archived Coverage

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Shellow said her client was delighted with the verdict, but not so happy with Cingular.

"We tried this case on the facts, and the facts were that she didn't intend to defraud OIC, and quite frankly, Cingular pulled a fast one," Shellow said. "My client is not the only one who has ever asserted that a wireless company was unclear about their billing procedures."

Chris Comes, a Chicago-based spokesman for Cingular, could not be reached Wednesday.

U.S. Attorney Steven M. Biskupic tried the case with Haanstad.

"We thought we threw a strike. The judge called it a ball. He's the umpire. That's the way the system works," Biskupic said after the verdict.

Ekwueme is the first of several defendants charged in a federal probe of OIC to be acquitted.

At a jury trial in August, former OIC Executive Director Carl Gee was convicted of conspiracy for participating in a kickback scheme with former State Sen. Gary George.

Gee was later sentenced to two years in prison.

Two former OIC affiliates, Opportunities Investments Associates and the Garfield Foundation, were dissolved as part of a plea agreement after Biskupic filed felony charges against them for OIC's payments to George and for falsifying a document submitted to a federal grand jury.

From the May 19, 2005, editions of the Milwaukee Journal Sentinel
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Original URL: <http://www.jsonline.com/news/state/may05/327458.asp>

GOP lawmakers pare Doyle's W-2 reforms

Milwaukee regional office would close; day care and proposals on job training would be cut

By STEVEN WALTERS and STEVE SCHULTZE
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Posted: May 19, 2005

Madison - Republican legislators Thursday dismantled Democratic Gov. Jim Doyle's package of expanded job services to Wisconsin Works families and his plan to tie payments for day care centers to a new rating system.

In a further swat at Doyle over W-2's biggest scandal - the criminal kickback convictions that led to the closing of Opportunities Industrialization Center of Greater Milwaukee - lawmakers voted to shut down the Milwaukee regional office that's charged with local W-2 oversight. Those Milwaukee employees failed to detect the corruption, legislators said.

Citing the budget deficit, Republicans on the Joint Finance Committee said they couldn't afford to expand services and had to make up a \$23 million deficit in child care and W-2 programs in Doyle's budget.

Rep. Dean Kaufert (R-Neenah), committee co-chairman, said the Republicans' funding plan kept in place child care subsidies and other job-training programs. W-2 cost about \$1.2 billion in state and federal funds over the past two years, including \$607 million in child-care subsidies, Kaufert noted.

"I don't know how much more money we can throw at this," Kaufert said. "We want to do what we've been doing."

Sen. Alberta Darling (R-River Hills) said legislators were crafting the first W-2 budget since "extensive fraud and corruption" were found by federal prosecutors and auditors in how the program was run by the now-defunct OIC.

"We're giving W-2 another two years to work out the glitches," said Rep. Kitty Rhoades (R-River Falls).

But Sen. Lena Taylor (D-Milwaukee) accused the Republicans of "declaring war" on Milwaukee's poor children and their parents by refusing to support Doyle's expanded W-2 programs.

"Shame, shame on you," she told Republicans, who control the committee, 12-4.

Democratic Rep. Mark Pocan (D-Madison) accused Republicans of "riding over the bodies of children of the poor."

The plan Republicans pushed through the committee Thursday would:

- Eliminate Doyle's proposal for a pilot "trial jobs" program for up to 1,000 W-2 participants for

Joint Finance

Quotable

“ I don't know how much more money we can throw at this. ”

- Rep. Dean Kaufert, (R-Neenah), co-chairman of the Joint Finance Committee

“ Shame, shame on you. ”

- Sen. Lena Taylor, (D-Milwaukee), who accused Republicans of "declaring war" on the city's poor

Recent Joint Finance Coverage

 [5/18/05: State aid to foster care rejected](#)

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 [5/11/05: Budget panel votes to kill 'Smart Growth'](#)

an 18-month period, starting Jan. 1. Doyle had wanted W-2 parents to get paid for basic job training for up to 30 hours per week. The training would be done by private companies, which would get subsidies to cover the wages.

Archive Coverage



 Section: State Politics

- Close the Department of Workforce Development's Milwaukee regional office, saving 11 jobs and about \$944,000 a year.

- Reject Doyle's plan to give grants of \$673 per month to single W-2 mothers in their third trimester of at-risk pregnancies. The grants would be offered only to women who have no other children.

- Increase co-payments for child care paid by low-income parents by 15%, starting in January. The Legislative Fiscal Bureau said that would cost a mother with two children, whose income is up to 185% of the federal poverty level, about \$40 more per month.

- Scrap Doyle's plan to change how reimbursements are paid to subsidized day care centers, which would be assigned ratings from 1 to 5 stars based on staff training and other care standards. The governor recommended that reimbursement rates be cut for centers that get only 1 and 2 stars; that rates stay the same for 3-star centers; and that 4- and 5-star centers get higher reimbursements.

In a statement, Doyle said the votes by Republicans had "priced child care beyond the ability of low-income working families to access it."

"These actions will force parents to choose between a job and the safety of their kids," Doyle said. "The impact of their proposed 15 percent co-payment increase will cost many families hundreds of dollars each year."

Failing to start the new program that would have rated day care centers means the state will "keep paying the same amount of money to the worst child care center as it does to the best," the governor said.

The decisions of Republican legislators put the squeeze on poor people, said Charity Eleson, executive director of the Wisconsin Council on Children and Families, an advocacy group.

By making poor families pay more for child care and balking at Doyle's expansions, lawmakers could hurt families, she said. Shutting down the Milwaukee regional office would hinder the state from properly monitoring the program where the greatest concentration of W-2 clients live, Eleson said.

OIC shut its doors in late February after Carl Gee, its former president, and former state Sen. Gary R. George were convicted in a criminal kickback scheme involving W-2 money. A state audit also found that the agency had improperly spent an additional several hundred thousand dollars and had a poor record in finding poor clients jobs.

Agency clients were divided among three other agencies.

Doyle administration officials have said they took tough action with OIC, demanding reforms starting last year and ultimately terminating OIC's \$84 million W-2 contract.

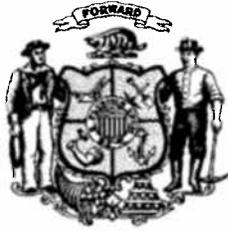
Steven Walters reported for this article from Madison, and Steve Schultze from Milwaukee.

From the May 20, 2005, editions of the Milwaukee Journal Sentinel
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WISCONSIN STATE LEGISLATURE



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Editorial: Nonsensical changes to W-2

From the Journal Sentinel

Last Updated: June 4, 2005

A key legislative committee has taken a broken Wisconsin Works program and made it worse. The budget-writing Joint Finance Committee unwisely made it tougher for parents working in low-wage jobs to afford day care and scrapped Gov. Jim Doyle's plans to better aid moms of infants, to spur day care centers to upgrade and to expand job options for W-2 clients. But likely the least logical of the committee's actions was to shut down the Milwaukee W-2 office.

The full Legislature must reject these foolish changes to the state budget Doyle submitted. They virtually guarantee that the job-oriented W-2, created with much fanfare during the administration of Republican Gov. Tommy Thompson, will keep failing to live up to its promise of enabling families to escape poverty in large numbers.

Closing down the Milwaukee office makes no sense. Four of every five W-2 clients, after all, live in Milwaukee County. What's more, an office here makes practical the urgently needed oversight of the private agencies that run W-2 in the county. Remember, the state has been roundly ripped - and rightly so - for lack of such oversight. Spending improprieties and scandals flourished in the resulting darkness.

The committee's controlling Republicans acknowledge the lack of monitoring but audaciously support closing the Milwaukee office. It failed at its job of monitoring, so it should be shut down, they argue - which is akin to saying a police department should be closed because it has failed in its mission to combat crime. Of course, the real solution is to improve the department.

In truth, from its inception, the state had a hands-off policy toward Milwaukee's W-2 agencies, and the Thompson administration largely ignored complaints about that policy. In contrast, according to advocates for the poor here, the Milwaukee office started to become responsive under the Democratic Doyle. It fielded complaints from clients; established lines of communication with agencies, advocates and others; and sought to establish uniform policies across agencies.

Republicans like to say how government should be run like a business. But what business would shut down the office where the bulk of its clients live? In fact, a business may be tempted to move its headquarters to such an area. In like manner, it makes more sense for the state to put W-2 headquarters in Milwaukee than to shut the regional office here.

The committee made other mischief. It upped by 15% the amount of money working moms must come up with to send their children to day care. Keep in mind that there is no way a single parent of young kids can work without some sort of child care. Yet, many jobs pay too little to afford such care. The solution is a government subsidy. The committee would raise the out-of-pocket costs by about \$40 a month for a mom with two children - which doesn't seem like much, unless your job already leaves you struggling to put food on the table.

The committee killed a nifty plan by Doyle to give day care centers financial incentives to improve. The better the center, the better prepared children will be for school.

Also scrapped was Doyle's plan to extend from three months to six the amount of time a mom of a newborn can stay home without working - a move that would save the state money in expensive infant care.

And the committee unwisely eliminated a pilot program in which the state financed jobs at private organizations.

The Legislature must undo the damage the Joint Finance Committee did to W-2.



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State plans to split W-2 functions

Welfare reform effort also will involve ombudsman

By MEG JONES
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Posted: June 23, 2005

To make Wisconsin's welfare reform program more accountable after high-profile scandals, the state plans to split up functions among more agencies and hire an ombudsman to handle client complaints.

The changes to be announced today will try to ensure that Wisconsin Works agencies adequately train low-income residents and help them get jobs. Among the changes will be a requirement that agencies track the wages earned by W-2 participants.

Contracts now will last four years instead of the previous two years. State officials say the longer contracts will offer more stability to the program. The state will still be able to cut short a contract if an agency doesn't measure up.

The Department of Workforce Development also plans to separate W-2 functions so that different agencies handle case management, job development and other services in Milwaukee County, where the bulk of W-2 participants live. The idea is to split up the W-2 programming among several entities instead of a few large companies that now administer W-2.

In Milwaukee, "we have seen challenges where very large agencies are providing a whole range of services, and unfortunately too many W-2 participants are getting lost in the cracks or not getting the services they should get," said Roberta Gassman, secretary of the Department of Workforce Development.

In Milwaukee County, four companies split \$204 million for operating the program in 2004-'05.

A state audit in April found that few W-2 participants get jobs that pay more than poverty-level wages; fewer than half of potential clients are screened for problems such as alcohol or drug addiction; and one-fifth of clients collecting monthly checks had no work or training assigned to them.

In February, the state dropped the now-defunct Opportunities Industrialization Center of Greater Milwaukee as a W-2 agency.

As a result of OIC's problems, the state now will require W-2 agencies to provide a fidelity bond, an assurance of financial backing that will mean the state will not lose its investment if the agency can no longer deliver services.

OIC's demise was hastened last year by the conviction of its former president in a kickback scandal.

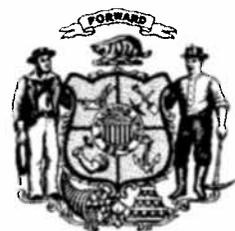
Gassman said agencies have until the end of July to submit proposals for contracts, which will be awarded in September.

From the June 24, 2005, editions of the Milwaukee Journal Sentinel
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WISCONSIN STATE LEGISLATURE



Posted June 24, 2005

State adjusts requirements for W-2 agencies

Moves come after problems found at largest provider

The Associated Press

Wisconsin officials are making substantial changes to the contract requirements of agencies that run the state's landmark welfare-to-work program.

The moves include increasing oversight on how taxpayer money is spent and giving more attention to helping participants find jobs.

The modifications come after the state shut down its biggest provider, Opportunities Industrialization Center of Greater Milwaukee because of mounting legal, financial and program problems in February. The social welfare agency was entangled in a criminal kickback scheme that funneled more than \$500,000 to former state Sen. Gary George.

An audit released by the nonpartisan Legislative Audit Bureau in April found almost 21 percent of Wisconsin Works, or W-2, participants received benefits but didn't work.

It also found that more than half of the people in the program had previously been on W-2, a majority of the participants failed to pull themselves above the poverty line and management problems with the program.

Under W-2, the Department of Workforce Development contracts with public and private entities to deliver services ranging from job training to child care.

The department released Friday what they want the agencies to do in order to be awarded a contract in the next cycle, which starts in January.

Department Secretary Roberta Gassman called the changes significant.

"The (Gov. Jim) Doyle administration has taken strong steps to improve W-2 and increase accountability to the

state and to our taxpayers," she said in a statement. "The steps we are taking today will enhance and strengthen these efforts — moving participants into jobs and helping them retain those jobs."

Contract changes include:

- Increasing the number of agencies in Milwaukee, where most participants live. Instead of larger agencies handling many things, Gassman said they plan to require separate entities to specialize in case management, job development and Social Security Income/ Social Security Disability Income eligibility.
- Running for four years instead of two, with each contract allowing the state to cancel it if performance expectations aren't met.
- Require increased financial reporting, cost reimbursement controls and cost oversight, including new guidelines on reporting promotional expenses, telecommunications, executive compensation, legal services and rent.
- Stricter requirements in connecting participants to jobs and retaining jobs.

Some payments to larger contractors will only be given if they meet program goals. The changes won't be more costly, Gassman said.

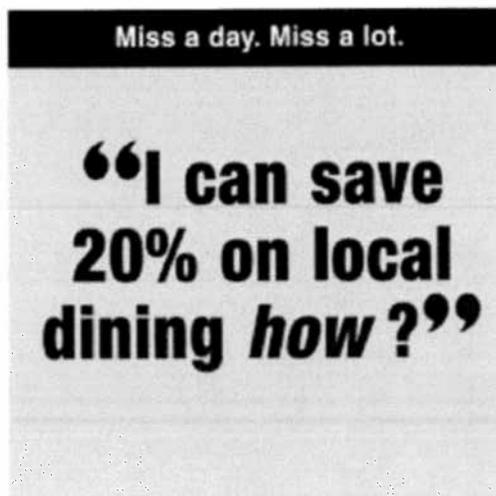
Nearly half the agencies operating the program in the last contract failed to meet standards for automatic renewal.

For the next two years starting July 1, Wisconsin will spend about \$230 million on W-2, compared with about \$280 million for the current budget cycle, she said.

W-2 was launched statewide in 1997 to replace the existing welfare system with a program to help recipients achieve economic self-sufficiency.

Pamela Fendt, a W-2 researcher at the Center for Economic Development at the University of Wisconsin-Milwaukee, said reforms are essential.

"Some of the changes sound like they would be an improvement over existing policy," she said. "Certainly, there has been a feeling among observers in Milwaukee that there has been too much discretion, that the agencies under contract with the state have had too much latitude, and DWD has not been directive enough."



Jerry Hanoski, executive director of Workforce Connections Inc., which has W-2 contracts covering six counties in mostly western Wisconsin, said he didn't have all the details of the changes but they didn't sound ominous.

"We have no problem being accountable with our books being open," he said.



Posted July 28, 2005

Critics: W-2 still needs changes

The Associated Press

MILWAUKEE — Despite a recent scandal and unfavorable audits of the state's welfare-to-work program, the budget left Wisconsin Works largely unchanged — despite efforts by Democrats and Republicans to make adjustments.

The state closed down its largest provider, Opportunities Industrialization Center of Greater Milwaukee, in February because of mounting legal, financial and program problems.

Recent audits also found that Wisconsin Works had mixed success in helping recipients support themselves and that the current top provider, Maximus, paid more than \$687,000 in questionable bonuses to employees and other money to senior executives.

Charity Eleson, executive director for the advocacy group Wisconsin Council on Children and Families, said there was incremental progress for W-2 in the budget, but the program still needs better oversight and accountability.

"I think it's very important for us to know what the investments that the W-2 agencies are making and producing in terms of results for people going into the work force," Eleson said.

Democratic Gov. Jim Doyle proposed several changes to the program in his budget, which was then tweaked by the Joint Finance Committee and approved by the Republican-controlled legislature. Doyle made veto changes to the budget before signing it this week.

State Sen. Alberta Darling, R-River Hills, a member of the Joint Finance Committee, said it was unfortunate Doyle vetoed a provision from the committee in the budget requiring the state to report the agencies' success in job placement, participant wages and job retention.

But Secretary Roberta Gassman, head of the state department that oversees W-2, said the Department of Workforce Development already tracks those things and is requiring contractors to do so

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more closely in the next contract period.

The department will eventually post the results on its Web site, she said.

"We strongly support the most stringent oversight, monitoring and auditing of W-2 possible," said Gassman.

Doyle's prize proposal, which he also unsuccessfully submitted in the last budget process, would have revamped an existing trial jobs program in which the state pays companies to hire W-2 participants. But the Joint Finance Committee nixed the plan, along with his proposal to more than double the amount of time new mothers could stay at home with their babies.



Rethinking W-2: Time to Start Aiming Higher

by Charity Eleson

I sat transfixed as I listened to Debra's (not her real name) story, wondering what I would have done if I had been handed even half of the life challenges she had. She grew up poor in a family of nine. Her parents, who both worked, had never relied on public assistance. She dropped out of high school, but later got her GED, calling it a "proud moment in her life." She worked in a chicken processing plant for over a decade, supporting her kids as a single mother. Then she moved to Wisconsin, where she worked for several years as a certified nursing assistant. A work related injury forced her out of that job and, eventually, onto W-2, where she was determined eligible to participate in a W-2 Transitions placement due to her temporary disability.

It was at that point that she took a bus ride to the technical college in her community, curious about the programming they offered. There she decided she wanted to enroll in the paralegal program. But before entering, she had to take an exam, one that she failed not once, but twice. So she looked at the parts of the exam where she had done poorly and spent the next three months studying. The next time she took it, she passed. She graduated this spring and is on the honor roll. She has ambitions to go on to get her degree in criminal justice.

I met Debra as part of a project the Council is working on in the Green Bay Area to examine ways the workforce development system—which includes W-2 and Workforce Investment Act programs—can improve opportunities for low-income parents to obtain higher paying jobs (see John Keckhaver's related article about the project in this issue of *WisKids Journal*). She was kind enough, along with two other women, to join our group for the day to talk about her experience on W-2. It was a mixed review: She described a system that isn't predisposed toward helping participants get what they need to find good job opportunities. But she also talked about how her individual efforts to get her Financial and

Employment Planner (FEP) to help her get what she needed eventually paid off.

The Legislative Audit Bureau recently released a report on the W-2 program. The last audit on the W-2 program was published in 2001. Largely, that audit reflected program activity and performance through 1998, just a year after the program was implemented. The recent audit, published in April this year, looked at a more mature program and provided a more comprehensive review of the performance of a program hailed at its inception as a way to "end welfare as we know it."

The findings of the audit point to a major social experiment that has done little to improve the economic security of the families that participate, in spite of a total of \$1.5 billion in federal and state funds invested over a period of 8 years. The report shows that only 20 percent of the families leaving the program are in jobs that put them above poverty in the first year, increasing to 27 percent after four years in the labor force.

The other finding that stood out was the types of jobs people on W-2 are finding. Forty-two percent of those who left the program left for temporary jobs. It shouldn't be a surprise, then, that the audit also found an increase in the number of people who came back to the program needing cash benefits again, after having lost jobs.

It's easy to criticize W-2's performance to date. It's much harder to figure out how to improve the program's outcomes. But I'd like to offer a few thoughts.

First, we need to agree that these are not acceptable results. Spending \$1.5 billion over 8 years is a lot of money to spend on a program whose results leave the majority of the families it serves in poverty, a sizeable number of people in temporary jobs without benefits and job security, and an

increasing number of people returning to the program.

We also need to start helping participants with policies that are more visionary than "work first." We've got a labor shortage

The findings of the audit point to a major social experiment that has done little to improve the economic security of the families that participate.

looming on the horizon, and employers in the state can't find workers with the skills they need. One hears a lot about "multi-barriered" participants who can't succeed in higher education arenas like technical college. But my guess is that Debra would be considered a woman with "multiple barriers." W-2 should be about helping participants cultivate their assets and develop the skills that both they and the state's employers need.

Then, we need to quit blaming the local agencies delivering the services. While it's true that there have been egregious

(continued on page 11)



Rethinking W-2: Time To Start Aiming Higher *(continued from page 4)*

offenses committed by the Opportunities Industrialization Center of Greater Milwaukee, Inc., there are also organizations that are trying to help people by delivering services within the funding and policy framework provided. But the W-2 statutes set the policy framework for the agencies' work. Contractual agreements provide specifics on what outcomes they are to produce and how they're to get the job done, and the Department of Workforce Development has the responsibility of holding them accountable for the benchmarks that are set. When agencies are told that they must place people into jobs as quickly as possible—the first job that comes along, regardless of its temporary status, pay or benefits—there's little incentive to help people take the time to develop job skills that will carry them further than a minimum wage job.

We need to set ambitious goals for the W-2 program, expect success from its participants, and give them effective tools to get decent jobs with decent pay and benefits. It needs to become a system that helps people and does not punish them. It needs to become a program that is driven by helping low-income adults "re-imagine themselves," as one of our Green Bay Area project members suggested.

It can start by assessing the strengths and capacity of every adult that enters the program, looking at what capabilities participants have that, with additional help, they could build on and turn into a set of marketable skills.

It can help link adults with job skills training and education that will give them a marketable skill. Only 3.7 percent of all W-2 funding over the eight years covered by the LAB report was invested in education and training, and most of the participants were in adult basic skills training. Only 6.8 percent of participants in 2004 got job skills training, and less than 2 percent participated in technical colleges courses. Had Debra been unemployed and not injured, she would have been considered job ready, and she would have been unlikely to have obtained the technical college degree she received this spring. Yet, national research shows that for every year of education beyond high school, former public assistance recipients are able to increase their annual income by 7 percent. Census data also shows an irrefutable link between higher levels of education and higher earnings.

It can also help participants by encouraging them NOT to take the first job that comes

along. Currently, participants must take the first job they're offered, even though it may not be the best job, or they lose their eligibility for the program. The Portland GAINS program, which is a national model of success in welfare to work programs, not only invested a lot in individual assessments, career planning and job skill training, but they also worked with participants to find a job that best fit their skills and paid them more. That means the program occasionally discourages participants from taking jobs.

Finally, it can help participants see beyond their first job off of the program, helping them plan for and get additional education and training to continue to improve their job skills.

W-2 is an important program that needs to be reinvented. Equipped with the most recent LAB findings, information on successful welfare to work programs from other areas of the country, and a willingness to improve outcomes for participants, the Doyle administration and Legislature could work together to alter the course of the program and usher in smart changes that both address employers' needs and make the right investments to help the majority—not the minority—of families served get jobs that lift them out of poverty. ■

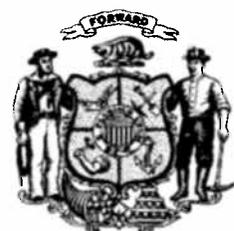
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3 agencies keep control of W-2 program

But 7 other firms will help with job development, placement

By STEVE SCHULTZE
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Posted: Sept. 8, 2005

The three large private contractors now running the Wisconsin Works welfare reform program in Milwaukee County retain their dominance over the next four years, under contract awards announced Thursday.

Maximus Inc., United Migrant Opportunity Service and the YWCA of Greater Milwaukee will continue as lead W-2 agencies in Milwaukee County, where about 80% of the entire state caseload lives. W-2 is the state program that replaced welfare seven years ago with a combination of job readiness help and family supports, including child care and transportation.

But in a switch from the current setup, seven other private agencies will have a role in job development and placement efforts. That move will refresh the program and help improve W-2's record in placing its graduates into family-supporting jobs, said Roberta Gassman, secretary of the state Department of Workforce Development.

"There is stability and also some new opportunities," she said of the agency's contract selections.

The three major companies will split \$161.1 million for the first two years of four-year contracts, but an unspecified portion of that will go to the seven smaller firms that will help in job training. The lead agencies will retain sole responsibility for what the state calls "case management" - determining who gets into W-2, deciding what services and training a participant gets and paying out monthly checks.

Some disappointed

Pamela Fendt, a University of Wisconsin-Milwaukee poverty researcher, said the retention of Maximus, UMOS and YWCA was disappointing, especially given their track record.

"This was an opportunity for the Doyle administration to make some improvements, and I'm not sure they've done that," said Fendt, who serves on a W-2 monitoring panel. "Every single provider on this list has had a scandal of one kind or another, and the outcomes have been really unacceptable."

All have been faulted in the past for questionable spending of W-2 money, with Maximus most recently reprimanded for a staff bonus plan. Also, state audits have shown few participants have found jobs that pulled them out of poverty.

Fendt said the state also erred in rejecting a recommendation to separate the initial assessment of potential W-2 clients from case management. A persistent criticism of the program has been that many clients have been improperly placed or turned away.

Bill Clingan, who heads the state's Division of Workforce Solutions, said it would have been disruptive to have one firm assess clients and then shift them to another firm.

Under the contract awards announced Thursday:

- Maximus will get \$52.5 million for case management and share \$17.1 million with two smaller firms for job training.
- UMOS gets \$50.4 million for case management and shares \$10.3 million with two smaller firms for job training.

- YWCA gets \$16.3 million for case management and shares \$5.2 million with two other firms for job training.

A seventh smaller firm also will work with each agency.

Additional community-based agencies that make a state-approved registry will subcontract with the larger firms for various services.

Other W-2 contracts totaling \$64.3 million for the rest of the state were awarded Wednesday. In addition, an \$8.1 million contract was given to a consortium including UMOS, Legal Action of Wisconsin and La Causa Inc. to assist clients with severe job impediments in obtaining Social Security payments.

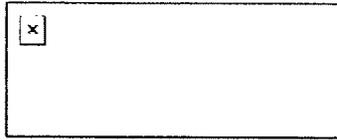
From the Sept. 9, 2005, editions of the Milwaukee Journal Sentinel
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DWD Selects W-2 Agencies for 2006-09 Contract Period
New contracts include major changes for improved accountability and workforce attachment success

Madison - Today Department of Workforce Development (DWD) Secretary Roberta Gassman announced which agencies have been selected by DWD, as a result of a competitive bidding process, to administer an improved Wisconsin Works (W-2) program from January 1, 2006 through December 31, 2009.

The new contracts emphasize strengthened job success for participants and tighter financial controls for W-2 agencies. Early in the W-2 program, which was created in 1997, much discretion was delegated to W-2 agencies. Based on experience gathered about this complex program over the last nine years, agencies will be held to uniform performance expectations.

"W-2 is an important program for helping low-income families move toward the path of economic self-sufficiency," Secretary Gassman said. "The Doyle administration is taking strong steps to improve the impact of W-2 on participants and increase accountability to the state and to taxpayers. We believe the changes we are making will help move participants into jobs and onto career paths out of poverty."

A key improvement involves significant changes for the delivery of services in Milwaukee County, where the largest population of the state's caseload resides, separating the different W-2 functions of case management, job development and Social Security Income/Social Security Disability Income (SSI/SSDI) eligibility determination (see attached diagram).

The program focus of the 2006-09 contracts is on:

- Ensuring that participants strengthen connections to employment, other available training opportunities and career ladders;
- Providing employment retention services; and,
- Providing assistance in obtaining federal SSI or SSDI support for participants facing multiple barriers.

The contracts also continue improvements implemented by DWD since 2003 to strengthen monitoring, agency administrative operations and agency program management.

Contract Changes for all W-2 Agencies

Improved Financial and Administrative Management

- Strict limitations on promotional expenses, telecommunications, executive compensation, legal services and retainers and rent;
- Requirement of fidelity bond backing from all private agencies to reimburse the state in the event an agency cannot fulfill its contractual obligation; and,
- Increased oversight of governance for non-governmental agencies on operations of boards of directors, bylaws, training and maintenance of records and minutes.

Improved Program Management

- New performance standards on participant outcomes in obtaining and retaining employment, enrollment in relevant job skills training and receiving eligibility for SSI/SSDI support;
- Increased requirements that agencies connect to local employers to expand job opportunities for W-2 participants;
- New requirements that agencies provide short-term skills training to ensure improved job placement success; and,
- New requirements that agencies work with other providers and child welfare agencies to better serve participants with multiple challenges.

Changes for Milwaukee County W-2 Agencies

- Five Milwaukee regions are being established – Northeast, Northwest, Central, Southeast and Southwest and there will be multiple Case Management Agencies (CMA) and Job Development and Placement Agencies (JDPA) funded in the different regions; SSI Advocacy is being awarded to a single countywide collaboration;
- Creation of a Preferred Provider Registry to be used by Milwaukee W-2 Agencies for providing specialized case services that will assure quality, cost savings and community involvement; the Registry will include Milwaukee community-based service providers selected this fall to provide AODA clinical assessment, treatment and counseling, learning disability clinical assessment, functional capacity evaluation, vocational evaluation, domestic violence services and mental health assessment, treatment and counseling;
- Creation of an ombudsperson at DWD to support W-2 applicants and participants in rapidly addressing their needs and challenges in accessing W-2 services.

DWD Contract Awards in Milwaukee County

All allocation amounts are for the first 2 years of the upcoming 4-year contracts.

Northeast Milwaukee

- CMA contract of \$16,314,828 awarded to the YWCA of Greater Milwaukee.
- JDPa contract of \$5,232,069 awarded to a Policy Studies, Inc. collaboration which will also involve Multicultural Community Services and the YWCA.

Northwest Milwaukee

- CMA contract of \$32,283,563 awarded to Maximus, Inc.
- JDPa contract of \$10,438,366 awarded to a Milwaukee Center for Independence collaboration which will also involve Maximus, Inc.

Central Milwaukee

- CMA contract of \$31,868,506 awarded to United Migrant Opportunity Services (UMOS).
- JDPa contract of \$10,313,177 awarded to a UMOS collaboration which will also involve Enrichment Opportunities Institute of Training in Milwaukee and the Hmong/American Friendship Association, Inc.

Southwest Milwaukee

- CMA contract of \$20,178,528 awarded to Maximus, Inc.
- JDPa contract of \$6,730,627 awarded to a Maximus, Inc. collaboration which will also involve Kaiser Group, Inc.

Southeast Milwaukee

- CMA contract of \$14,247,091 awarded to UMOS.
- JDPa contract of \$4,355,761 awarded to UMOS.

All five JDPa regional collaborations will also partner with Milwaukee Job Development, Inc., a new organization that will train and place W-2 participants in health care jobs with career advancement potential.

SSI Advocacy

- Countywide contract of \$8,185,556 awarded to a UMOS collaboration which will also involve La Causa, Inc. and Legal Action of Wisconsin, Inc.

"The involvement of additional providers, through new collaborations and the Preferred Provider Registry, will produce better outcomes for participants and stronger connections to employers," added Gassman.

DWD Contract Awards in the Balance of State

Balance of state agencies selected through the competitive process and the counties they serve:

All allocation amounts are for the first 2 years of the upcoming 4-year contracts.

- Forward Service Corporation – Brown County – \$3,087,959
- Douglas County Department of Health and Human Services – Douglas County – \$983,955
- Fond du Lac County Department of Social Services – Fond du Lac County – \$1,807,311
- Grant County Department of Social Services – Grant, Green, Iowa, LaFayette and Richland counties – \$855,609
- Jefferson County Human Services – Jefferson County – \$569,472

- Kenosha County Department of Human Services – Kenosha – \$7,305,929
- ACS, Inc. – Washington and Ozaukee – \$1,002,422
- Vernon County Department of Human Services – Vernon County – \$209,162
- Waupaca County Department of Health and Human Services – Waupaca County – \$585,620

Forty W-2 agencies earned the Right of First Selection and were not required to compete. DWD intends to enter into contracts with each of these agencies and counties:

- ACS State and Local Solutions, Inc. (Waukesha County) – \$2,491,503
- Ashland County Human Services Department (on behalf of Ashland and Price Counties Consortium) – \$479,544
- Barron County Department of Health and Human Services – \$498,337
- Bayfield County Department of Human Services – \$183,844
- Buffalo County Department of Health and Human Services – \$126,786
- Burnett County Department of Health and Human Services – \$159,390
- Calumet County Department of Human Services – \$259,471
- Chippewa County Department of Human Services – \$619,355
- Clark County Department of Social Services – \$570,399
- Crawford County Human Services Department – \$105,379
- Dane County Department of Human Services (on behalf of Dane, Dodge, Marquette and Sauk Counties Capitol Consortium) – \$11,446,401
- Door County Department of Social Services – \$298,542
- Dunn County Department of Human Services – \$730,412
- Eau Claire County Department of Human Services – \$1,610,609
- Forward Service Corporation (Waushara County) – \$349,093
- Forward Service Corporation Bay Area Consortium (Florence, Kewaunee and Menominee Counties) – \$399,884
- Forward Service Corporation Northern Consortium (Forest, Langlade, Lincoln, Oneida and Vilas Counties) – \$1,436,243
- Green Lake County Department of Health and Human Services – \$246,359
- Iron County Human Services Department & Associates – \$90,701
- Kaiser Group, Inc. (Walworth County) – \$899,424
- La Crosse County Human Services Department – \$1,373,019
- Marathon County Department of Employment and Training – \$2,372,242
- Marinette County Health and Human Services Department – \$423,931
- Oconto County Department of Human Services – \$339,293
- Outagamie County Department of Health and Human Services – \$1,668,054
- Pepin County Department of Human Services – \$127,915
- Polk County Human Services Department – \$340,993
- Racine County Human Services Department – \$4,563,469
- Rock County Department of Health and Human Services – \$2,739,451
- Rusk County Department of Health and Human Services – \$159,008
- Sawyer County Health and Human Services (on behalf of Sawyer and Washburn Counties Consortium) – \$310,890
- Shawano Job Center, Inc. – \$419,164
- Sheboygan County Health and Human Services on behalf of Manitowoc and Sheboygan Counties W-2 Lakeshore Consortium – \$1,642,486
- Taylor County Human Services Department – \$187,401
- Trempealeau County Department of Social Services – \$325,863
- Winnebago County Department of Human Services – \$1,810,773

- Wood County Department of Social Services on behalf of Portage, Adams and Wood (PAW) Counties Consortium – \$2,773,837
- Workforce Connections, Inc. (Columbia County) – \$494,433
- Workforce Connections, Inc. (Consortium for Jackson, Juneau and Monroe Counties) – \$1,335,996
- Workforce Connections, Inc. (Consortium for Pierce and St. Croix Counties) – \$488,795

Attachments:

- Milwaukee County W-2 Regional Map
- Milwaukee W-2 Program Service Responsibility Areas

**Milwaukee County W-2 Program
Service Responsibility Areas
2006 – 2009 Contracts**

