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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

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* Contents organized for archiving by: Stefanie Rose (LRB) (September 2012)

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W-2 contractor shuffle continues

Some worry clients, employees will suffer

By STEVE SCHULTZE
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Posted: Jan. 22, 2006

When the Milwaukee Center For Independence backed away from its \$10.4 million state contract to run Wisconsin Works welfare reform programs in part of Milwaukee late last year, it set off a chaotic musical-chairs game of changes that hasn't stopped.

The main contractor for W-2 job training will switch again on the city's near north and northwest sides - for the third time in three years - with the last-minute substitution of a Denver-based firm.

That means that some of the 30 subcontractors that have done much of the work also will likely change, triggering layoffs and uncertainty for those workers.

And although state officials insist that no clients will be shortchanged during yet another transition, advocates fear some poverty-stricken W-2 clients will get neglected.

"I'm not pleased," said state Sen. Lena Taylor, a Milwaukee Democrat who represents some of the area affected by the change. She fears clients will "fall through the cracks."

Taylor also renewed a longstanding concern: The turmoil may result in fewer jobs for African-American workers at W-2 agencies to assist a largely black W-2 clientele.

The changes with W-2 are an outgrowth of the demise last year of Opportunities Industrialization Center of Greater Milwaukee.

Once the largest provider of W-2 services in Wisconsin, OIC went out of business after the conviction of its CEO in a bribery case and state demands for the return of hundreds of thousands of dollars in misspent taxpayer money.

Before OIC, the YWCA ran W-2 in the north-northwest area of the city. When OIC died, that portion of its territory was temporarily turned over to Maximus for the past year.

Under new contracts starting this month, Maximus retains jurisdiction over the north and northwest sides for one big part of W-2 - case management - but not for job training.

In September, the Milwaukee Center For Independence was selected to run job training in the area. But the center backed out of the deal in mid-December, citing financial concerns.

Maximus is a private for-profit company that also has W-2 contracts for the city's southwest side. It has dropped from first place to second in the state's W-2 provider roster, with a total of \$59.2 million in contracts over the next two years. That's some \$27 million less than Maximus had over the past two years.

Jerry Stepaniak, Maximus' vice president for W-2 operations in Milwaukee, said Maximus was delivering layoff notices to employees in light of its smaller budget. He declined to say how many of Maximus' 240 local workers would be cut, but said it would be a double-digit figure.

<http://www.jsonline.com/news/metro/jan06/386955.asp?format=print>

W-2 Program



Photo/File

State Senator Lena Taylor fears some clients will fall through the cracks.

Contractors

Large contractors involved in Wisconsin Works welfare reform programs in the Milwaukee:

2006-'07

- ☑ **United Migrant Opportunity Services** - \$69 million
- ☑ **Maximus Corp.** - \$59.2 million
- ☑ **YWCA** - \$16.3 million
- ☑ **Policy Studies Inc.** - \$15.6 million

Total: \$160.6 million

2004-'05

- ☑ **Maximus Corp.** - \$86.2 million
- ☑ **Opportunities Industrialization Center of Greater Milwaukee** - \$54.8 million

Maximus also is planning major cuts to its subcontractors, Stepaniak said.

Maximus didn't bid on the north-northwest side job-training contract because it wanted to encourage diversification of the W-2 program and in hopes that the Milwaukee Center For Independence would be chosen, Stepaniak said.

United Migrant Opportunity Services is now the state's largest W-2 provider with \$69 million in contracts. Rod Ritcherson, a spokesman for UMOS, said that agency was tripling its W-2 subcontracting spending to \$3.2 million over the next two years with 33 vendors. It serves W-2 clients in the central city and south side.

The YWCA is a distant third-place primary W-2 contractor at \$16.3 million, but it will boost its total by also serving as a subcontractor to other firms.

The continued concentration of W-2 contracts in a few hands runs counter to Gov. Jim Doyle's intended de-centralization of the program. When calling for new contract proposals last year, the state Department of Workforce Development said it wanted to spread the work out to avoid having one agency's poor performance "jeopardize the overall program."

Doyle had called for the diversification after the OIC scandal and state audit results showing few W-2 participants got jobs that paid more than poverty-level wages.

Overall, W-2 contracts statewide total \$224 million for 2006-'07, a cut of about 20% from the last two-year period.

Milwaukee Center For Independence CEO Howard Garber said his agency would likely have a few layoffs and a smaller ongoing role as a W-2 subcontractor to Maximus. The center had a \$1.2 million subcontract for 2004-'05 to evaluate clients for disabilities.

The center attempted to cut a deal with the state in which the much larger Maximus would handle the training contract in a partnership - and assume some of the risk in case state job placement and other goals weren't met.

State officials rejected a Milwaukee Center For Independence-Maximus joint deal and hastily signed up the next highest scoring bidder, the Denver-based Policy Studies Inc., a few weeks ago. The firm, new to W-2, will be the fourth largest provider with two contracts worth \$15.6 million.

The state will "strongly encourage" but can't force Policy Studies to hire local agencies that have had experience with W-2 clients and know the local community, said Bill Clingan, state administrator of W-2.

Policy Studies executive Doug Howard said his firm might hire some of the local agencies that have been W-2 subcontractors, but added: "I just don't think there are any assurances."

■ **United Migrant Opportunity Services**
- \$47.8 million

■ **YWCA** - \$12.4 million

■ **Department of Workforce Development** - \$1.3 million
br>**Total: \$202.5 million**

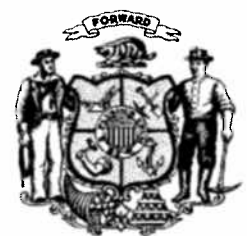
Source: Department of Workforce Development

From the Jan. 23, 2006, editions of the Milwaukee Journal Sentinel
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WISCONSIN STATE LEGISLATURE



Original URL: <http://www.jsonline.com/news/state/jan06/387732.asp>

Doyle ally's group gets key subcontracts

State directed W-2 agencies to award the deals

By STEVE SCHULTZE
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Posted: Jan. 25, 2006

State officials have ordered three Wisconsin Works agencies to provide subcontracts worth nearly \$500,000 to a start-up job development agency with close ties to Gov. Jim Doyle, an agency that has failed to meet its goals under a special no-bid \$700,000 state contract issued last year.

The firm, Milwaukee Job Development Inc., was incorporated in April with a board of directors headed by former state Commerce Secretary Cory Nettles, a Doyle ally. The company failed to meet any of its 2005 goals, which included assessing 1,500 unemployed or underemployed people and placing 540 of them in jobs.

No clients have been served so far because of a delay in hiring key personnel, Milwaukee Job Development President William Jenkins said Wednesday. The firm has secured office space and recently hired five of seven top employees, he said.

Despite the slow start-up, state officials told three W-2 agencies selected to run the program in Milwaukee County to revise their contract plans "to include the required subcontract with Milwaukee Job Development," state records show.

Nettles' links to Doyle were "absolutely not" the reason his firm was picked for the state contracts and subcontracts, said Melanie Fonder, a spokeswoman for the Democratic governor. Nettles quit as commerce secretary in December 2004, four months before creating the new firm and seven months before securing the \$700,000 state pact.

Rose Lynch, a spokeswoman for the Department of Workforce Development, said the firm was chosen because of the quality of its plans and its "special niche" in working to secure jobs in the booming health care field. Nettles' connections in the Milwaukee business community also were important in the selection, Lynch said.

The correspondence with W-2 contractors Maximus Inc., United Migrant Opportunity Services and Policy Studies Inc., does not explain further the scope or amount of the subcontract to be given to Milwaukee Job Development.

Those details are still being worked out, Nettles said. The actual figures for the W-2 subcontracts could wind up higher or lower, he said.

A fourth agency initially awarded a W-2 contract, Milwaukee Center For Independence, also was told to provide a subcontract to the Nettles firm. However, the center bowed out of W-2 over financial concerns and its pact was awarded to Policy Studies, a Denver-based company.

A Dec. 16 letter from the state Department of Workforce Development to Jenkins says subcontracts worth \$480,000 have been "earmarked" for Milwaukee Job Development by the local W-2 agencies.

The letter, signed by JoAnna Richard, the department's executive assistant, also agrees to a revised schedule of job referrals and placements that Jenkins proposed. The new goals include assessing 600 clients, training 360 and placing 210 in jobs by April 1.

W-2 Program

Quotable

“ We have put our business together as a smart business organization, not a social service agency. ”

- Cory Nettles,
 former Wisconsin
 commerce secretary
 and board chairman of
 Milwaukee Job
 Development Inc.

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By the end of this year, the agency projected that it will have placed 270 clients in jobs.

Richard's letter called the client referral and assessment goals "ambitious," but said the agency's placement goals were on the low side.

"We consider those as minimum goals and hope that the project will outperform these numbers," she wrote.

The state's fast-track funding for the firm and its similar-sounding mission to a host of other job agencies has prompted some to question the moves.

State Sen. Alberta Darling (R-River Hills) said she wanted Doyle administration officials to testify soon before the Legislature's Joint Audit Committee about the Milwaukee Job Development contracts because of concerns about accountability.

Darling, who has been an outspoken critic of Milwaukee W-2 agencies' performance, said she wanted assurances that state officials were effectively monitoring the new agency.

"We have to put pressure on contract oversight," she said.

The idea that became Milwaukee Job Development grew out of last year's closing of Opportunities Industrialization Center of Greater Milwaukee, once the state's largest W-2 agency, Nettles said. OIC went out of business after its president was convicted in a kickback conspiracy and the firm was found to have improperly spent several hundred thousand dollars in W-2 money.

Nettles said he hopes to build a large new central city agency that can eventually provide the jobs and subcontracts to boost the area.

But he said also wants to learn from the lessons of OIC and not grow too fast or expand into services outside the core training and job development focus of the new agency.

His background in business and government, as well as a business-heavy slate of directors on the Milwaukee Job Development Board, sets his agency apart from others providing job services, Nettles said.

"We are trying to be much more employer focused" and steer jobless clients toward industries that are expanding locally, he said.

"We have put our business together as a smart business organization, not a social service agency," he said.

Lynch, the Workforce Development spokeswoman, said the \$700,000 contract to Milwaukee Job Development came out of the roughly \$45 million in federal money the state gets per year for helping jobless people.

While some of the money is awarded to projects based on competitive proposals, the Milwaukee Job Development money was granted from a discretionary pool and no competitive bids were required, Lynch said. Another example of that was last year's \$1 million training grant awarded to General Motors in Janesville, she said.

Despite the language in the correspondence from the state, Lynch said the W-2 agencies were not being forced, just "encouraged," to subcontract with Milwaukee Job Development.

Douglas Howard, a vice president for W-2 contractor Policy Studies Inc., said that hiring Milwaukee Job Development was "an expectation" of the state. He said he had not yet had a chance to meet with officials from the new firm.

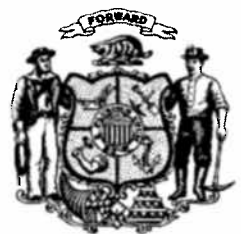
Rod Ritcherson, a spokesman for the United Migrant Opportunity Services, said that the agency's expected subcontract with Milwaukee Job Development was not the result of state pressure. Maximus officials did not return phone calls.

From the Jan. 26, 2006, editions of the Milwaukee Journal Sentinel
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WISCONSIN STATE LEGISLATURE



Posted on Thu, Jan. 26, 2006

W-2 penalties leveling out, study finds

BY CARRIE ANTLFINGER
Associated Press

Blacks and whites who violated rules in the state's welfare-to-work program were penalized nearly the same amount of money in 2004, a change from 2000 when blacks fared far worse, according to a new study.

But advocates for the poor and at least one researcher say that may not mean the state has solved the racial inequity in Wisconsin Works, or W-2. Some said the study was incomplete because it didn't take into account how often people were penalized or whether the penalties were appropriate.

The study, done by the state Department of Workforce Development for release today, computed differences in the amount of average monthly W-2 penalties by race from January 2000 to December 2004. The difference between blacks and whites was the highest in 2000 and in general declined.

Workforce Development Secretary Roberta Gassman said her agency doesn't know why the past disparities happened, but the state has worked with local agencies that run the program to correct the problem.

"We are going to stay vigilant on this," she said.

Wisconsin Works, which started in 1997 as one of the first and most aggressive programs of its kind in the nation, requires adults to work or get job training in exchange for a check and subsidized child care. Participants typically are penalized part of their monthly checks if they fail to show up for training or job searches.

Participants who need training are either placed in community service jobs and get \$673 a month or into the W-2 transitions category, which gets them \$628 a month and services to help them with serious employment barriers.

The study found blacks statewide in community service jobs were sanctioned an average \$38.94 a month more than whites in 2000. By 2004, blacks were sanctioned nearly \$2 less a month than whites, according to DWD. In the transitions category, blacks were sanctioned \$28.56 more than whites in 2000, but by 2004 were sanctioned on average \$7.77 less.

The American Civil Liberties Union filed a complaint with the federal government alleging race bias in W-2 in 2002. The complaint, which is pending, prompted state officials to form a committee to study the problem.

The committee made recommendations that included better training of W-2 workers, better assessment of participants and more precise guidelines for sanctions.

About 70 percent of the state's W-2 participants, including 90 percent of the black or Hispanic participants, live in Milwaukee County.

The study also found:

- In Milwaukee County, blacks in community service jobs were sanctioned \$37.64 a month more than whites in 2000, while they were sanctioned \$12.85 less than whites in 2004. Hispanics didn't experience the same disparity.
- Outside of Milwaukee, blacks were penalized \$67 a month more than whites in community service jobs in 2000. Blacks were sanctioned an average of \$29.97 a month more than whites in 2002, and the difference jumped to \$70.75 in 2004.

DWD spokeswoman Rose Lynch said disparities in the rest of the state are due to differences in practices across W-2 agencies. Also, some areas have too few participants to provide a statistically significant number, she said.

ACLU attorney Karyn Rotker said the state needs to conduct more monitoring of the program outside of Milwaukee County to see why the sanction numbers are so different. Lynch said the state plans to do that.

Pam Fendt, a W-2 researcher at the University of Wisconsin-Milwaukee, said the study does not look at whether the number

of sanctions decreased.

"I don't think the data completely says we had a problem and it looks like we fixed it," she said.

Gassman said the state is monitoring and meeting with the agencies that appear to sanction at higher rates and is improving the screening process to better determine whether people are facing employment barriers. They have or plan to implement all of the committee's recommendations.

Charity Eleson, executive director for the Wisconsin Council on Children and Families, said the numbers seem to be moving in the right direction, but she would like to know whether the state sanctioned people appropriately.

"Without some additional information to this, it's hard to tell what's going on," she said.

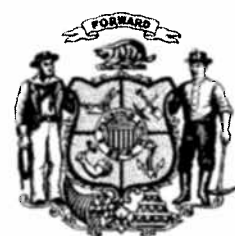
Tiffany Harris, 41, who is black, was sanctioned last summer and then dropped from W-2 for not showing up for two job appointments. She said she had good reasons — she couldn't find child care, and she had to go to the hospital.

"I would have (liked) them to hear my side of the story," she said.

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Report points to flaws in W-2

Cut education, add job-search time, analyst suggests

By STEVE SCHULTZE
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Posted: April 9, 2007

The Wisconsin Works welfare-reform program is seriously flawed and should be overhauled to de-emphasize most education and refocus on giving the neediest clients up to 18 months to prepare for better jobs, a study released today states.

The requirement that W-2 clients take the first job offered conflicts with the program's goal of helping them achieve self-sufficiency, according to the report by the Wisconsin Policy Research Institute, a Thiensville-based, conservative-leaning think tank.

The program should eliminate education, except training that dovetails with employers' needs, the report says. Efforts to provide vocational training and basic adult education over W-2's decade of history - and more broadly, with welfare populations around the country - have been an expensive flop, the report says.

"All of the evidence over the past 20 years shows that's pretty much a waste of time in terms of boosting people's employment prospects," said David Dodenhoff, author of the report. Dodenhoff is an Arizona-based senior fellow for the institute who has written extensively on W-2.

He based his findings on a review of academic studies, published accounts and W-2 data from the state and federal governments.

Fewer than half the clients assigned to adult basic education and training ever complete those programs, and participants show almost no improvement in literacy, math skills or subsequent earnings, the report says.

Few program clients have the educational background to benefit from such efforts, says the report.

"Education and training cannot deliver families from poverty," the report says. "They cannot undo the effects of a lifetime of economic privation, limited education, single parenthood, spotty attachment to the workforce and a host of other barriers and maladaptive behaviors that plague welfare families."

The report does not advocate abandoning all training. Clients deemed capable of handling education or training should get it, but, Dodenhoff's study says, that should apply to "a relatively small minority of W-2 clients."

Caseload reduced

The report fails to acknowledge changes made to W-2 under Gov. Jim Doyle, said Richard Jones, a spokesman for the state Department of Workforce Development. That includes better client assessments and training and tighter accountability measures, he said.

Jones pointed to the large caseload reduction under Doyle as evidence of improvements. More than 10,000 families in W-2 received monthly checks when Doyle first took office more than four years ago, state figures show. That dropped 39% to 6,223 by February.

Better client screening and a clearer statement of purpose of W-2 also are needed, Dodenhoff's report says. It recommended a 12-week time frame for most clients to find decent jobs, which it argued should remain the overarching premise of the program.

That's a change from current W-2 policy, which calls for clients to take the first available opening. Critics have said that has often led to a series of low-paying, dead-end jobs that many W-2 clients could find without the program.

The report also suggests that more disadvantaged clients get up to 18 months to prepare for work through training, drug or alcohol treatment and help in solving transportation and child care problems. Eligibility would be limited to 18 months of benefits over a four-year period, the report suggests.

Clients in W-2 get up to \$673 a month. State law gives them a two-year limit in each of several phases and a lifetime five-year limit.

Charity Eleson, executive director of the Wisconsin Council on Children and Families, called the 12-week and 18-month benefit limits proposed in the study arbitrary. But she agreed that W-2 should shift to steering clients into better jobs.

"It should be about helping people become economically self-sufficient," Eleson said. She also said education and training should be used more broadly to improve W-2 clients' prospects.

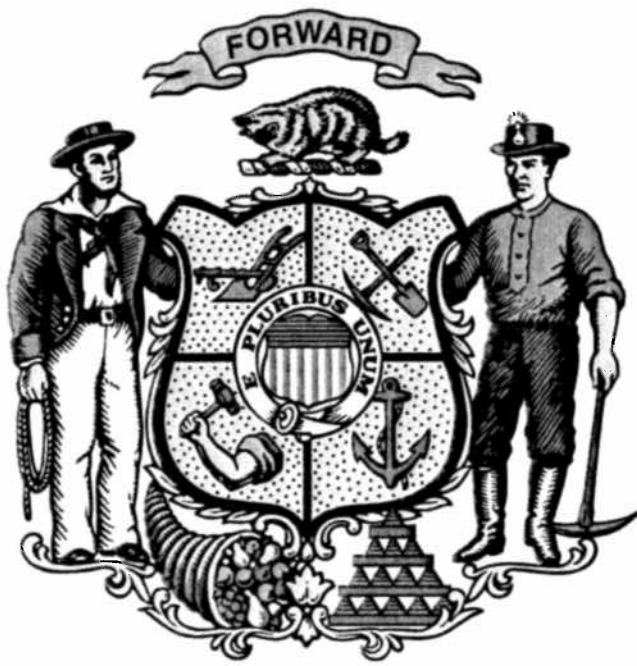
Despite strongly endorsing W-2's effort at privatization - the state contracts with private firms to run W-2 in Milwaukee County - the report nevertheless says that the experience here has been marked by scandal and shortcomings.

Two former W-2 agencies - Opportunities Industrialization Center of Greater Milwaukee and Employment Solutions Inc. - went out of business after findings that program funds were used improperly. Maximus Inc. was faulted for improper use of program funds but remains a major W-2 provider.

The state should shift to one private employer in Milwaukee County in 2010, when current five-year contracts lapse, the report says. The report calls the single-provider approach a "last-ditch effort to save managed competition and private administration of W-2 in Milwaukee."

If that fails, the state should take over management of the program here, the report says.

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Stay True to W-2's Original Vision

Since the Legislative Audit Bureau released its evaluation of Wisconsin's landmark welfare alternative program, W-2, critics have been quick to declare the program a failure and editorial writers have rushed to report that Wisconsin Works doesn't work. These claims make for catchy headlines and sound bites, but they are simply not true.

Critics say the only measure of success is the number of zeros on a paycheck. Yet, simply earning that paycheck shows just how far we've come under W-2. AFDC kicked people out of the program once they found a job, guaranteeing they would stay poor. W-2 gives them a chance to become self sufficient and climb out of poverty by providing support even after they've found a job. Success in W-2 doesn't immediately guarantee middle class salaries. It takes time and we knew that in 1995 when Wisconsin passed this groundbreaking legislation

The program was challenged soon after its implementation, during a time of economic downturn caused in part by 9/11. Despite limited job opportunities, W-2 succeeded. Caseloads that once reached over 98,000 in the late 1980s were down to 15,000 last year. Despite critics' claims, we learned W-2's initial success was not due to the economic boom of the late 1990s. The downturn was a real test for W-2 and it passed.

If - and this is a big if - the Doyle administration stays true to the purpose and goals of W-2, as the economy improves so will job placements and wages. However, as one of W-2's chief authors, I have been disappointed to see what bureaucratic mismanagement has done to this landmark program over the last two years.

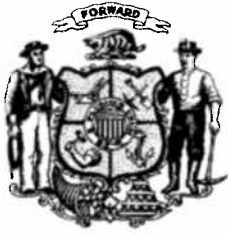
The philosophy of W-2 is that everyone is capable of working, and the government's role is providing support necessary for people to succeed, not cutting them a check when they don't. The Doyle administration's approach has been to determine why people are incapable of working, slanting W-2 to work like, and look like, AFDC. This leaves participants without the tools necessary to succeed in the workforce. Caseworkers should be asking what *can* participants do, not what *can't* they do.

If the administration persists in shifting its focus away from getting participants job ready and moving them into the workforce, editorials writers may then have reason to talk about W-2's failure. But, for now, it seems lack of funding and increasing caseloads have forced the administration to, at least temporarily, embrace the W-2 philosophy and once again encourage self sufficiency.

W-2 hasn't failed families trying to climb the ladder to self sufficiency, but the people in Madison running the program can and have. The audit report pointed to confusion among providers caused by the Doyle administration, inconsistency, and mismanagement. The audit report findings couldn't be more clear: If we stay true to the philosophy and principles that have made W-2 graduates self sufficient, Wisconsin Works will continue to work

Mike Huebsch
Assembly Majority Leader



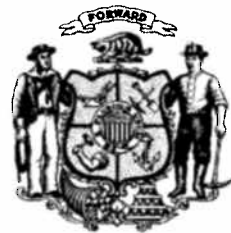


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*Wisconsin Works
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01-7

AN EVALUATION

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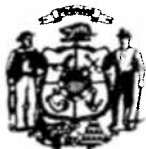
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April 10, 2001

Senator Gary R. George and
Representative Joseph K. Leibham, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator George and Representative Leibham:

We have completed our evaluation of the Wisconsin Works program (W-2), as required by s. 49.141(2g)(a), Wis. Stats. This is the sixth and final report issued under that requirement.

W-2 is a time-limited employment assistance program administered by the Department of Workforce Development. It replaced cash entitlements provided to low-income families under Aid to Families with Dependent Children in September 1997. Through September 2000, W-2 program costs totaled \$710.4 million, of which 93.6 percent was spent by local public and private contractors for program services, benefits, and administration.

Implementation of W-2 has resulted in large declines in the number of individuals receiving cash assistance. From January 1998 through September 2000, cash assistance caseloads declined more than 50 percent, from 14,204 to 6,771 cases. However, the program's success in achieving economic self-sufficiency for participants has been mixed. Among 2,129 participants who left W-2 during the first three months of 1998, 1,377 filed 1999 Wisconsin tax returns. Of those who filed, 643, or 46.7 percent, had incomes above the federal poverty level when earned income tax credits were included. In addition, we found that 26.1 percent of those who left the program from January through March of 1998 had returned for cash assistance or other services by July 2000.

Before the start of a new contract period, which is scheduled to begin January 2002, the Department and the Legislature will need to consider challenges posed by returning participants and those with multiple or severe barriers to employment; how to best address the needs of those who are nearing time limits on program participation; and how to assist individuals who have entered the workforce in maintaining their employment, advancing, and raising themselves and their families out of poverty.

We appreciate the courtesy and cooperation extended to us by the Department of Workforce Development and staff of the many W-2 agencies we contacted during the course of our review. The Department's response is Appendix 15.

Respectfully submitted,

Janice Mueller
State Auditor

JM/PS/ao



I. Justification for Revisiting the 2001 Audit

Many observers of the W-2 program believe it is time to conduct a comprehensive audit of W-2, rather than an audit that narrowly focuses on the financial practices of one or a handful of agencies. A comprehensive audit would include detailed information on access to the program, work-related outcomes for W-2 participants, and the scope of appropriate service provision.

This approach is justified by:

- **Statutory reporting requirements**
 - W-2 statutes require quarterly reports on outcomes

- **Evidence of failure to serve**
 - extensive use of "job ready"
 - sanctions without proper assessments or services
 - Cf. 49.147, 49.143(2), 49.173

- **Changes in the context**
 - recession
 - two-year time limits

- **Changes in the contract structure**
 - performance standards
 - changes in number of type of providers

II. Goals for the 2004 Audit

Advocates for low-income families want to ensure that the audit enables us to develop a bi-partisan reform agenda that will: 1) improve accountability mechanisms, 2) provide more specific guidelines for service provision, 3) adjust the program to ensure connections between W-2 participants and meaningful work opportunities, and 4) ensure that fewer families without income are turned away without assistance and services.

- Do current performance standards reflect legislators' priorities for the W-2 program? Do they reflect our expectation that over the long-term W-2 would produce a better-educated workforce?

- Are the performance-based contracts providing the right incentives for W-2 agencies to provide appropriate services and meet desired outcomes?

- Are we getting the most for our money out of investment in W-2 service-provision? Is investment in workforce development through the W-2 system creating a better skilled, better prepared workforce?

III. Proposed Research Agenda

Our proposed research agenda would provide basic demographic information on the participants who are accessing the program, assess the quality of services and work-preparations they receive, evaluate outcomes for family income and well-being, describe the population of individuals who are unable to receive W-2 services, and assess financial and program-based accountability.

- **Description of caseload**
 - Demographic characteristics (**numbers, age, education level, W-2 placement**)
 - Prevalence of **barriers to employment**
 - Characteristics of “**returnees**”
 - **SSI** applicants
- **Quality of service provision**
 - Access to specific types of **services** (DV, AODA, mental health counseling, etc.)
 - Use of the **job ready** tier
 - Use of **sanctions** and **strikes**
 - Implementation of **screening and assessment** practices
 - Provision of **education and training** to W-2 participants
 - **SSI Advocacy**
 - Services provided to participants deemed **unable to work**
 - Utilization of **emergency assistance**
 - Services for **minor teen parents**
- **Outcomes**
 - Average **earnings**
 - Numbers of W-2 participants that obtained **employment and types of employment**
 - **Retention** of jobs
 - Responses to the **recession**
 - Characteristics of participants that received **extensions** and those that did not apply or were denied

- **Diversion**
 - Proportion of inquirers that **enroll in W-2**
 - **Characteristics** of individuals who do not enroll
 - Number of Medicaid and Food Stamps recipients in each county **who do not have** income, or have income below \$6000/yr.

- **Finances**
 - Total **expenditures**
 - Spending **per participant**
 - **Structure of Contracts** since 2001 audit
 - Spending **by category**
 - **Unspent** funds
 - **Budget shortfalls** – why they have happened and how they have been addressed
 - **Inappropriate uses of funds** and how they have been addressed
 - Appropriateness of **financial accountability** mechanisms

- **Service Delivery Standards**
 - Performance Standards – **appropriateness to W-2 statute**
 - How well agencies have met **performance standards**
 - Functioning of **oversight mechanisms** to protect needs and rights of participants
 - Extent to which performance standards drive **service provision** (as opposed to need to maintain the W-2 agency as a “business”)
 - Use of **fact-finding and appeals** processes



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Kirkman
- Gov't Ops 229M
- ? 412M
- Exceeding at end mtg

1/8 1 4/11/04

W-2, Paul Steuber

audit Bureau / costs / effectiveness Cullen - include Moore's motion

Pocan - Poverty level jobs vs sustainable jobs

↳ looked at inc. tax forms in last audit - if requested

Pocan - Qtrly reports - have they been done?

↳ part of last bullet

Pocan - Job readiness?

↳ part of last audit - look at what services ~~Applicants~~ ^{Participants} receive...

Roesler - clarity on job readiness - should criteria be in place

X

Sec. Gassman

Background - Dept feels strongly about the importance of program

- welcome opportunity to make program stronger

- some goals not achieved yet -

Since last audit

- Implementing a browser screening tool
- Sanction study
- Enhanced performance standards
- Fine monitoring

Scope - Sec. testimony - notes are on 7/7/03 asked of Sec. Gassman

- Roesler - bonuses → no bonuses currently - there were historically

- Enhanced performance standards

→ placement, earnings, etc - will get as copy of audit

④ Tracking participants by tier - want this in Audit → especially concerned about the total job component

↳ policy is good - very few people got placed in trial jobs - 100%

Hudson working on this - low on word, members of both houses

2004, etc. have expressed interest on this issue

- a national think tank interested in helping ^{WPI} if there is a willingness on our part to make trial jobs work - Employees feel 3 mo not enough time to evaluate employee, would like to see 6 mo w/ 3 mo extension

Sue - Barriers? (5) large % that declines

↳ not sure - will find out

- what about the 1/3 not engaged (4)

Lissa - important - trial jobs

Plate - need for an educational component - your perspective

↳ assessments - tools used, services, ability to bring in a T.C. - historically?

we want to do everything the law/rules will allow - challenges

Sue - Fair Hearings?

↳ don't know - will check - not up on changes - will get an answer

- City workers in agencies - M.C. example

↳ Dept believes diff where needed - goal to have in one place

Russler - Applied Inc

Sue - ? combine regions?

↳ depends on city/region - what we are working on is streamlining work on eliminating duplicative efforts

- CR #'s - how used

↳ currently no CR #'s due to deficit

- Teen Moms - dropping out of H.S. - no plan to help - not used

↳ don't have currently in this

Local Markets - London low money

- Add lang to (3) - Family supporting wages

- Add (4) dollars - think barriers are addressed - ask at what they are

- (5) need conditions - including % of time - reports show they are high

Serious comment - new program of training

- 3 other areas need to be addressed

- ① Job ready category - include in scope - #4 in written testimony
 - ② Fair Hearings - Agency decisions - #6 in written testimony
 - ③ Well being of children/families who have left program - #8 in written testimony
- Audit could look at weather app. who s/b are encouraged to take the barrier screening tool.

Victoria Selkove - written testimony in favor

Kathleen Mulligan-Hensel - written testimony in favor

Plate - consistent theme - # of people who fall through the cracks - in the '70's ombudsmen program for seniors - Can Audit address the inconsistencies

↳ KM-H - there s/b a limit to how hard we push the limits & the effects they have on children - Sec Alexander had talked about doing an Ombudsmen Prog.

Pat DeLesso - written testimony in favor

- not as optimistic as Sec. Gorman; Amin still top priority; barrier screening tool - still a disconnect; sanction - pre sanction review process; job readiness; teens s/b treated differently - are we?; M.C.?

Amy Stear - written testimony in favor (W-2 Task force ~~& Ombudsman~~)

Susan M. Murray - AFSCME - no written testimony

- wanted to mention the case worker's perspective

Lagga - ?

Jolie Kekisick - no written testimony

- ? where gaps - flawed assump? or flawed implementation

- Trade-offs: more we are flexible towards unfair treatment of some - inconsistent

- Outcomes need to look at !!! - look also from participant's perspective

Econ Devl Programs - Don BeZok

Rosselin - not just a catch phrase - what is need beyond resources areas; definition & focus?

Lassa - combine w/ her bill; how long?;

↳ late this yr or early next

- Will you be quantify need?

↳ w/B looking @ geographic distribution and comparing to unemployment stats etc.

Plate -

W-2

Cullen - will trust the DHS scope w/B considered soon - not fall through

DWD - Sec Gassman 3/9/09

+ W-2 Audit

- OIC - take incredibly seriously
 - ↳ City/County of Milw & DHS have had Coleman-Williams
 - ↳ working w/ AG's office to find out
- will make changes in next contract - have a checklist
 - by laws, procedures, etc

? DOA - keep track of who is auditing <

+ Future of W-2

- RFP - July
- Ltr's of intent - Aug
 - structure
 -
 -

→ Budget

- Trial jobs - Soc's Budget priority
 - ↳ Real Jobs, Real Pay
- Labor shortages - healthcare
 - ↳ safe lifting?
- Moms - newborns - 3 → 6mo. maternity leave
- If preg., low-income, high-risk preg - (can qualify for W-2)

-

(Medicaid elig - after 1st baby, baby on Medicaid, mom no → but after 2nd baby - mom can stay on Medicaid.)

soonly

CL-Chair

Press elements

Release @ 9:00 AM

- pg. 11 - F. 8 2
- pg 16 - Tab. 2
- pg 18 - Tab. 4
- pg 22 - Tab 6
- pg 30 - Tab 12
- pg 32 - Tab 13

4445

pg 41
 pg 42 Table 19 Lifetime
 ↳ total time in Tier 5 = 24 mo

pg. 50

pg 54

pg 57

pg. 66

pg 69

pg 70-71

* 15B in Exp. -

* pg 60

* 250K Mr. Gee for retirement
 ↳ unrestricted profits

* pg 25 -

chgy in contract

- under new contract - no profits
 or CR dollars

For Profit - Maximum

State & Local Solutions - bank

* pg. 52 -

- WI has some more stringent
 requirement than surrounding
 states

pg 54 - incomes increase year-to-year

pg 66 - decline in # of hours worked
 ↳ trend going in wrong direction
 "

pg. 69 - too much time on cash payout after birth - caseworker

→ (pg. 25 & 27)
 quote # of memos using
 w-2 for paid matnly leave
 - Badgeman - employees leave
 "Effect that we never intended or anticipated"

"44"
 avg mo. wage was approx 50K
 in 1997 compared to
 approx 15,500 in
 Jan 2004

Positives

- variations across the state is
 not bad - tailoring to needs of
 region.

pg 25 & 26
 Word getting out as "paid
 maternity leave" -

Pg 89 - Sanctions

Pg 102 -

DND worked well through exit interview
→ 10/09 report back → Ref in PR

Budget

- Philosophy of program

↳ funding of program

• Mike Wagner

52% were returnees

pg 40

- When DWD decided in 4/03 to allow agencies to take over approving denial of benefits extensions - had the also reviewed the agencies record on "not-approve" as well as their "approval" record

pg 44

- What is DWD to ensure extension requests are handled fairly statewide - is the process loosely defined - open to interpretation - too flexible?

(pg 47 recommendation)

↳ explain considerable diff w/ I MC by agency

(pg 55)

- What plans does DWD have to prevent the ^(w-2) state from becoming subsidized maternity leave for employers unwilling to extend this benefit to their employees?

😊 - pg 61 - Positive

- ~~90%~~ of participants who did return - comparable w/o states

😊 - pg 63 - Positive

- more active monitoring of performance
→ look forward to Oct report on how its working

pg 65-67 - # of hrs assigned to work activities (experiment)

↳ what specifically doing to address this?

**

* see memo's sent in 2004

* Copy of DWD's recommendations from the "Sanction Study Steering Committee".

pg 26-29

- Finding different levels of service statewide could be explained/justified due to different demographics, job availability, needs, etc. However, in Mich. Cnty I would think the ^{participants in the} diff regions would ~~face~~ similar conditions so can the dept explain the large differences of levels of services w/ MC? - Do we need to have more uniform standards for MC agencies to ensure equal access to avail services across the county? - See pg 30 - Table 12

pg 32-33

^{Total} Avg ~~cost~~ ^{no/expense} per participant - troubling (Table 13)
large diff ~~is~~ between MC & other counties
- economy of scale could for that big of diff.
- explain.

pg 34-35

- Drop in "job ready" participants ^{in 2004} due to better change of "JR" by DWD? - S/then be changed guidelines
→ Are there plans to do so? How do you define "willing attitude"? Why would that be even on the table? - pg 33

pg 37 Why only 79.8% instead of 100%

pg 70-71 Program Placement Check

→ Recommendation - should also have to report
on this in Oct

↳ How to ensure w-2 agrees correctly pay
part, ~~excess~~ monetary penalty for errors

pg. 73 - job Access Loans

Joe ?

- Index to tables ?

- Table 10 - definitions of activities
for "General Employment Services" ?

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→