Wisconsin Works (W-2) Program

Legislative Audit Bureau

September 2006

1

LAB Audits of the W-2 Program

Jul. 2005	Letter report	Financial Management of Selected W-2 Agencies
Apr. 2005	Report 05-6	W-2 Program
Nov. 2004	Letter report	Opportunities Industrialization Center of Greater Milwaukee, Inc.
Dec. 2002	Letter report	Sanctioning of W-2 Participants
Apr. 2001	Report 01-7	W-2 Program
Feb. 2001	Letter report	Employment Solutions, Inc., and Other Selected Agencies
Jul. 2000	Letter report	Maximus, Inc.
Feb. 1999	Report 99-3	W-2 Expenditures

2

Overview

- ◆ Created to help participants achieve self-sufficiency through employment
- ◆ Started statewide in September 1997
- ◆ Administered at the state level by DWD and locally through contracts with public and private providers
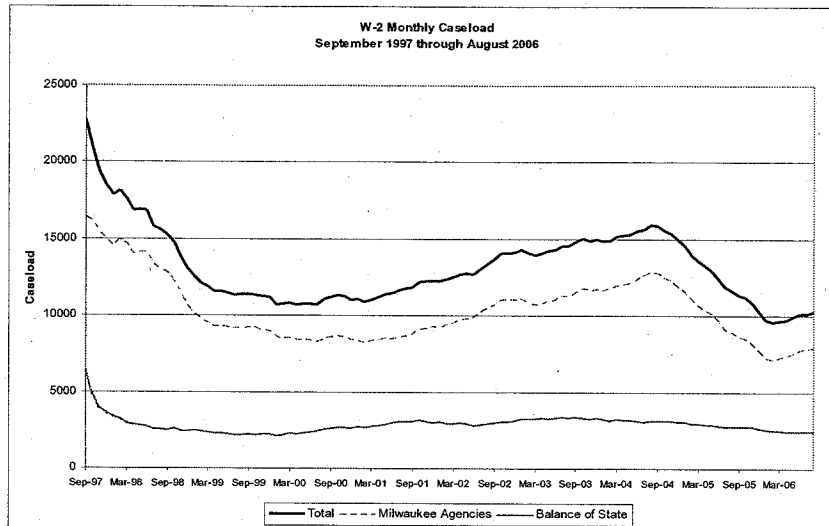
3

Participant Placements

- ◆ Participants are assigned to either subsidized or unsubsidized placements
- ◆ In June 2004:
  - – the typical participant was a single woman between 18 and 29 years old, and two-thirds were African Americans.
  - – almost 80 percent of the participants were in Milwaukee County

4

Changes in Caseload

W-2 Monthly Caseload
September 1997 through August 2006

Custodial Parents of Infants

- ◆ W-2 increasingly serves custodial parents of infants
- ◆ From June 1998 to June 2004, new participants who were custodial parents of infants increased from 18.0 to 37.3 percent
- ◆ Those who were never in another placement increased from 8.5 percent in 1998 to 49.8 percent in the first six months of 2004

6

Time Limits On Participation

- ◆ There is a 60-month lifetime limit
- ◆ W-2 agencies can grant extensions
- ◆ From April 1999 through June 2004, almost 72 percent of requests for extensions were approved
- ◆ Extension approval rates vary among W-2 agencies

7

Program Performance

- ◆ For 9,958 participants who left the W-2 program in the last three months of each year from 1999 through 2002:
  - Approximately 20 percent earned more than the poverty level in the year after they left the program
  - 42.1 percent of those who left in 1999 were above the poverty level in 2003, when tax credits were included

8

Improving Program Management

◆ Approximately one-fifth of community service job participants were assigned to no work in June 2004

◆ Through June 2004, $1.3 million in excess payments were made to parents of infants

◆ W-2 agencies issued $1.9 million in other excess payments

◆ Only 43.5 percent of participants were screened for barriers to employment

9

Future Considerations

◆ Factors affecting future program success will likely include:

– ensuring the amount and type of services provided by W-2 agencies are more consistent;

– improving the accuracy of cash benefit payments;

– better serving the needs of returning participants;

– ensuring participants are actively engaged in work activities; and

– addressing issues unique to Milwaukee County

10