

Milwaukee County Child Welfare
Legislative Audit Bureau
Reports 06-1 and 06-2

Legislative Council Special Committee on Strengthening Wisconsin Families
Sen. Taylor and Rep. Kestell, Co-chairpersons
April 2, 2009

Good afternoon.

In February 2006, the Audit Bureau released two reports that discussed the provision of child welfare services by the Bureau of Milwaukee Child Welfare.

The findings in our two reports have received considerable attention. The Joint Audit Committee has met three times to discuss the reports: in March 2006, March 2007, and September 2007. In addition, in September 2006 we testified at the Legislative Council's prior Special Committee on Strengthening Wisconsin Families, and we have appeared at various other public information meetings.

Counties have historically administered child welfare programs in Wisconsin. However, BMCW began administering Milwaukee County's program in January 1998, following a 1993 class-action lawsuit filed in federal court. This lawsuit alleged that the State had failed to adequately oversee the county's program. In December 2002, the federal court approved a settlement agreement to the lawsuit. This agreement established 14 mandatory performance standards that the Bureau was expected to meet over a three-year period that ended in December 2005.

Our two reports covered the Bureau's performance through June 2005. We found that the Bureau had mixed success in achieving the standards through that date. From January through June 2005, for example, the Bureau had successfully met 8 of the 14 mandatory standards, but failed to meet the other 6. Each of the standards remains in effect until there is agreement by the parties to the lawsuit or an arbitrator determines that the standard has been met during two consecutive six-month periods.

As the Bureau reported last week, 5 standards still remain enforceable.

One of those 5 standards is intended to increase the percentage of children who receive termination of parental rights petitions or exceptions after they have been in care for 15 of the past 22 months. In 2006, we found that the Bureau had miscalculated this standard, which resulted in the Bureau significantly inflating its actual performance. For example, the Bureau mistakenly reported that it met the standard on 89.9 percent of cases in the first half of 2005, which is only slightly lower than the 90 percent required by the settlement agreement. In reality, it met the standard for only 30.5 percent of the cases.

After our reports were released, the Bureau modified how it calculates the standard. In 2005, it reported meeting the standard on only 29 percent of the cases, but it reported that its performance substantially improved in subsequent years. Last week, it reported that it met the standard on 90 percent of cases in 2008.

The other 4 standards that remain enforceable include:

1. Decreasing the percentage of children in out-of-home care who are maltreated by foster parents or the staff of licensed child care facilities. Under the settlement agreement, no more than 0.60 percent of children may be maltreated in order for the Bureau to meet this standard. In 2008, the Bureau reported that 0.39 percent of children were maltreated.
2. Increasing the percentage of children who return home within 12 months of entering out-of-home care. Under the settlement agreement, at least 71 percent of children must be returned home within 12 months in order for the Bureau to meet this standard. In 2008, the Bureau reported that this occurred for only 64 percent of children.
3. Increasing the percentage of children with three or fewer placements while in out-of-home care. Under the settlement agreement, at least 90 percent of children must have three or fewer placements in order for the Bureau to meet this standard. In 2008, the Bureau reported that only 77 percent of children had three or fewer placements.
4. Ensuring that children placed in assessment centers do not exceed 30 days, or 60 days if two 15-day extensions are approved. Although the settlement agreement does not include specific performance requirements, administrative code requires 100 percent compliance. In 2008, the Bureau reported that 24 percent of placements exceeded these timelines.

Although the Bureau has met the other 8 mandatory standards, it continues to collect data and report on its performance with respect to them.

However, it is important to remember that many of these standards measure compliance with provisions in the settlement agreement, but they do not necessarily measure the quality of services that are provided to children and their families.

Monitor-Only Standards

In addition to the 14 mandatory standards, the settlement agreement includes 10 monitor-only standards that do not have required performance targets.

One of these standards requires the Bureau to determine the rate of turnover among its case managers. In 2006, we reported that the turnover rate was 30.1 percent in 2003, 38.6 percent in 2004, and 30.7 percent in the first half of 2005.

Last week, the Bureau reported that the turnover rate was 34.8 percent in 2008, indicating that turnover continues to remain high despite the Bureau's efforts to reduce it.

There are various ways to calculate staff turnover rates. The Bureau's method, which it believes is prescribed by the settlement agreement, takes into account both the number of case managers who leave the Bureau and the number who are hired. Including the newly hired staff results in a lower turnover rate, compared to the rate that would be calculated if they were excluded.

In 2008, the Bureau employed approximately 190 caseworkers at the start of any given month. Throughout 2008, 105 caseworkers left the Bureau, and the Bureau hired 123 new caseworkers. This represents a significant number of new staff.

Since 2004, the Bureau's performance has improved for 4 of the other 9 monitor-only standards, but its performance declined for the other 5.

For each of the 5 standards where its performance declined, we compared the Bureau's performance in 2004 to 2008:

1. The average number of children per case manager was 18.5 in 2004, but it was approximately 20 to 23 in each month of 2008.
2. The percentage of children who received a health screening within five business days of their first out-of-home care placement declined from 76.4 percent in 2004 to 62.1 percent in 2008.
3. The percentage of children for whom initial permanency plans were in place within 60 days of entering out-of-home care declined from 97 percent in 2004 to 81.9 percent in 2008.

4. The percentage of families for which initial family assessments were completed within 90 days of their children's first out-of-home placement declined from 97.3 percent in 2004 to 66 percent in 2008.

5. The percentage of children who re-entered out-of-home care within one year increased from 6.6 percent in 2004 to 8.2 percent in 2008.

Inappropriate Expenditures

In our 2006 reports, we reviewed the appropriateness and reasonableness of costs that nine contractors charged the child welfare program in 2004. We found \$677,700 in unallowable and questioned costs charged by the six contractors, including a \$541,600 duplicate reimbursement that was submitted by Lutheran Social Services and paid by DHFS. After our reports were released, the money was repaid to DHFS.

Earlier today, the Audit Bureau released the 2007-08 single audit report for the State of Wisconsin. This report found another instance of DHFS being overcharged.

Federal foster care funds are available to provide financial support to students who are pursuing an MSW degree and who agree to work in the public child welfare field upon graduation. Under agreements with DHFS, and now with DCF, UW-Milwaukee provides financial assistance to help pay for these students' tuition, books, and in some cases living costs.

Apparently due to staff error, UW-Milwaukee overcharged the foster care program \$112,900 for tuition for MSW students attending the summer 2007 session. In effect, tuition was paid twice. In its response to our audit, UW-Milwaukee has indicated that it is returning the funds this week. Had we not detected this overcharge, UW-Milwaukee would have incorrectly retained the \$112,900 for costs it did not incur.

In the future, it will be important for DCF to carefully review all costs charged to the program in order to ensure unallowable or other duplicative costs are not paid.

Future Considerations

In 2006, we reported that La Causa had difficulty controlling its costs and had a considerable amount of debt. As a result, we recommended that DHFS continue to monitor and assess La Causa's financial condition. In December 2008, DCF announced that La Causa had decided not to renew its contract to provide out-of-home care and safety services. This week, it announced that St. Aemilian-Lakeside will take over La Causa's contract, beginning in mid-May.

And in closing, in 2006, we analyzed 73 high-risk cases that were most likely to involve child abuse or neglect. In 69 of these cases, the Bureau and its contractors took reasonable and appropriate action. However, we found 4 cases in which efforts were insufficient to ensure children's safety. These included one case in which children were allowed to live in a condemned house for more than four months and another in which an infant died as a result of abuse.

Recent media reports have again focused attention on instances of children abused while in out-of-home care.

This information suggests that while DCF has made a number of changes to the child welfare program, it is important that additional efforts be made to ensure that children in out-of-home care receive appropriate care and remain safe.

Thank you. We would be happy to answer your questions.