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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2009-10

(session year)

Senate

(Assembly, Senate or Joint)

**Committee on ... Labor, Elections, and Urban
Affairs (SC-LEUA)**

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Senate

Record of Committee Proceedings

Committee on Labor, Elections and Urban Affairs

Senate Bill 161

Relating to: administration of certain public assistance programs in Milwaukee County, removing county civil service protections from certain employees, required provisions in certain collective bargaining agreements under the Municipal Employment Relations Act, and making an appropriation.

By Senators Taylor, Plale and Coggs; cosponsored by Representatives Grigsby, Sinicki, Fields, Kessler and Pasch.

April 08, 2009 Referred to Committee on Labor, Elections and Urban Affairs.

April 14, 2009 **PUBLIC HEARING HELD**

Present: (5) Senators Coggs, Wirch, Lehman, A. Lasee and Grothman.

Absent: (0) None.

Appearances For

- Lena Taylor — Senator
- Tamara Grigsby — Representative
- Karen Timberlake — Secretary, Department of Health Services
- Mark Thomas — Deputy Secretary, Department of Health Services
- Jim Jones — Department of Health Services
- Richard Abelson — AFSCME Council 48
- John Gabel — AFSCME

Appearances Against

- Peggy West — Supervisor, Milwaukee County
- Steve Kreklow — Budget Director, Milwaukee County
- Fred Bau — Milwaukee County Labor Negotiator's Office
- Leon Young — Representative

Appearances for Information Only

- None.

Registrations For

- Phil Neuenfeldt — Wisconsin State AFL-CIO

Registrations Against

- John Reinemann — Wisconsin Counties Association
- John Jorgenson — Milwaukee County Corporation Counsel

Registrations for Information Only

- None.

April 22, 2009

EXECUTIVE SESSION HELD

Present: (5) Senators Coggs, Wirch, Lehman, A. Lasee and Grothman.

Absent: (0) None.

Moved by Senator Wirch, seconded by Senator Lehman that **Senate Bill 161** be recommended for passage.

Ayes: (3) Senators Coggs, Wirch and Lehman.

Noes: (2) Senators A. Lasee and Grothman.

PASSAGE RECOMMENDED, Ayes 3, Noes 2



Adam Plotkin
Committee Clerk



Peggy A. West

*Milwaukee County Supervisor
12th District*

SB 161?

January 29, 2009

Secretary Karen Timberlake
Department of Health Services
1 West Wilson Street
Madison, WI 53703

Dear Secretary Timberlake:

Thank you once again for taking the time to meet with me in the County Board Chambers earlier this month. As the Chair of Milwaukee County's Health & Human Needs (HHN) Committee, I was pleased to discuss Milwaukee County's Income Maintenance (IM) Program.

I would like to reiterate that Milwaukee County has historically performed well in regards to our IM Program. I respectfully request the opportunity to meet with you and the County's Director of Health and Human Services, Corey Hoze, to provide the performance figures recorded for Milwaukee County's IM Program. Just two years ago, Milwaukee County's IM performance was recognized by the State. I firmly believe that the hardships we are currently suffering are a result of the economic distress being experienced throughout Wisconsin and the entire nation.

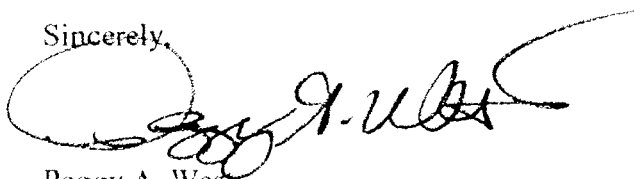
Yesterday, Milwaukee County's HHN Committee approved a resolution to adding resources to the Call Center in Milwaukee County. In addition, the Committee voted 6-1 to reject a contract that would outsource the Call Center function to an outside agency. The resounding theme of the conversation surrounding that vote was the strong belief from the Committee that Milwaukee County can and will correct its current situation. This item will be before the full County Board on February 5th. Furthermore, Milwaukee County has demonstrated its ongoing commitment to the Income Maintenance Program in the form of \$7.6 million in tax levy from 2007-2009.

We have supported this program understanding the major impact they have on the quality of life in Milwaukee County. We ask that the Department of Health Services recognize both our commitment and the economic crisis we as Wisconsinites are all in by allowing Milwaukee County six months to correct our current situation before making a decision to withdraw our Income Maintenance contract. Milwaukee County is willing to accept a "probationary status" from DHS and would agree to submit a corrective action plan to your department laying out our plans to correct the situation. In the meantime, in the next three months, Milwaukee County is committed to:

1. Filling 41 currently vacant positions within Milwaukee County's Department of Health and Human Services. We have already begun the hiring process and expect final hiring selections to be made by February 9th. This action will allow Milwaukee County to begin a new training class for Economic Support Specialist by the last week in February. These workers will be trained and on the front line by May.
2. Creating a separate phone line to provide automated information to Income Maintenance's current and potential customers regarding their benefits. This line (414) 289-HELP (4357) has already been designated and Milwaukee County's Information Technology Department is in the process of preparing this line with an anticipated start date of February 2nd, 2009.
3. Launching a media and public information campaign, including print and broadcast material, to provide individuals with additional information on how and where to access benefits in Milwaukee County. This campaign will be in place by the end of February.
4. Continuing to work with the Hunger Task Force to educate Income Maintenance customers on how to access their benefit information online. This program began in January and is funded for 1 year. The Hunger Task Force, located in the Coggs Center, has hired 2 individuals to train customers on use of the Internet. This program supports Milwaukee County's "Community Partners Program" in which we have already registered 32 non-profit and faith based agencies to assist our customers on a daily basis in accessing their benefits online. This program will greatly reduce the outside pressure on the Call and Coggs Center's.

Please note that each of these items can be put in place quickly and do not require Board approval. Milwaukee County is hopeful that the State DHS will recognize the impact these initiatives will have on the service delivery in Milwaukee County. It is my hope that you will grant us the time needed to see the positive results that these initiatives will have for our clients. Thank you for your time and consideration of this request.

Sincerely,



Peggy A. West
Milwaukee County Supervisor, 12th District
2nd Vice-Chair, Milwaukee County Board of Supervisors
Chair, County Board Health & Human Needs Committee

Cc: Wisconsin Governor Jim Doyle
Milwaukee County Board Chairman Lee Holloway
Milwaukee County Board of Supervisors
Milwaukee County Executive Scott Walker
Michael Morgan, Secretary, WI Department of Administrative Services
Corey Hoze, Director, Milwaukee County Department of Health & Human Services
Rich Abelson, Executive Director, AFSCME District County 48
Sherrie Tussler, Executive Director, Hunger Task Force

14-4 Bork
Cesarz
Rice
Sanfelippo

1 By Supervisor Weishan

4 **A RESOLUTION**

5 Establishing policy to address Milwaukee County's Call Center Crisis

7 WHEREAS, Milwaukee County's Department of Health and Human Services,
8 Economic Support Division (ESD), determines eligibility for, and administers the
9 major federal and state-funded financial aid programs for low-income families and
10 persons; and

11
12 WHEREAS, these programs include Food Share, medical insurance programs
13 such as Medicaid (also known as Title 19) for poor families, Healthy Start for
14 pregnant women and mothers with young children, Badger Care for working
15 families and childcare, which helps pay for day care to children of working parents;
16 and

17
18 WHEREAS, ESD's Call Center has long experienced an overwhelming
19 number of calls, which the center has not been able to adequately handle, forcing
20 customers to wait unacceptable amounts of time before speaking with a caseworker;
21 and

22
23 WHEREAS, the 2009 recommended budget included language abolishing
24 25.0 FTE Economic Support Specialist and 1.0 FTE for a total salary and social and
25 active fringe benefit savings of \$1,597,962; and

26
27 WHEREAS, budget amendment 1A025 was approved by the Finance and
28 Audit Committee at its October 23, 2008 budget hearing that created an additional
29 five positions of Economic Support Specialist (ESS), bringing the total number of
30 ESS's to 30, with total expenditures of \$306,405 to be offset with \$153,205 in State
31 revenue; and

32
33 WHEREAS, this amendment would have created a tax levy savings of
34 \$42,508 greater than the County Executive's proposal; and

35
36 WHEREAS; County Board approval is required to approve possible future
37 contracts with non-County entities; and

38
39 WHEREAS, several Supervisors have expressed impatience and antipathy
40 with the call center's operations and rate of improvement, declaring this a 'crisis
41 situation'; and

42
43 WHEREAS, some Supervisors have requested the County Executive to 'go on
44 record', declaring call center operations a 'crisis situation'; and
45

46 WHEREAS, it is reasonable and sensible to provide additional staffing to the
47 ESD Call Center to address unacceptable call wait times and improve customer
48 service functions; now, therefore,
49

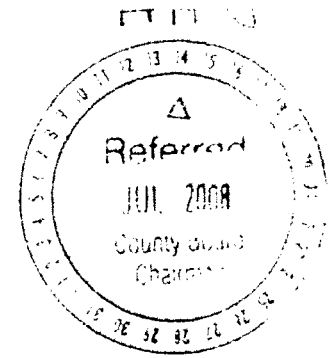
50 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
51 establishes a policy of having a fully County employee staffed ESD Call Center,
52 particularly, during times of economic duress for the purposes of serving Milwaukee
53 County's most vulnerable citizens, improving call wait times, avoiding litigation in
54 regards to benefit denial and backlog, and to improve overall quality of life; and
55

56 BE IT FURTHER RESOLVED, that in the event the ESD Call Center is facing
57 backlogs and major influxes of applicants, the Director, Department of Health and
58 Human Services, is authorized and directed to request the necessary fund transfer(s)
59 to provide additional staffing to the ESD Call Center as needed; and
60

61 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
62 hereby requests the Director, Department of Health and Human Services, to
63 expeditiously fill 30 ESS positions in the ESD's Call Center and report back to the
64 Committee on Health and Human Needs on the effectiveness of the staffing increase
65 in the July Committee meeting cycle.
66
67
68

1 By Supervisor West

2 FILE NO. 08-290



3
4 **A RESOLUTION**

5
6 Authorizing and directing the Director of Intergovernmental Relations to convey to the
7 Governor and Wisconsin State Legislature the importance of the FoodShare, Child Care,
8 and Medical Assistance programs and the necessity of adequate Income Maintenance
9 funding to perform those operations.

10
11 WHEREAS, the FoodShare Program (FS), Child Care Program, and Medical
12 Assistance Program (MA) are vital to the well-being and nutritional health of over 100,000
13 Milwaukee County residents each month; and

14
15 WHEREAS, high participation levels in the FoodShare Program result in lower levels
16 of hunger, higher MA caseloads result in improved health outcomes, and higher child care
17 caseloads result in more parents being able to work; and

18
19 WHEREAS, these programs result in increased federal tax dollars being recouped by
20 the local economy due to an increase in revenues for local grocers, suppliers, health care
21 and child care providers; and,

22
23 WHEREAS, Milwaukee County residents receive over \$13 million in FoodShare net
24 benefits each month, \$16.5 million of child care benefits each month and \$80 million of
25 MA benefits each month; and

26
27 WHEREAS, increased need and demand for Milwaukee County services is at record
28 levels and, since 2000 in Milwaukee County, FoodShare caseloads have increased 60%,
29 child care caseloads have increased 64% and MA caseloads have increased 28%; and

30
31 WHEREAS, the Bureau of Labor Statistics indicates a 26% inflation rate between
32 2000 and 2008; and

33
34 WHEREAS, Milwaukee County has received a "flat" income maintenance (IM)
35 allocation from the Department of Health Services since 1990, with the exception of 2004
36 when funding was decreased by \$2.4 million (a 13% decrease), which was equivalent to
37 approximately 47 Economic Support Specialist (ESS) positions; and

38
39 WHEREAS, the Wisconsin Income Maintenance Advisory's Workload and Financing
40 Subcommittee indicated that, for 2007, the Milwaukee County caseload required 345 ESS
41 workers at a cost of \$26,283,685; however, Milwaukee County received only \$16,599,239
42 in IM funding and employed only 217 ESS workers; now, therefore,

43
44 BE IT RESOLVED, that the Milwaukee County Board authorizes and directs the
45 Director of Intergovernmental Relations to convey to the Governor, State Legislature,

46 Secretary of the Department of Health Services, and Secretary of the Department of
47 Workforce Development its support for an increased income maintenance allocation for all
48 counties in the next biennial budget; and

49

50 BE IT FURTHER RESOLVED, that the County Clerk is authorized to send copies of
51 this resolution to the agencies indicated; and

52

53 BE IT FURTHER RESOLVED, that the Director of Intergovernmental Relations is
54 authorized and directed to forward a copy of this resolution to the Wisconsin Counties
55 Association and to request that they include the intent of this resolution in their legislative
56 platform.

57

58

59

60 JE

61 July 14, 2008

62 H:\Shared\COMCLERK\Committees\2008\July\HHN\HungerTaskForceRequest (West).doc



Milwaukee County Board of Supervisors

Lee Holloway

Chairman of the Board

October 27, 2006

Secretary Stephen Bablitch
Department of Administration
101 East Wilson St.
Madison, WI 53702

Dear Secretary Bablitch,

I understand that after Thursday's meeting of the State Task Force on Milwaukee County Finances, Intergovernmental Relations Director Roy de la Rosa and Assistant Director Kelly Bablitch had an opportunity to briefly discuss with State Budget Director David Schmiedicke the attached correspondence from the Board's Finance & Audit Committee. The October 25, 2006, correspondence details the concern Supervisors have about continued inadequate state funding of Income Maintenance contracts. According to the attached May 10, 2005, memo prepared by the non-partisan Legislative Fiscal Bureau for Senator Lena Taylor, counties committed \$13,478,893 in local overmatch to this state mandated service in 2003.

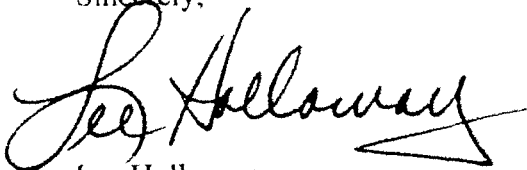
Despite being provided too few resources from the State, which has resulted in excessive local caseloads, Milwaukee County is committed to implementing well this state-mandated function that connects vulnerable families to vital life-sustaining services. This dedication is evidenced by the County's commitment of tax levy to Income Maintenance positions when dollars from the State of Wisconsin have not been sufficient. The 2006 Adopted Budget for Milwaukee County committed \$1,102,586 in property tax levy to Income Maintenance activities. In his 2007 Recommended Budget, the County Executive committed an additional \$790,823 in property tax levy to this base. The Board's Finance & Audit Committee has demonstrated an even deeper commitment to this state-mandated program by dedicating an additional \$350,223 in property tax levy to restore critical frontline Economic Support positions. Deliberations on the 2007 Milwaukee County Budget are still ongoing, but if these changes remain during the course of the process, the County's total tax levy commitment to Income Maintenance in Calendar Year 2007 would be \$2,243,632, \$1,141,046 more than last year.

Considering the financial investment Milwaukee County has made to this state-mandated service, the Board was extremely disappointed to learn that the 2007-09 budget requested submitted by the Department of Health and Family Services to the Department of Administration uses an annual base appropriation for statewide Income Maintenance activities that is approximately \$4.1 million less than the current level of contract funding provided to counties. If this base is not supplemented, the 2007-09 biennial reduction to IM contracts statewide could be as much as \$8.2 million. The effects of such a reduction

would be absolutely devastating to the families who rely on county workers to connect them to food shares, health care, and child care.

I thank you for your attention to this statewide concern and urge you to take corrective action as you develop a comprehensive State Budget proposal with Governor Jim Doyle for the 2007-09 biennial cycle. I also urge you to wisely invest additional General Purpose Revenue to Income Maintenance-related activities by ensuring that, whenever possible, they be used as a match to draw down federal dollars.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Holloway". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Lee Holloway
Chairman
Milwaukee County Board of Supervisors

cc: Milwaukee County Board of Supervisors
Milwaukee County Executive Scott Walker
Governor Jim Doyle
Director of Health and Human Services Director Rob Henken
Representative Pedro Colon
Senator Lena Taylor
AFSCME District Council 48
State Task Force on Milwaukee County Finances
Wisconsin Counties Association Executive Director Mark O'Connell
Wisconsin Counties Association Board of Directors
Dane County Executive Kathleen Falk



COUNTY BOARD OF SUPERVISORS

Milwaukee County

October 25, 2006

The Honorable Governor Jim Doyle, State of Wisconsin
115 East, State Capitol
Madison, WI 53702

Dear Governor Doyle,

We are taking this opportunity to express our on-going and deep-rooted concern regarding State Income Maintenance (IM) funding to Milwaukee County.

As you are aware, Milwaukee County's Department of Health and Human Services (DHHS) enters into an annual Income Maintenance (IM) contract with the Wisconsin Department of Health and Family Services (DHFS) to determine eligibility requirements for individuals seeking to obtain Food Stamps, Title 19 Medical Assistance and Child Care benefits on the State's behalf.

Currently, DHHS staff services an unduplicated caseload for IM services of over 100,000 individuals. The 2003-2005 State Budget reduced Milwaukee County's 2004 IM contract from \$18.3 million to \$15.8 million, which led to the elimination of more than 70 IM positions. The elimination of these frontline worker positions placed an even greater strain on performing client eligibility functions on a timely basis that, in turn, ultimately lead to a loss of essential health care services, employment opportunities and nutrition for entitled families and children.

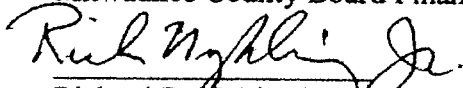
In 2004, the average caseload for a typical DHHS frontline worker ranged between 575 and 665. Caseloads of more than 350 to 400 are considered to be excessive and overbearing. Since that time, the Department has attempted to address its unreasonable caseloads by establishing specialized units to handle different aspects of the eligibility determination function, including separate call center, customer service, verification, fair hearings and Six Month Report Form (SMRF) units. Unfortunately, while these efforts to streamline and restructure business processes in order to improve customer care and service levels have been successful, customer service levels continue to be extremely stressed.

We have recently learned that DHFS's requested budget for the 2007-09 biennium includes no increase in the statewide base IM allocation, and also fails to include approximately \$4.1 million per year in supplemental funds that have been available for each year of this biennium. This is extremely troublesome, as even the level funding that we have received during the past two years does not allow us to accommodate the very real increases in salaries, fringe benefits, utilities, etc. that we must incur on an annual basis.

While we are certainly appreciative of past efforts of individuals such as Representative Colon to increase, maintain and support State IM funding, more innovative efforts must be initiated for the sake of our population's most needy citizens. We believe that any further decreases in IM funding will not only erode the County's ability to provide an appropriate and practical level of services for its most needy individuals, but will also serve to deteriorate core infrastructure processes, the very lifeline to this vulnerable population.

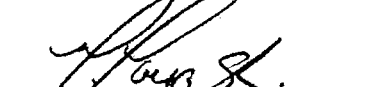
In closing, we urge you to be cognizant of these trends, as they will not only be damaging to Milwaukee County as a whole, but also to its most needy and worthy residents. We also urge you to work closely with other State officials in developing and creating positive strategies and initiatives in addressing these disturbing trends.

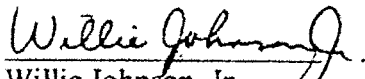
Sincerely,
Milwaukee County Board Finance & Audit Committee:

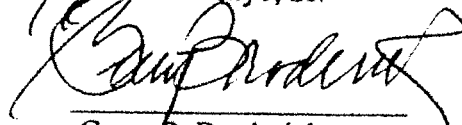

Richard D. Nyklewicz, Jr.
Chairman

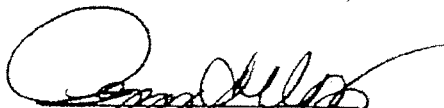

Ryan P. McCue, Vice-Chairman


Elizabeth Coggs Jones


Michael Mayo, Sr.


Willie Johnson, Jr.


Gerry P. Broderick


Peggy West

CC: Joint Finance Committee members
Milwaukee Delegation
County Executive Scott Walker
Milwaukee County Board of Supervisors



Milwaukee County Board of Supervisors

Lee Holloway

Chairman of the Board

February 26, 2009

Secretary Karen Timberlake
Department of Health Services
1 West Wilson Street
Madison, WI 53703

Dear Secretary Timberlake,

I understand that you requested a meeting with me today. I regret that I was unable to meet with you. The suggested meeting would have corresponded with the Town Hall Meeting the Department of Health Services has planned on its proposal to takeover management functions of the Income Maintenance (IM) contracts in Milwaukee County. Supervisor Peggy West, Chairwoman of the County Board's Committee on Health and Human Needs, will be going to the Town Hall Meeting. I encouraged County Executive Scott Walker to make the Director of Health and Human Services available so he can hear the public commentary. Since I am unable to meet with you, this letter outlines just a few of the questions many at the Board have raised. As DHS moves ahead, these questions deserve a formal response prior to the transition moving forward.

- ❑ **As it proceeds to take over the IM management function, the State should minimize the exposure of the property taxpayer.** If the State takes over IM management, will Milwaukee County property taxpayers still be required to contribute to these service delivery functions? If so, for how much will they be responsible and for how long?
- ❑ **Milwaukee County is committed to hiring a diverse workforce who reside in the community and reflect the constituency we serve.** Would the "county workers" under the "hybrid" model proposed by the State be subject to county residency requirements? Would eligibility workers and IM managers selected by the State have to live in the county they serve?
- ❑ **The State has expressed a willingness to consider returning the IM management function to Milwaukee County.** Under what circumstances and what timeline would the State allow the program to be returned to Milwaukee County? If returned, would Milwaukee County be provided the same level of resources the State intends to provide itself while it administers the IM program?

- **Milwaukee County houses many of its service delivery functions at the Marcia P. Coggs Human Services Center at 12th and Vliet.** Does the State intend to move the IM functions from this location entirely? If so, to what location? If the plan includes keeping some workers at the Coggs Center, will the State pay for the space it occupies to manage the programs?
- **Milwaukee County currently has contracts with Economic Support Service workers.** An explanation of how DHS envisions county employees reporting to State supervisors in a manner consistent with union contracts would be appreciated. A number of labor related questions about interplay between State supervisors and county workers, as well as civil service rules, still need to be fully vetted.

As Secretary, you have made it clear the State is moving forward. Some have even described this takeover as a done deal. As Chairman of the Board, it is my responsibility to fully analyze the fiscal and policy implications this takeover proposal may present for Milwaukee County, our residents, and the property taxpayers. Therefore, I ask you to share the concrete details of the takeover plan, including the statutory language DHS is proposing to implement this transition.

I look forward to your timely response to this reasonable request. Thank you for your time.

Sincerely,



Lee Holloway
Chairman,
Milwaukee County Board of Supervisors

cc: County Board of Supervisors
County Executive Scott Walker
Department of Administration Secretary Michael Morgan
State Senator Lena Taylor
State Senator Spencer Coggs
State Representative Pedro Colón
State Representative Tamara Grigsby



March 3, 2009

Milwaukee County Board of Supervisors

Lee Holloway

Chairman of the Board

Secretary Karen Timberlake
Department of Health Services
1 West Wilson Street
Madison, WI 53703

Dear Secretary Timberlake,

Citizens and corporations are turning to government for assistance and guidance during this depressed economy. As Chairman of the Milwaukee County Board, I took the initiative to forward a stimulus package to the Governor when the County Executive publicly refused to seek federal recovery dollars to benefit our community. The Governor's willingness to work with Milwaukee County to stimulate the economy during this downturn is appreciated. People from all walks of life are susceptible to potentially catastrophic changes in their circumstances during this precarious economic climate. During this time of uncertainty, enhancing the ability of local government to connect vulnerable populations to food shares and medical assistance benefits should be prioritized. Unfortunately, the proposed 2009-2011 budget recommends reducing Income Maintenance (IM) contracts with counties.

During the last couple of biennia, Milwaukee County has prioritized its request for additional IM resources to help us serve the poor in our community. The Board of Supervisors articulated the need for more fiscal resources for this function during deliberations of the Governor's Task Force on Milwaukee County Finances. While a reduction in county contracts is being recommended, the biennial budget also provides \$14 million (\$7 million general purpose revenues and \$7 million federal dollars) in Fiscal Year 2010 and 16 positions for the State assumption of eligibility determination functions in Milwaukee County. Additional detail about how the State plans to deploy these proposed dollars in Milwaukee County would be appreciated.

We at the Board are committed to improving the quality of life of Milwaukee County residents. Your willingness to continue engaging in an dialogue about how IM services should best be delivered is appreciated. I look forward to hearing back from you soon.

Sincerely,

A handwritten signature in black ink that reads "Lee Holloway".

Lee Holloway
Chairman,
Milwaukee County Board of Supervisors

cc: County Board of Supervisors
County Executive Scott Walker
Department of Administration
Secretary Michael Morgan

State Senator Lena Taylor
State Senator Spencer Coggs
State Representative Pedro Colon
State Representative Tamara Grigsby





State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

SB 1661?

February 3, 2009

The Honorable Scott Walker, Milwaukee County Executive
901 North 9th Street, Room 306
Milwaukee, WI 53233

Dear Mr. Walker:

I write in response to your recent correspondence regarding Milwaukee County's sustained inability to successfully provide Income Maintenance program services to its residents, resulting in the deprivation of food assistance, eligibility for medical care, and assistance with subsidized childcare to thousands of Milwaukee County residents.

Due to the County's failure to provide these basic yet critical services, the Wisconsin Department of Health Services (Department) will not contract with Milwaukee County's Department of Health and Human Services for Income Maintenance Administration beyond the current calendar year. In addition, the Department of Children and Families will terminate its contract with the County for the State's childcare subsidy program. The Department of Health Services will begin to phase out Milwaukee County's involvement in Income Maintenance program administration beginning May 1, 2009. The Department will assume the leadership and management of these programs and will rely on Milwaukee County employees to deliver the services.

The main theme of your correspondence is that this Department has not provided adequate funds and has been a hindrance to modernization efforts that your administration has attempted to implement. The Department has, in fact, expended millions of additional dollars and thousands of hours of staff resources to assist your County over a period of years. Despite these efforts, Milwaukee County's performance fails national and state standards and is failing the people of the County. Milwaukee County receives more funding per capita to support these functions than any other county. Moreover, merely providing more state funds and state staff assistance to Milwaukee County has not led to sustained improvement in the level of service provided to the people of Milwaukee County; in fact by many indicators the County's performance has worsened in recent years.

Sustained Poor Performance

The Department has raised serious concerns about Milwaukee County's poor Income Maintenance performance on numerous occasions in the past. In a letter dated June 6, 2005, then-Department of Health and Family Services Secretary Helene Nelson informed you that Milwaukee County's performance as it pertained to Food Stamp administration needed to be improved. Issues that existed at that time, including high error rates and poor customer service, persist today.

Furthermore, in May 2008, this Department advised Milwaukee County that its failure to process orders from fair hearing decisions in a timely fashion had resulted in more than \$74,000 in penalties being assessed against the Department, penalties the County agreed to pay as a result of its responsibility for the errors. Despite the Department devoting additional resources to assist the County in processing cases and hearing orders, the Department has just been notified that the County is out of compliance for the months of August, September, October, and November of 2008. This will result in additional penalties. As recently as November, 2008, I advised Milwaukee County Human Services Director Corey Hoze of my ongoing concerns with Milwaukee County's poor Income Maintenance performance, particularly as it pertains to the FoodShare program.

As result of Milwaukee's sustained poor performance, both Milwaukee County and the Department have been sued by a group of plaintiffs who seek to remedy Milwaukee County's failure to process applications, renewals, and changes for participants in the Medicaid and FoodShare programs in a timely manner, as required by both state and federal law. The law suit, West, et.al. v. Timberlake, et.al., also asks for the County to improve the customer service it provides to our program members.

Below is a summary of some of the most troubling performance statistics:

- Less than **5%** of the phone calls placed to the Milwaukee County Call Center are answered.
- Because Milwaukee County's Call Center performance is so poor, the state Medicaid call center receives 250 – 300 calls per day from frustrated Milwaukee County residents.
- Only **70%** of benefit applications are handled within the time periods required by state and federal law. This is compared to 85% throughout the balance of the State.
- Over **60%** of case closures in the County are certified as eligible for benefits within two months of closure.
- The County has substantial backlogs in Walk-In and Mail-In Verification Centers, which cause many Milwaukee members not to receive the benefits to which they are entitled, resulting in a loss of access to health care and nutrition benefits.
- The FoodShare Negative Error Rate is currently 19.54%. This means nearly **one out of every five** FoodShare recipients is cut off from the program in error in a year.

Milwaukee County's problems are neither a recent occurrence nor are they simply the result of the national economic down turn. Attachment A shows the history of the County's sustained poor performance and inability to reach federal standards in administering the FoodShare program. These statistics are even more troubling, however, given the current economic downturn.

Real Life Consequences for the Residents of Milwaukee County

Milwaukee County's continued poor performance has real life consequences. Every time the County does not answer the phone or erroneously closes a case, a family or individual goes without food or medical services. This is simply unacceptable. Below are just a few examples of real cases where the Department has intervened to fix problems created by Milwaukee County action or inaction:

- A 46 year old mother with a 13-year-old son submitted an application for FoodShare benefits to Milwaukee County on October 25, 2008, using ACCESS. The mother and her son also receive Social Security benefits. The County failed to act on her application until it denied her in November for failure to follow through with the application. The Department received her complaint in mid-December and immediately fixed the case. She received FoodShare benefits she was wrongly denied for October, November, December and January as a result of this action.
- A working mother of five children, who receives Supplemental Security Income for one child and receives no child support, received FoodShare benefits through Milwaukee County. In December 2008, she sent in her Six Month Report Form by the deadline (12/10/08). The eligibility system showed that the form was received. She then received a notice that her benefits would end (and did end) on 12/31/08. She called Milwaukee County on the 24th, 30th, and January 2nd. She spoke with three different workers who all told her that her form had been received but had not been processed yet. On January 5th, she contacted the Department. Our Department staff fixed her case and opened her FoodShare benefits on the same day.

February 3, 2009

Page 3

- A single disabled mother with six children, ranging in age from ages 0 – 13, whose income consists of Social Security disability, Social Security survivors' benefits and child support, was eligible for BadgerCare Plus. In October, she told Milwaukee County that she received Medicare and that she would like help paying for her Medicare Part B premiums through Medicaid's Qualified Medicare Beneficiary (QMB) Program. She was asked to verify her assets. She sent this information into Milwaukee County, but then received a notice denying her QMB request because she had not verified her assets. She contacted Legal Action of Wisconsin, who contacted the Department in December. State staff asked for and received her asset verification and confirmed her as eligible for QMB back to October 2008 (in addition to Medicaid for herself, BadgerCare Plus for her children and FoodShare for everyone). She has recently contacted the Department again, when her QMB case was changed by a Milwaukee worker so that the QMB benefit ended. The Department is now working to restore her benefit.

Milwaukee County Has Failed to Sustain Acceptable Performance

Your correspondence cites inadequate funding as a justification for the County's failure to provide acceptable service to Milwaukee County residents. As you know, the Income Maintenance function is funded jointly by the State, counties, and tribes all across the state. In conjunction with the Wisconsin County Human Services Association (WCHSA), the Department has created a workload model to estimate the difference between state, federal and local funding and total workload expenses. The following shows a comparison of Milwaukee County's funding to other counties based on the workload model:

- Milwaukee County's total 2007 state/federal allocation for Income Maintenance was funded at 62% of its workload model. In 2007, the balance of the state was funded at 57% of the workload model.
- The five largest agencies in the balance of the state (Dane, Rock, Brown, Kenosha and Racine) were funded at 48% of the workload model estimate during 2007.
- Milwaukee's local share of total costs is 15% while the average for the balance of the state is 23%.

Like all programs of state and county governments, Income Maintenance funding has not been immune from budget pressures. State funding for Income Maintenance functions was reduced in 2004 due to the deficit in the state budget, resulting in a reduction in Milwaukee County's Income Maintenance funding of \$2.4 million. Following that reduction, however, this Department supplemented Milwaukee County's funding with \$1.2 million in additional funds each year from 2004 through 2008. In addition, this Department has also expended many more resources in Milwaukee County in attempt to assist the residents of the County in obtaining and maintaining access to the programs and services for which they are eligible. Attachment B illustrates some of the additional support that this Department has provided to Milwaukee County, beyond that which has been provided to any of the other 71 counties and 7 tribal nations in Wisconsin who handle these same Income Maintenance duties. Even after these interventions, Milwaukee County's performance in key areas has not improved. Instead, program integrity and customer service has deteriorated significantly in the past several years. Accordingly, I have concluded that additional state funds have not and will not improve Milwaukee County's performance.

Wisconsin Shares Program

Because approximately 95% of all Milwaukee citizens who access the State's Childcare subsidy program, Wisconsin Shares, also receive FoodShare or Medicaid, I have asked the Department of Children and Families (DCF) whether they have had similar concerns with Milwaukee County's operation of the Shares program. DCF has reported similar service provision concerns, customer complaints and lack of Milwaukee County responsiveness. State staff has met regularly with Milwaukee County program administration in an effort to improve the timeliness and accuracy with which services are provided to Wisconsin Shares program clients.

As with its administration of Medicaid and FoodShare, Milwaukee County's administration of the Shares program is failing both its customers and the taxpayers who support it. DCF reports that due to inadequate County oversight of authorized hours of Shares care for families, Milwaukee County has authorized 91% (the highest percentage in the State) of all cases as enrollment-based (compared to an average of 58% in the rest of the State). This results in unknown millions of dollars of subsidy payments a year where no care is actually being provided to children, which could have been more effectively utilized elsewhere. In addition, surveys have shown that over two-thirds of all complaints received by W-2 agencies are actually problems with the FoodShare, Medicaid or Childcare programs operated by Milwaukee County. The Childcare Administration contract with Milwaukee County is in excess of \$8.5M, yet despite recognized performance issues, Milwaukee County does not use all of the available funding each year, returning it to the State. Furthermore, nearly one-third of all costs claimed under the contract are used for non-childcare administration purposes. DCF provides more than adequate funding to Milwaukee County, but the county fails to meet the administrative expectations of the contract.

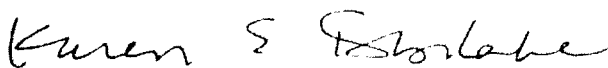
For these reasons, Secretary Reggie Bicha of the Department of Children and Families has agreed that Milwaukee County should no longer hold the Childcare Administration contract. DCF has concluded that it will take new leadership and new approaches to service provision to increase responsiveness to providers, expand program integrity through automation, minimize provider overpayments, combat fraud, and improve accuracy in childcare attendance tracking. Accordingly, this Department and DCF will take over Childcare Administration from Milwaukee County effective January 1, 2010.

Transition to State Management of Income Maintenance and Shares

Now more than ever, the people of Milwaukee County must be able to sign up and maintain their participation in programs designed to assist them during times of economic hardship. Accordingly, as of May 1, the State will assume processing of all new applications for Medicaid and FoodShare that are made through the on-line application system, <http://access.wi.gov> and will open a new customer service location designed to assist new applicants. Not later than July 15, 2009, the State will assume operation of the call center. As of January 1, 2010, the State will assume full operation of all Income Maintenance functions including Childcare Administration in Milwaukee County. The State will assume the leadership and management of these programs and will rely upon Milwaukee County employees to deliver the services. In addition to providing better and more timely services to the people of Milwaukee County, we believe that the Department's assumption of these responsibilities will lead to the resolution of West, et al. v. Timberlake, et al. litigation.

The resources have been available to ensure that families in Milwaukee County can have access to programs like Medicaid, FoodShare, and childcare. What has been lacking is the commitment to the successful administration of these programs. While I would prefer that Milwaukee County improve and sustain its performance, our past experience has left us with no confidence that this will happen. Meanwhile residents of Milwaukee County continue to suffer. Accordingly, Governor Jim Doyle's Biennial Budget Proposal for 2009-2011 will include the changes necessary to transition this important work to the Department. I will contact Milwaukee County Health and Human Services Director Corey Hoze in the next several days to begin discussing the transition planning process. If you have any questions or concerns, please contact me.

Sincerely,


Karen E. Timberlake
Secretary

Attachments

ATTACHMENT A

FoodShare Payment Error Rate 1992-2008

The FoodShare payment accuracy error rate is a state and federal measure, calculated after a sample of cases is reviewed each federal fiscal year, of the amount of benefit dollars over or under paid due to client, worker and system errors extrapolated over the entire FoodShare caseload. If a state has a payment accuracy error rate that is greater than the federal tolerance level the state is in sanction status. The U.S. Food and Nutrition Service (FNS) expects all states to have a payment accuracy error rate no greater than 6%.

Year	State Rate	Milwaukee Rate	Balance of State Rate
2000	12.00%	16.60%	6.60%
2001	12.70%	15.80%	9.10%
2002	12.30%	14.30%	10.30%
2003	9.30%	11.80%	7.10%
2004	6.65%	9.12%	4.40%
2005	5.60%	5.95%	4.96%
2006	6.17%	8.05%	4.56%
2007	5.90%	8.33%	4.23%
2008	7.05%	8.18%	6.35%

FoodShare Negative Action Error Rate: 2003-2008

The FoodShare negative action error rate is a state and federal measure of the number of cases who had FoodShare eligibility denied or terminated incorrectly. FNS expects a state's negative error be lower than the national average, which is currently around 9%.

Year	State Rate	Milwaukee Rate	Balance of State Rate
2003	5.48%	6.20%	3.10%
2004	6.52%	9.04%	4.13%
2005	6.24%	7.26%	6.12%
2006	9.49%	10.65%	8.77%
2007	8.39%	11.49%	6.33%
2008	11.20%	19.54%	6.69%

Note: Negative Action Error Rates have only been tracked by the federal government since 2003, when the review requirement was added into the federal Food Stamp program law.

FoodShare Timely Case Processing: 2006-2008

FoodShare Timely Case Processing is a measure of the number of applications that were processed within federal guidelines. FNS expects states to process at least 95% of all applications within the time limits set in federal law. States with a timeliness score below 90% are required to provide the federal agency with a corrective action plan.

Year	State Rate	Milwaukee Rate	Balance of State Rate
2006	90.20%	90.78%	89.83%
2007	90.15%	84.61%	93.56%
2008	80.56%	71.71%	85.45%

Note: Timeliness rates have only been tracked by the federal government since the enactment of the Farm Bill of 2005. we will be asked what we are doing about the other poor performing counties

ATTACHMENT B

STATE SUPPORT OF MILWAUKEE COUNTY INCOME MAINTENANCE FUNCTIONS:

The state continues to spend more of its resources (funding and personnel) to support Milwaukee's Income Maintenance ("IM") efforts than any other county in Wisconsin. Unfortunately, these investments have not led to sustained improved performance by the County. Since 1998, just over \$3.5 million in state FoodShare reinvestment funding has been provided to Milwaukee to improve FoodShare accuracy.

- Milwaukee Electronic Case File Project: In 2003, using state funding for Food Stamp reinvestment that resulted from a federal sanction for high payment accuracy error rate in federal fiscal year 2002, the Department funded a special project in Milwaukee County to scan their paper case files into the IM Electronic Case File.
 - \$255,000 (all funds) (one-time)
 - Milwaukee Only
- FoodShare Find and Fix I: In 2004, the Department of Health Services provided financial and staff resources (as many as 25-30 staff) who reviewed all new applications to assist Milwaukee in improving the accuracy of its FoodShare eligibility decisions. Payment accuracy improved dramatically as a result of this as well as other management and training initiatives developed and implemented by state and local agency collaboration.
 - \$3.5 million (State Only Funding) (one-time)
 - 25 state FTEs
 - Milwaukee Only
- Support Operation Excellence: In 2004, DHS provided Milwaukee one-time funding to implement a strategic planning initiative to improve their process/business systems.
 - \$798,000 (State Funding Only) (one-time)
 - Milwaukee Only
- FoodShare Find and Fix II: In 2005, the state continued to operate a smaller scale find and fix effort in Milwaukee. Starting in the fall of 2004 DHFS funded three Payment Accuracy Consultants (with \$350,000 in reinvestment funds), and currently funds two Payment Accuracy Consultants through a contract with the University of Wisconsin-Oshkosh. The Find and Fix projects have been funded activities since 2004.
 - \$350,000 (State Funding Only) (annual)
 - 2 State FTEs
 - Milwaukee Only
- Technical Assistance: In 2006, DHS provided funding for a staff person assigned to Milwaukee to do one-on-one technical assistance for problem cases. This activity is an ongoing activity with continued funding.
 - \$100,000 (all funds) (annual)
 - 1 State FTE
 - Milwaukee Only
- Training: DHS provided funding to renovate a central training facility in Milwaukee. The training center provides new or refresher training which is developed based on worker needs. Recent specialized trainings targeted and specially delivered in Milwaukee County have included wages and salaries training, household composition refresher training and CARES Workforce Web training. This activity is an ongoing activity with continued funding.
 - \$168,000 (all funds) One Time Only
 - Milwaukee Only
- Central Application Processing (Enrollment Management CAPO): In February 2008, DHS initiated an intake process with community partners in Milwaukee to process BadgerCare Plus and FoodShare applications in Madison via ACCESS. As of August 31st, DHS had successfully processed 1,248 applications for benefits from Milwaukee County residents.
 - 6 state FTEs (ongoing)
 - Milwaukee Only
- Since April 2008, the Department has intervened and is attempting to resolve fair hearing requests before the hearing takes place and in implementing hearing decisions where the county has erred in the determination of eligibility or amount of benefits.
 - 1 FTE (April 2008)
 - Additional 3 FTEs (December 2008)

Cc: DCF Secretary Reggie Bicha
Corey Hoze, Milwaukee County DHHS
Ollice Holden, USDA
United States Congresswoman Gwen Moore
Milwaukee County Legislative Delegation
Milwaukee County Board
Diane Welsh



Testimony of Rep. Christine Sinicki before the Senate Labor
Committee (Assembly Author of Senate Bill 20, 2009
Legislative Session)
March 12, 2009

SB 161?

Good morning Chairman Coggs and Committee members.

I couldn't be happier to be here today.

We meet today as Legislators who can expect to finally help the economic security of our state's workers and families in a concrete way.

That's a good thing in times when big business can expect a bail-out, but the hard-working citizens of our state cannot.

And, for that reason, Senator Hansen and I look forward to finally passing this bill through both houses.

Even though it is often called the Equal Pay bill, it will give all Wisconsin workers more confidence to say to employers: you have nothing to worry about from me as long as you treat me fairly.

This bill would increase penalties for pay discrimination. It will do the same for discrimination against workers in hiring, terminations, or other conditions of work, like benefits.

The bill will help all workers who are already protected under Wisconsin's Fair Employment Law to fight these kinds of discrimination.

The bill does not create any new protected groups, just backs up those who, despite current law, are still unfairly denied work, fired from work, or compensated less than others for the same work.

The solution for employers is simple: treat workers equally for the same work, no matter what their age, gender, race, or beliefs. This is not a complicated formula.

Employers who discriminate do it because they can get away with it. It's time for that to stop.

Members of the Senate Labor Committee, thank you for voting one more time in favor of the workers who keep our state moving forward.





State of Wisconsin
Department of Health Services

Jim Doyle, Governor
Karen E. Timberlake, Secretary

March 17, 2009

The Honorable Lee Holloway
Chairman, Milwaukee County Board of Supervisors
Courthouse, Room 201
901 North 9th Street
Milwaukee, WI 53233

SB 10?

Dear Chairman Holloway:

Thank you for your recent letters regarding the Department of Health Services' assumption of management responsibilities for the Income Maintenance (IM) and Wisconsin Shares programs in Milwaukee County. I have combined my responses to your recent letters into this correspondence.

It was my hope that we could meet in person to discuss these and other issues regarding IM administration. I understand, however, that your schedule has not permitted such a meeting. It is the Department's goal to work closely with you and the other members of the County Board to ensure the best service for the citizens of Milwaukee County by executing a smooth transition of management responsibilities. Accordingly, I appreciate this opportunity to answer the questions posed in your letter.

Milwaukee County IM Funding

You have asked whether Milwaukee County would be required to continue contributing to the cost of administering the IM program. The answer is that Milwaukee County will be required to continue to provide approximately \$3.59 million annually, the amount the County contributed to these services in 2007. As you are aware, funding of IM administration has long been a shared responsibility in Wisconsin between federal, state and local governments. All other Wisconsin counties, except for one, Florence County, currently share in the cost of IM administration. On average, other counties in the state contribute 23% of their costs of IM services, while Milwaukee County contributes 15% of its total cost. By maintaining its current level of investment in these important services, Milwaukee County will demonstrate its ongoing commitment to ensuring that its residents receive access to the programs and services to which they are entitled.

You and other members of the County Board have spoken of your firm belief that IM services should be delivered by the unit of government closest to the people receiving services. Our plan to deliver this program with County workers under state management accomplishes that goal. In addition, the County's maintenance of its current level of investment demonstrates its ongoing commitment to the eventual resumption of management responsibility for these programs at the County level.

Residency Requirements for County and State Staff

The Department is fully committed to hiring a diverse workforce that is a reflection of the Milwaukee community. The Department also recognizes that there are many people who live in the Milwaukee community who possess the necessary skills for the IM positions. It is our intent to follow current Milwaukee County residency requirements for the County represented workers who will be part of the new Milwaukee IM agency. The supervisors, managers, trainers, problem resolution, and infrastructure staff of the new agency, approximately 55 employees of the total workforce of 335 employees, will be state employees. State hiring rules do not permit us to impose residency requirements and instead require that we allow all qualified candidates to compete for any available positions. The Department is, however, focusing its recruitment for both represented and non-represented positions in Milwaukee County.

Resumption of Management of IM Functions by Milwaukee County

You have inquired as to the circumstances and timeline that would permit management of these services to be returned to Milwaukee County. The Department's full focus over the next year will be on implementing systems to improve services for the residents of Milwaukee County. In addition, as you are aware, it is my expectation that the State's assumption of management responsibilities for these programs will result in the settlement of the *West, et al. v. Timberlake, et al.* litigation. Plaintiffs' counsel have made it abundantly clear to us that dismissal of that litigation is contingent upon a sustained period of demonstrated good performance of IM functions under state management. Accordingly, the Department is unable at this time to set forth a specific timeline for Milwaukee County to resume management of IM administration and the Shares program. While I am happy to continue to discuss this issue with you and with other members of the Board, a realistic timetable and benchmarks cannot be established until after the Department's assumption of these responsibilities is complete and the lawsuit has been formally dismissed.

Milwaukee Enrollment Services Location

The location for the new Milwaukee Enrollment Services agency has not yet been decided. The Department understands the historical importance of the current location at 1220 West Vliet Street not only to the residents of Milwaukee County, but also the Coggs family. At the same time, by restructuring services, we seek to greatly reduce the number of times that individuals and families will need to come to any single physical location. We also seek to maximize the use of access points around the community to enhance the convenience of these services to all of Milwaukee County's residents. I welcome your and others' input on this important topic.

To answer the second part of your question, if the Department leases space from Milwaukee County, we would pay a reasonable rate for that space.

Department Management Structure

The Department's plan for the management of Milwaukee County workers by state employees is based upon the model currently used for Assistant District Attorneys (ADA) across Wisconsin, including in Milwaukee County. When the ADAs became state employees, state law was changed to expressly allow them to supervise the county staffs that were a part of the county

court system. We are currently working to have similar changes made in state law that would allow Department staff to supervise Milwaukee County represented employees. In addition, we seek to

ensure that current Milwaukee County employees who may wish to apply for one of the state positions that will be devoted to this work will not face the loss of their accumulated Milwaukee County benefits. This was also done when the ADAs became state employees. I would be pleased to share a draft of those changes with you once it has been prepared.

Represented employees will remain a part of their current collective bargaining unit, and state supervisors will abide by the terms of their existing collective bargaining agreement except where alternative arrangements may be negotiated between the State and AFSCME Council 48 through a separate memorandum of understanding. The State and the union have agreed that the wages and benefits of the represented staff will be a subject of collective bargaining between the County and the union, and will not be affected in any way by the state's working agreement with Council 48.

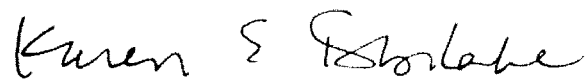
IM Reductions

As a result of the national economic downturn, Wisconsin's state budget is facing a nearly \$6 billion deficit for the 2009-11 biennium. As such, the Governor's budget has included a 1% reduction in all state appropriations, including the appropriation that funds IM. In addition, the Department has been providing \$4.3 million in supplemental funding to counties since 2004 and has provided additional IM funding to the five counties that piloted Family Care. In our current budget situation, we can no longer afford to continue either supplemental fund. This results in a reduction of approximately \$5.5 million (all funds) decrease annually in IM funds across the state and a decrease of approximately \$1.9 million for Milwaukee County. The Department has begun discussions with county human service and IM directors across the state to develop strategies to assist counties in managing growing caseloads with reduced resources.

The Governor's budget includes a total of \$7 million in general purpose revenue that is intended to cover the transition and start-up expenses of the new Milwaukee IM agency. This funding is needed because state funds currently devoted to IM in Milwaukee County will be paid to the County under the calendar year 2009 contract, although transition activities have begun and the state will assume partial responsibility for the program by mid-year. The Governor's budget also recognizes that there will be one-time transition costs as the Department takes over day-to-day responsibility for the management of the IM programs in Milwaukee County.

I appreciate the opportunity to respond to your questions and hope that we may meet to discuss these issues in person in the near future. I trust that you share my commitment, and that of Governor Doyle, to improving enrollment services for the citizens of Milwaukee County. Please feel free to contact me if you have any additional questions.

Sincerely,



Karen E. Timberlake
Secretary

Page 4
March 17, 2009

cc: Mr. Michael Morgan, Secretary, Wisconsin Department of Administration
The Honorable Scott Walker, Milwaukee County Executive
Milwaukee County Delegation
Milwaukee Co. Board of Supervisors, Members of the Health and Human Needs Committee



COUNTY OF MILWAUKEE
Department of Administrative Services

DATE: March 23, 2009

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

FROM: Steve Kreklow, Fiscal and Budget Administrator, Department of Administrative Services

SUBJECT: INFORMATIONAL REPORT FROM THE DIRECTOR, DEPARTMENT OF ADMINISTRATIVE SERVICES, ON THE STATE TAKEOVER OF INCOME MAINTENANCE AND CHILD DAY CARE FUNCTIONS

SB 1601?

ISSUE

Sections 46.215 and 49.155 of the Wisconsin State Statutes governs the operation of the FoodShare (food stamps), Medical Assistance and Child Care programs in the State of Wisconsin and prescribes an administering role for counties in delivering such assistance. On February 3, 2009, the State of Wisconsin Department of Health Services (DHS) notified Milwaukee County that it would be assuming full responsibility for these functions by January 1, 2010. Based on dialogue with the State, a preliminary estimated fiscal impact on the 2010 County budget ranges from 4 to 6 million dollars.

At its March meeting, the Finance and Audit Committee requested an informational report detailing the fiscal impact of the State takeover of income maintenance programs. The information contained in this report is based on the February 3, 2009 State DHS letter and ongoing meetings with State DHS and Department of Children and Families (DCF) staff.

BACKGROUND

Scope of Takeover

The Economic Support Division within DHHS administers the following programs: FoodShare, Medical Assistance, Child Day Care (certification/authorization/fraud/eligibility), Care Taker Supplement, State W2/SSI and County General Assistance burials, Low-Income Home Energy Assistance Program (LIHEAP), and Interim Disabilities Assistance Program (IDAP).

Per the State's 2/3/09 letter, the State plans to assume full responsibility for the contract for Food Share, Medical Assistance and W2 SSI burials which is overseen by State DHS and the Child Day Care contract, overseen by State DCF. Also, Milwaukee County will no longer contract with W2 organizations to certify child care eligibility. The County will maintain responsibility for energy assistance, IDAP, and the General Assistance burials program. Table I illustrates the programs being taken over by the State and continued by the County.

Table I: State and County Programs as of January 1, 2010

Program	Funding Source	State	County
Food Share	Income Maintenance (50% Match)	X	
Medical Assistance	Income Maintenance (50% Match)	X	
Child Day Care	100% State Funded	X	
Care Taker Supplement	Income Maintenance (50% Match)	X	
State W2/SSI Burials	100% State Funded	X	
General Assistance Burials	100% County Funded		X
Energy Assistance	100% State Funded		X
IDAP	100% County Funded		X

State's Planned Timeline

- May 1: The State will take over all new electronic ACCESS applications and case management for this workload (the State's online application service for FoodShare, Medicaid and BadgerCare Plus). This is currently done solely by staff at 9th and Mitchell in the Robles Building.
- July 1: The State will takeover the County's Call Center and portions of the existing Verification Center creating its own Change Center to be temporarily located at Silver Mill Mall, 6091 North Teutonia Avenue in Milwaukee. The staffing level is expected to consist of approximately 59 existing County employees comprised mostly of Economic Support Specialists.
- January 1: The State assumes responsibility for the balance of the Medicaid and FoodShare cases along with the Child Care program.

Fiscal Impact

The State verbally indicated to the County that the funding of the 2009 IM contract would not be reduced. The current IM contract is approximately \$16.4 million and offsets costs related to salary and fringe, supplies and services along with crosscharges. Costs in excess of this contract are offset with 50% IM federal match and 50% County tax levy. The County's contract with DCF for Day Care Administration is about \$8.6 million and State funding covers 100% of all eligible costs.

The amount of the 2010 contracts with DHS and DCF is not yet known. However, based on preliminary discussions with DHS, these contracts will be adjusted to reflect the salary and fringe cost of only the County represented staff and some minimal financial support for crosscharges directly related to the support of these County employees.

The 2009 Adopted Budget for ESD reflected crosscharges in excess of \$6 million, the majority of which will no longer be supported by 50% IM revenue or 100% Child Care revenue.

- During a teleconference on 2/6/09, the State informed the County that the County would not be required to fund staffing levels above the 2009 Adopted Budget, and that the current cost sharing agreement would be maintained.

- DHS has indicated that its takeover timetable is not dependent upon passage of the State's 2009-2011 budget.
- The total funded County positions transferred to the State is approximately 327 full-time equivalents (FTEs).
- In addition, 45 FTEs are management trainers who work in ESD, but are not part of the State transition. These positions would likely be abolished.
- The total loss of FTEs to Coggs & Robles could be 372 FTEs.
- The State has indicated that they will utilize their own IT services. Currently, the IM and Child Care programs pay approximately \$760,000 towards IMSD's costs.
- The State's goal is to vacate the Coggs Center effective January 1, 2010, resulting in 62% of the Coggs Center becoming vacant (1st and 2nd Floor). This equates to approximately \$1,000,000 of rental revenue that goes towards the costs of operating this building.
- Currently, the IM and Child Care programs pay approximately \$1,700,000 for centrally provided support services such as risk management, accounting, payroll, etc. While it is likely that the State will continue to need these services to operate the program, the State has yet to document a commitment to pay. As these are substantially fixed costs, the County would have to absorb any costs that are not reimbursed by the State.
- The State will not be taking over the electronic inbox project, Q-Matic (client self-sign in) or the current call center system). Over the past few years, the County has invested over \$1,000,000 in these projects. IMSD is working to determine if these programs may be used in other capacities within the County.

Impact on County Facilities

The State has indicated that they will not utilize County facilities for the operation of the Income Maintenance program. The County will likely have excess facility space after certain Income Maintenance services are transferred. The State will be issuing a Request for Proposals (RFP) in April to procure a permanent space for its Milwaukee eligibility office. This procurement process and build out are expected to take several months to complete.

- The State's takeover of ACCESS applications will reduce the County's need for the Robles Building on 9th and Mitchell. A 180-day notice must be given to terminate this lease. The impact of the elimination of this lease is not yet known based on the timing of lease expiration and the resulting utility and security savings. The County has not yet given a 180-day notice.
- The State has not indicated whether Income Maintenance staff paid for by Aging that operate in the Reuss building will be relocated.
- The Marcia P. Coggs Human Services Center building (12th and Vliet) will be significantly impacted by the loss of the IM program. DHHS is working with DTPW to utilize vacant space within Coggs.
- The County is working with the State to determine any accessibility issues related to bus routes and the anticipated State locations. Per the 2009 Adopted Budget, the County Board reinstated Bus Route 11 (60th & Vliet to Downtown) to provide transit opportunities to patrons of the Coggs Building. After abatements, the fiscal impact in the 2009 budget of reinstating Route 11 was \$516,996.

- Inactive records management at 37th and Mitchell for GAMP, Childcare, W2 and Income Maintenance may be relocated to State facilities or occupy County space elsewhere eliminating the need to maintain a lease for this facility. The lease is currently month-to-month at approximately \$5,427 per month in 2009.

Human Resources Impact

All represented positions with the exception of six filled training staff are transferring to the State while retaining their status as County employees. Assuming the State takes all filled/vacant-represented slots except for the 6 trainers, this would mean the transition of about 327 FTEs. Approximately 45 additional management/trainer positions work in Day Care and IM but are not part of the State transition, as the State is taking over management functions. Non-represented positions are able to apply for State jobs, but layoffs may become necessary if no other placements can be found.

The State has been holding ongoing meetings with AFSCME as it relates to their contract with the County. State managers will manage County workers, but no further information has been presented to County staff regarding liability or disciplinary procedures involving County workers or how the potential changes would be approved by the union or County management.

Information Technology

The County and the State are in ongoing discussions pertaining to the functionality of County e-mail, computers, and what information, if any, should be transferred to the State owned/operated systems.

- Communication between the County and the State must also be conducted in regards to shared drives and internal databases – internal burial reporting and childcare.
- The State currently will use their own computers and electronic equipment (fax machines, copiers, routers and switches, etc)
- The Q-matic system (customer work flow system allowing clients to sign-in) and the electronic inbox (designed to keep electronic filing of records) will not be taken over by the State.
- The State will provide all IT support, and will not use IMSD services.
- The current IVR system, which is used at the call center, will not be used by the State.
- Plans for upgrading the Robles telecommunication for the coming year have been postponed pending State approval.
- The County plans to keep certain blocks of telephone numbers currently designated for IM. The (289-6000) number will be taken over by the State.

Statutory Obligations

The County is awaiting statutory changes at the State level that will allow State positions that are filled by former County employees to have a choice of retirement systems. The model will likely be based on the District Attorney's in Milwaukee County. Statutory language will also be created to allow State staff to supervise County staff. An agreement in some form with AFSCME will likely also be necessary. Corp Counsel will be consulted as to what changes to the County ordinances, if any, are necessary.

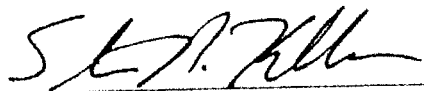
Unresolved Issues

As described above, many issues remain unresolved and none have been formalized, most importantly:

- It is unclear if the State will continue to reimburse the County in the same fashion for the work performed and how this take-over will affect federal reimbursements.
- State legislation has not yet been introduced so the specific statutory changes required are not known.
- The IM contract for 2009 may require County Board approval if resulting changes create a fiscal impact on the County in 2009.
- The State has not verified the reimbursement level for 2010 for salaries, and fringe benefits as well as associated overhead such as Risk Management, and IMSD costs.
- The IM contract for 2010 has been described as dramatically different than the existing contract, and will likely require County Board approval.
- Apart from early discussions related to an indemnification agreement with the County pertaining to programmatic or personnel related issues, no further discussions on liability have occurred.
- The County is in ongoing discussions with the State in regards to the risk involved with County workers working in non-county buildings.
- The County is also looking into the liability resulting from County workers working under State management as it relates to the Personnel Review Board, Family and Medical Leave Act, and collective bargaining agreements.
- The County is also unsure at this time who will be required to sign any revisions to labor agreement changes that will be part of the State takeover.
- It is also unclear if the State is authorized to negotiate directly with AFSCME DC-48 within the regulations governing fair labor practices.

Recommendation

This report is for informational purposes only. No action is recommended.



Steven R. Kreklow, Fiscal and Budget Administrator
Department of Administrative Services

Prepared By: Joe Carey,
DAS - Fiscal and Management Analyst



COUNTY OF MILWAUKEE
Inter-Office Communication

SB/6?

DATE: March 24, 2009

TO: Supervisor Peggy West, Chairperson, Health and Human Needs Committee

FROM: Corey Hoze, Director, Department of Health and Human Services

SUBJECT: **INFORMATIONAL REPORT FROM THE DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REGARDING THE PROGRESS OF THE ECONOMIC SUPPORT DIVISION'S MODERNIZATION INITIATIVE**

MODERNIZATION INITIATIVE

In April of 2008, the Economic Support Division (ESD) implemented the Milwaukee Modernization Initiative, a new approach to service delivery based on streamlined workflows, technology innovations, and partnerships with local community organizations. Broadly speaking, the Modernization Initiative places its focus on encouraging customers in Milwaukee County to apply and recertify for benefits online and by phone.

New approaches to eligibility management are critical, as State funding has remained flat and enrollments continue to climb. Between January of 2008 and January of 2009, FoodShare enrollment has increased by 20%, Medical Assistance by 13%, and WisconsinShares enrollment by 9%. Given these growing demands, ESD has worked diligently to improve services to those in need of assistance.

STREAMLINED WORKFLOW/CUSTOMER CONVENIENCE

Telephone Interviews and Online Applications

The effort to increase the percentage of both new application and recertification interviews conducted by telephone has been delayed while waiting for the State to implement a telephonic signature solution for telephone interviews. As a result, the promising trends seen in the second and third quarters of 2008 are reversing. A summary of ESD progress in the use of ACCESS online applications and telephone interviews is found below.

	Function	May - 08	Aug -08	Dec - 08	Jan - 09	Feb - 09
New Applications	On-Line (ACCESS)	1,814	1,910	2,414	3,020	2,163
	Face-to-Face	1,957 (50%)	1,622 (39%)	1,241 (43%)	1,620 (51%)	2,287 (60%)
	Phone	1,980 (50%)	2,504 (61%)	1,654 (57%)	1,572 (49%)	1,535 (40%)
Recertifications	Face-to-Face	6,146 (94%)	5,550 (78%)	8,986 (85%)	10,610 (85%)	11,250 (87%)
	Phone	400 (6%)	1,582 (22%)	1,586 (15%)	1,937 (15%)	1,682 (13%)

TECHNOLOGY INNOVATIONS

Q-Matic

The new Q-Matic customer workflow system continues to be a valuable management tool, providing useful data for setting goals and making decisions regarding service delivery. Data showing the number of customers served at each service location in the Coggs Center, how long the average transaction takes at each service window, and what the average wait time is per service area is found in the table below. Nearly all service areas continue to show a reduction in wait times.

	Customers	Ave Transaction Time	Ave Wait Time
Client Registration			
Oct 2008	3,249	12:17	55:54
Nov 2008	2,722	11:00	52:32
Dec 2008	2,788	11:12	54:20
Jan 2009	3,267	7:50	56:26
Feb 2009	2,443	12:24	35:37
Homeless Mail			
Oct 2008	3,013	2:25	6:26
Nov 2008	2,354	2:52	4:32
Dec 2008	2,808	2:31	7:20
Jan 2009	2,967	2:42	4:25
Feb 2009	2,664	2:33	3:33
Case Questions			
Oct 2008	5,138	8:22	4:02:41
Nov 2008	3,557	10:06	4:03:57
Dec 2008	3,479	9:18	2:55:50
Jan 2009	4,429	8:08	2:45:35
Feb 2009	3,800	8:40	2:07:01
Child Care Auth			
Oct 2008	1,479	5:08	19:05
Nov 2008	885	6:03	14:38
Dec 2008	725	6:04	17:14
Jan 2009	941	5:33	12:09
Feb 2009	780	5:16	8:08
Review Appointment			
Oct 2008	3,767	32:59	22:57
Nov 2008	3,269	33:27	35:37
Dec 2008	3,255	33:19	34:54
Jan 2009	3,932	32:48	50:34
Feb 2009	4,433	30:16	1:01:18
Appointment Line			
Oct 2008	1,988	4:56	3:32:37
Nov 2008	1,561	4:43	3:23:05
Dec 2008	1,759	3:59	2:21:07
Jan 2009	2,045	3:33	1:59:12
Feb 2009	1,707	3:55	1:01:44

Call Center

When the Economic Support Specialist (ESS) class that started in September of 2008 completed its training in December of 2008, additional staff were added to the Call Center. Data indicates that the addition of this staff has allowed more calls to be answered, and wait times have continued to decrease.

	Calls Entering System	Calls Answered	Average Wait Time
November 08	10,316	4,760	1 hour 33 min.
December 08	14,932	8,197	51 min.
January 09	17,105	11,273	37 min.
February 09	17,463	10,620	36 min.

OnBase In-Box

ESD has completed the installation of the OnBase In-Box for processing Six-Month Report Forms (SMRF's). The SMRF unit has only eight employees and therefore represented an ideal setting for testing before full implementation with the entire staff. In April, the system will be extended to the Verification Center. The OnBase In-Box allows all documents to be scanned the day they are received, assigned to staff electronically, and monitored for completion. It also provides ongoing report functions and the ability to locate all documents electronically.

VERIFICATION CENTER

In October of 2008, additional staff were moved to the Verification Center. Since that time, verification has generally been completed within 1-2 days.

	Ave. Cases Received/Day	Ave. Days to Process Case
November 08	730	1 – 2 days
December 08	652	1 – 2 days
January 09	630	1 – 2 days
February 09	584	2 days

STATE TRANSITION OF ESD PROGRAMS

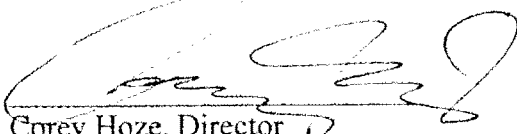
As noted in previous reports, ESD has been meeting with representatives of the State Departments of Health Services (DHS) and Children and Families (DCF) to prepare for the transition of ESD programs to State control. The first phase of transition will begin May 1, 2009, in which DHS will begin to process and maintain all online applications for FoodShare and Medical Assistance originating in Milwaukee County. The second phase of transition will begin on July 1, 2009, in which DHS will operate a Call/Change Center that will handle all online, mail-in, and phone changes originating in Milwaukee County. The Call/Change Center will be managed by a State management team and staffed with Milwaukee County front-line staff. The State plans to move 43 ESS's, 4 Quality Assurance Technicians, and 7 clerical staff to a site outside of the current Milwaukee County locations. The specific staff will be identified in May of 2009, with an expectation to move staff no later than July 1st.

The State also plans to provide the Call Center/Change Center staff with refresher training sometime in June of 2009. Finally, on January 1, 2010, DHS and DCF will assume the management and operation of all ESD programs and functions, with the exception of Energy Assistance, the Interim Disability Assistance Program, and the County's Burial Assistance Program.

RECOMMENDATION

This report is for information only. No action is necessary.

Respectfully Submitted,


Corey Hoze, Director
Department of Health and Human Services

- Cc: County Executive Scott Walker
Tim Russell, County Executive's Office
Cindy Archer, DAS
Joe Carey, DAS
Jennifer Collins, County Board Staff
Jodi Mapp, County Board Staff