W-2 Monitoring Task Force decries scandal and waste in the W-2 program
New report chronicles important issues in the five year history of W-2 in Milwaukee

In the past five years, more than $760 million dollars has poured into the private agencies administering W-2 in Milwaukee County. The program outcomes that have been reported reveal that the promise of individualized services to help families in need has not been fulfilled. These findings demonstrate how essential it is to make major changes to the program and how it is administered in Milwaukee County.

Welfare reform was sold as a way to save taxpayer dollars, but the average cost per case in total benefits and services has skyrocketed under W-2.

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<td>Cost per case of AFDC in 1996</td>
<td>$7,258</td>
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<tr>
<td>Cost per case of W-2 in 2001</td>
<td>$14,653</td>
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Although expenditures have doubled, much less of this money goes directly to poor families. Most of the funding is allocated for “services” to the families (which advocates have trouble identifying) and the maintenance of the administrative structures of the agencies. The high salaries of the agency directors are truly scandalous.

What is needed in these times? A true analysis of the economic situation in Milwaukee County and a prioritization of scare resources to truly address basic needs.

Approximately half of the parents receiving W-2 do not have a high school degree. Current studies of job opportunities in the local labor market suggest that less than one-fifth of jobs are open to people with this level of education.

In addition, the toll of the recession has decreased the number of jobs available overall, and more families are reaching state and federal time limits to participation in W-2.

Demand at meal programs and emergency shelters has increased every year since W-2 was implemented. The women’s overflow shelter instituted in 1997 is now overflowing. The number of Milwaukee families receiving Food Stamps who have no other reported source of income has tripled since 1998, rising from 600 to 1,800 families. This is a crisis situation.

The W-2 Monitoring Task Force has a number of recommendations for addressing these issues. We look forward to working with interested parties to find solutions.

For more information or to receive a copy of the full report,
Contact: Pamela Fendt at 414-229-6155 or Supervisor Roger Quindel at 414-278-4259
Recommendations

W-2 has clearly redefined the delivery of welfare benefits in Wisconsin. The “work first” philosophy has moved substantial numbers of job-ready parents into entry level employment. But there are glaring program deficiencies that need to be addressed. No family should be turned away from W-2 without having found employment. Too many families in Milwaukee County are being left without any income or services, straining private charities and creating a health and safety crisis in the county.

Decrease administrative costs of W-2 by reducing the number of W-2 regions/agencies in Milwaukee County

An inordinate amount of public money is wasted by having 4 agencies administering the program in 6 regions in Milwaukee County. We should not waste scarce resources funding overhead and administration costs, but instead prioritize funding to actually help families in need.

Strengthen Public Service Jobs Component of W-2

Replace the current Community Service Job component, in which the participant “works off” their grant with wage-paying public service jobs that address a need in the community and give parents needed work experience.

Restore the Fair Hearing Process

Wisconsin is the only state that changed their welfare dispute resolution process. The current duplicative fact finding system should be replaced with fair hearings under the state Division of Hearings and Appeals.

Address Problems with Sanctions & Extensions Policy & Practice

Large numbers of W-2 participants are docked for failing to participate in assigned activities. Many other participants reach their time limits with no new job skills or prospects. Both these problems are linked to poor quality services in W-2. Improved assessment and skill development program offerings must be implemented.

Provide for Emergency Needs of Poor Working Families

The extreme work-based focus of W-2 has led to a situation where many families who need temporary help through a crisis situation are not receiving services through W-2. We must improve the social safety net in Milwaukee, and this can be done without diluting the employment focus of the program.

Develop Services for Persons with Disabilities/Family Members with Disabilities

The W-2 program must improve processes for identifying the needs of persons with disabilities or persons who are caring for disabled family members, and offer better programming for persons with these barriers to employment.