

An Evaluation:

Milwaukee County Child Welfare

Department of Health and
Family Services

February 2006

Report Highlights ■

Investigations of abuse and neglect have exceeded the 60-day statutory time limit.

Program improvements have reduced both the number of placements and the median stay in out-of-home care.

Improvements are needed to ensure the safety of children who remain with their families.

Sufficient action was taken to protect most, but not all, children from abuse and neglect.

Financial oversight should be improved.

Staff turnover remains a significant concern.

Counties have historically administered child welfare programs in Wisconsin. However, the Department of Health and Family Services (DHFS) began administering Milwaukee County's child welfare program in January 1998, following a 1993 class-action lawsuit filed in federal court. In June 2005, its Bureau of Milwaukee Child Welfare had 153 full-time equivalent employees (FTE), including 90 social workers who investigate allegations of abuse and neglect. Contractors employed approximately 500 staff to provide most other program services, such as case management for children who have been removed from their homes because of maltreatment. From January 2001 through June 2005, program expenditures totaled \$493.7 million.

At the direction of the Joint Legislative Audit Committee, we conducted a comprehensive program evaluation. Report 06-1 addresses program management and performance, including:

- the timeliness of the Bureau's efforts to investigate allegations of abuse and neglect;
- the effectiveness of both out-of-home care and safety services that are provided when at-risk children remain at home, as well as the coordination of program services; and
- the Bureau's success in achieving 14 mandatory and 10 monitoring standards required by a settlement agreement arising from the lawsuit.

Report 06-2 addresses:

- program funding and expenditures, including the appropriateness of expenditures by program contractors; and
- staff turnover, qualifications, training, workloads, and salaries.

Key Facts and Findings

From January 2001 through June 2005, program expenditures totaled \$493.7 million.

Early in 2005, only 27.4 percent of court-ordered services for families were provided in a timely manner.

In 25 of 48 cases we reviewed, we identified problems in achieving permanent placements for children.

One-fifth of children reunified with their parents reentered out-of-home care within 24 months.

Coordination of service delivery between child welfare, Medical Assistance, and other support programs is limited.

We found \$677,694 in unallowable and questioned costs charged to the program by six contractors.

Investigations

From January 2004 through June 2005, the Bureau completed 14,224 investigations that involved 28,474 allegations of child abuse or neglect. A single investigation can include multiple allegations when, for example, more than one child is involved.

Statutes require investigations to be completed in 60 days. The Bureau exceeded the statutory time limit in 4,397 investigations, or 30.9 percent of those completed. It substantiated 15.2 percent of the allegations it investigated during the 18-month period we reviewed.

If the Bureau's investigation indicates that a child has been abused or neglected or that such treatment is imminent, the child is temporarily removed from the home. The Children's Court either determines that the child can safely be returned to the home or orders an out-of-home placement.

Out-of-Home Care

In June 2005, 3,188 Milwaukee County children were in foster care or other out-of-home placements. Nearly 40 percent of placements were in foster homes with non-relatives, although 771 children, or 24.2 percent, were placed with relatives participating in Kinship Care.

Significantly more children receive out-of-home care in Milwaukee County than elsewhere in Wisconsin, but the program's out-of-home

placement rate declined 47.7 percent from January 2001 through June 2005. The Bureau's efforts to improve program operations contributed to this decline.

The median stay in out-of-home care also declined, from 39 months in June 2003 to 21 months in June 2005. However, in 25 of the 48 cases we reviewed, we identified problems such as insufficient coordination among child welfare staff. Children leave out-of-home care when their families are reunified, guardianship is transferred to a relative, they are adopted, or they reach adulthood.

Safety Services

Safety services—including parenting education, counseling, and drug and alcohol treatment—are made available to families by program contractors when children are not able to remain in the home without services. Participation is voluntary, although children may be removed from the home if family members do not agree to receive the safety services.

Safety services caseloads declined 63.4 percent from January 2001 through June 2005, from 727 to 266 families. The average period for which services were provided declined from 110 days in January 2003 to 81 days in January 2005. We found that some cases were closed prematurely.

For each family served, safety services contractors are paid \$4,776, regardless of which services are

provided or how long the case remains open. Through 2005, both case management and safety services contractors were contractually required to provide quarterly reports identifying the services provided to 10.0 percent of their cases. However, the Bureau has neither requested nor received any of these reports since early 2003.

Improving Performance

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 four 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.

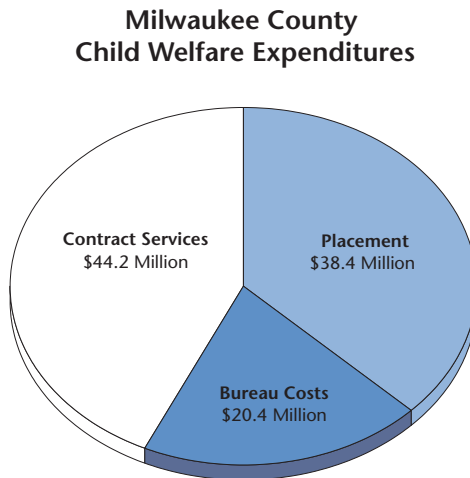
We also found that 20.1 percent of children who were reunified with their parents from January through June 2003 reentered out-of-home care within 24 months. Further, 11.4 percent of families who ceased receiving safety services during the first 6 months of 2004 had children removed from the home within the next 12 months. This rate exceeded the 4.0 percent contractual limit. However, because the Bureau does not monitor compliance, no funds have ever been withheld from safety services contractors.

Through June 2005, the Bureau met 8 of 14 performance standards

required under the court-approved settlement agreement between the State and plaintiffs in the 1993 class-action lawsuit. Each standard will remain in effect until there is agreement by the parties to the lawsuit or an arbitrator determines that it has been met. We found errors in the way the Bureau calculates its performance related to one permanency standard, which have overstated program success.

Program Finances

Program expenditures fund the Bureau's costs, placement costs, and services provided by contractors. In 2004, they totaled \$103.0 million.



We reviewed the appropriateness and reasonableness of costs that nine contractors charged the program in 2004. We found \$677,694 in unallowable and questioned costs charged by six contractors, including payment of a \$541,604 duplicate reimbursement request submitted by one contractor, Lutheran Social Services.

Another contractor, La Causa, has had difficulty controlling costs in the past. As of December 2005, La Causa's debt was \$6.2 million. This debt will have to be monitored carefully because DHFS has awarded La Causa a \$10.6 million contract to provide program services in 2006.

We also have concerns that 2006 case management contracts pay a fixed case rate regardless of the amount of service provided to families.

Staff Turnover

Turnover of child welfare staff is a significant concern in Milwaukee County and nationwide. Among the case managers employed by program contractors, turnover was 30.1 percent in 2003 and increased to 38.6 percent in 2004. In contrast, annual turnover among the Bureau's social workers has been approximately 10.0 percent.

Recommendations

Our report includes recommendations for DHFS to report to the Joint Legislative Audit Committee on its actions to:

- ☑ improve the timeliness of its investigations and the delivery of court-ordered services; reduce the time children spend in out-of-home care; ensure the adequacy of safety services; and improve service coordination with Medical Assistance, W-2, and other social services providers (p. 82, report 06-1);

- ☑ monitor families who return for additional safety services within 12 months, as well as those who have children placed in out-of-home care in the 12 months following receipt of safety services, and enforce contractual provisions if returning cases exceed prescribed rates (p. 52, report 06-1);
- ☑ ensure that all children in out-of-home care receive annual medical and dental examinations (p. 66, report 06-1);
- ☑ continue to work to improve the retention of child welfare staff (p. 36, report 06-2);
- ☑ appropriately calculate the Bureau of Milwaukee Child Welfare's compliance with performance standards specified in the settlement agreement (pp. 57, 59, and 66, report 06-1);
- ☑ collect and analyze information on services that contractors provide to families (p. 18, report 06-2); and

- ☑ monitor and assess La Causa's financial condition (p. 23, report 06-2).

In addition, we recommend that DHFS:

- ☑ require contractors to repay \$582,981 in unallowable costs and to either repay \$94,713 in questioned costs or provide additional documentation (p. 27, report 06-2); and
- ☑ ensure that new staff complete pre-service training before managing cases (p. 33, report 06-2).

Finally, we include a recommendation for the departments of Justice, Public Instruction, and Workforce Development to require Lutheran Social Services to reimburse them for public funds spent on unallowable costs (p. 25, report 06-2).

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Additional Information

Reports 06-1 and 06-2 include responses from the Department of Health and Family Services.



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