



State of Wisconsin  
Department of Health Services

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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 9<sup>th</sup> Street  
Milwaukee, WI 53233

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.

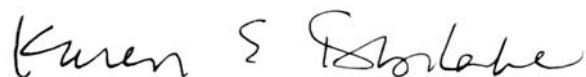
### **IM Reductions**

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

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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