



State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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TO: Senator Carol A. Roessler and  
Representative Suzanne Jeskewitz, Co-chairpersons  
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*  
State Auditor

SUBJECT: Proposed Audit of the Bureau of Milwaukee Child Welfare—Background  
Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering an audit of the Bureau of Milwaukee Child Welfare in the Department of Health and Family Services (DHFS).

On January 1, 1998, DHFS assumed responsibility for administration of Milwaukee County child welfare services as a result of statutory changes passed during the 1995 and 1997 legislative sessions. These changes were made in response to concerns about the county's administration of the child welfare system and a June 1993 class action lawsuit filed in federal district court by the American Civil Liberties Union and the Children's Rights Project. The suit alleged that the administration of Milwaukee County's child welfare system was ineffective and failed to:

- adequately investigate complaints of abuse and neglect;
- provide services to avoid unnecessary out-of-home placements;
- provide appropriate out-of-home placement when found or determined necessary; and
- promptly terminate parental rights and secure permanent placements for children who could not be returned to their birth families.

To administer the services for which it is now responsible, DHFS has entered into a series of contracts with several organizations to provide intake, assessment, case management, adoption, out-of-home care, and safety services. In fiscal year (FY) 2004-05, \$112.1 million is budgeted for direct services and program operations, which includes \$76.9 million in general purpose revenue. In June 2004, approximately 3,350 children were receiving services in Milwaukee County.

Although a settlement agreement was approved in September 2002, the settlement remains subject to arbitration and court intervention if the State is found to be in noncompliance with the terms of the agreement. The agreement requires DHFS to meet specific outcomes by

January 1, 2006. The areas of performance include limiting the amount of time children are in out-of-home care by reuniting them with their parents or by terminating parental rights and assisting them in becoming adopted, ensuring child safety in out-of-home placements, and ensuring child well-being by reducing the number of cases assigned to case managers and by eliminating the use of shelter placements.

Reports issued by DHFS indicate that progress is being made toward achieving most of the goals required by the settlement agreement. However, concerns remain about the extent of staff and foster parent turnover, the number of children receiving medical and dental services while in the child welfare system, and the adequacy of contract management.

It has been over six years since the State has assumed responsibility for administering child welfare services in Milwaukee County. During that time, the program has never been evaluated by the Legislative Audit Bureau. An audit of the Bureau of Milwaukee Child Welfare program could include a review of:

- the effectiveness of service delivery, including determining whether services, such as initial assessments of alleged abuse or neglect are timely;
- the level and appropriateness of program expenditures, including a review of contractor payments;
- staffing issues, including vacancy and turnover rates, to determine how these issues affect the timeliness and effectiveness of services;
- trends in caseloads;
- foster parent retention, including the extent to which foster parents choose to adopt children in their care; and
- the adequacy of coordination between child welfare service and other programs and services, such as Medical Assistance.

Finally, if an audit is approved, we would review the efforts of other researchers and reviewers to ensure that we do not unnecessarily duplicate their efforts.

If you have any questions regarding this request, please contact me.

JM/PS/bm

cc: Senator Robert Cowles	Representative Samantha Kerkman
Senator Alberta Darling	Representative Dean Kaufert
Senator Jeffrey Plale	Representative David Cullen
Senator Julie Lassa	Representative Mark Pocan

Ms. Helene Nelson, Secretary  
Department of Health and Family Services