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Governor Scott Walker
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**Testimony of Secretary Eloise Anderson
Department of Children and Families
Joint Committee on Finance Agency Briefing
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Good Morning Co-chairs Nygren and Darling and members of the Committee,

Thank you for the opportunity to appear before the Joint Committee on Finance. It is a pleasure to be here today to discuss Governor Walker's 2015-17 biennial budget. Today I will highlight the major aspects of the budget that relate to the Department of Children and Families (DCF).

The Department of Children and Families houses three program divisions - Family and Economic Security, Safety and Permanence, and Early Care and Education; and one support division - Management Services.

DCF receives its funding from a variety of sources. The two largest revenue streams come from federal funding and general program revenue (GPR). For the 2015-17 biennium, the Governor's budget for DCF is comprised of \$1,389,793,200 (55.73%) in federal funding, \$857,058,200 (34.36%) in GPR funding, and \$247,168,300 (9.91%) in funding from other sources.

In total, the Governor has recommended an increase in funding for DCF of \$54,750,300 for SFY 16 and an increase of \$130, 286,800 for SFY 17. This represents a 19.66% increase in GPR, of which 19.33% is due to the transfer of the portions of the Juvenile Justice program from the Department of Corrections to the Department of Children and Families, and an overall funding increase of 8.01% over the course of the biennium.

ADMINISTRATION GOALS

Governor Walker has clearly expressed his priorities for Wisconsin, and the DCF budget reflects his vision. For Wisconsin to succeed, we must help make the American Dream attainable for all of our citizens. This can only be achieved by ensuring people have the means to gain the job skills that lead to long-term, family-sustaining employment; that our children have access to quality early childhood education; that the most vulnerable among us are safe and cared for; and that Wisconsinites benefit from a more efficient and accountable government. The Department of Children and Families' budget adheres to the Governor's mission.

DIVISION OF FAMILY AND ECONOMIC SECURITY

The Division of Family and Economic Security houses the Wisconsin Works, Child Support, Refugee Services, and the Transform Milwaukee and Transitional Jobs programs.

It is dedicated to helping people receive a temporary hand-up, not a hand-out. Through its programs, people who are down on their luck can achieve the well-being that is earned through work, and begin the transition from reliance on government for basic needs to self-sufficiency.

Wisconsin Works – W-2/48 Months

In 2013 DCF reformed the way in which W-2 agencies were awarded contracts to assist people in getting jobs. This was the original focus of the W-2 program as formed under Governor Thompson. However, over the years there were huge variations in the success rate in helping people find work, find higher paying jobs and assist in maintaining long term employment. Under the old model, agencies received payments mostly based upon signing people up for the W-2 program.

Under the new contracting model, agencies are paid based upon their performance in meeting the programs key goal of getting people moving to self-sufficiency through work. The new performance based contracts gave DCF the tools to hold agencies accountable for their outcomes, and ensure that we are being responsible stewards of the taxpayers' dollars.

In the second year of the implementation of performance based contracts; we are seeing significantly improved job placement numbers for participants, as well as a dramatic reduction in the cost per W-2 case. Helping more people find work in less time, and at a lower cost to taxpayers, is just one way that DCF is spurring job growth and improving opportunities through effective job training and work skills development.

These improved efficiencies, coupled with Wisconsin's rebounding economy, have allowed the Governor to request a decrease in W-2 benefits by \$1 million in SFY 16 and \$2 million dollars in SFY 17.

The Wisconsin Works program was always intended to be a temporary assistance program. Since its inception, the state has frequently struggled with the appropriate amount of time that people should be eligible for services. The goal has always been to provide enough time for needed job training, but not too long a time that people become trapped.

Governor Walker proposes reducing the number of months of eligibility from 60 months to 48 months. The average length of stay on W-2 is 22 months, so 48 should be enough time for the majority of people to acquire basic work skills and become contributing, productive members of the community.

Wisconsin Works – W2/Transitional Jobs

There are some individuals who have many barriers to employment and need more than the traditional employment services can offer. Whether due to a complete lack of work history, status as a former foster youth, or being an ex-offender, skills training and work search services are often not enough to convince a prospective employer to offer that all important first opportunity. For these individuals a subsidized, transitional job allows an employer to say "yes", without taking on much risk.

Governor Walker understands the quiet dignity that can only be gained through employment and believes that all Wisconsinites deserve that first or even second chance to offer their unique contributions through work. This is why he is investing \$1 million dollars in FY 16 and \$2 million dollars in FS 17 to expand the Transitional Jobs program to Beloit, Racine, and some rural areas.

Based upon the highly successful Transform Milwaukee Jobs program, Transitional Jobs will use a targeted approach to identify and serve the people facing the highest barriers. After initial hard and soft work skills training, the program funds up to 6 months subsidized employment with a partner business, who in return for the state's investment promises to teach and mentor the employee. It is a win-win proposition. The employer gains access to needed labor at a reduced cost, while the employee gets the real world work experience needed to transition to self-sustaining, unsubsidized employment.

Since, many of the people who will be served by Transitional Jobs are non-custodial fathers; this program has the dual purpose of opening pathways to gainful employment and strengthening families. It is a unique use of TANF funds, which are earmarked to serve families with children.

Traditionally, TANF programs focused exclusively on assistance for mothers, leaving non-custodial fathers with few opportunities to gain the skills needed to play meaningful roles in their children's lives. With Transitional Jobs, non-custodial fathers earn real paychecks, allowing them to contribute to the family's financial stability.

When Dad is contributing, Mom is more likely to feel good about having Dad involved in his child's life. And we all know the benefits for children of having engaged, active fathers. Kids do better in school, have fewer run-ins with the law, and have a much stronger foundation for future success.

Drug Testing and Treatment

Since the start of the War on Poverty, the government programs implemented to alleviate hardship have been measured by the amount of money spent, not on the program's results. We have measured how much government cares in financial terms, while ignoring the fact that dollars alone will not serve the societal needs of the whole person.

Governor Walker's recommendation that all able-bodied non-custodial parents who are screened-in as possible drug users be required to take a drug test, and be enrolled in a treatment program should they test positive, is a common sense way to not only serve the person's needs, but the needs of the entire family.

According to a 2013 [survey](#) by The Society of Human Resource Management, 90 percent of employers drug test job candidates. If the goal of our programs is to help people gain family-sustaining employment, how are we helping our neighbors if after all of their hard-work and training, they are still unemployable because they are unable to pass an employer's drug test?

Drug testing allows us to help the individual enroll in the treatment that they need at the front end of the work training process. Thus, upon completion of the jobs program, a person is truly ready to have a successful entry into the workforce.

Additionally, we know the devastating toll drug use places on families. [Research](#) into the traumatic effects of parents who abuse drugs shows the potential for life-long damage to a child. "Parental substance abuse interrupts a child's normal development, which places these youngsters at higher risk for emotional, physical and mental health problems," according to the American Academy of Experts in Traumatic Stress.

In order to serve the best interest of the entire family, we must ensure that non-custodial parents enrolled in our programs are able to play both financial and emotionally productive roles in their child's development.

DIVISION OF SAFETY AND PERMANENCE

DCF's Division of Safety and Permanence (DSP) houses child welfare (including the Bureau of Milwaukee Child Welfare), foster care and adoption assistance, the Office of Youth Services, and domestic abuse prevention.

The Governor's budget for DCF's Safety and Permanence Division focuses on protecting the most vulnerable; especially those who have been victims of child abuse or neglect, domestic abuse, or sex trafficking. It also looks to the future, with a keen eye placed upon improving long-term outcomes for foster youth and young people in the juvenile justice system that are at risk of moving into the adult correctional system without appropriate intervention.

Bureau of Milwaukee Child Welfare

Governor Walker has long spoken of the need to examine the status quo in order to identify how to make government, and the services that government administers, more efficient and accountable. With his budget request, the Governor supports a reorganization of the Bureau of Milwaukee Child Welfare (BMCW) for the purpose of creating an organizational structure that will better serve the children and families of Milwaukee County.

After careful evaluation, the Governor recommends the elevation of BMCW from its current position as a Bureau housed within the Division of Safety and Permanence to the status of a Division within the Department of Children and Families. Making Milwaukee Child Welfare into a Division will give the organization the internal supports needed to operate more effectively.

Under the current structure, Milwaukee Child Welfare must rely on the staff housed within DSP to provide many of its non-direct service functions, such as data analysis and quality assurance. These DSP employees must divide their time and efforts between Milwaukee Child Welfare and the other Bureaus in the Division. As a Division, Milwaukee Child Welfare will no longer have to compete for those resources, and will have a support system that focuses 100% of its attention on improving child welfare in our state's most populous county.

In order to aid in the transition to a Division, the Governor has provided for the creation of a FTE position to serve as the new Division's Administrator. The reclassification of the head of Milwaukee Child Welfare as a Division Administrator improves the potential pool of candidates for this important position and within the organizational structure of DCF provides for direct access to the Secretary's Office.

Governor Walker has also fully funded the creation of 11.0 permanent FTE positions; 6.0 of which will serve as initial assessment specialists, 2.0 will be designated as initial assessment supervisors, and 3.0 will be assigned to access. These new positions reflect the need for increased direct service staffing in order to reduce employee caseloads, improve the timely completion of initial assessments, and lessen the employee burn-out that is all too common in child welfare agencies around the country.

Transfer of Juvenile Justice Programs

Continuing in the vein of evaluation and structural alignment, the Governor's budget calls for the transfer of Community Youth and Family Aids program, commonly referred to as Youth Aids, and related community-based juvenile justice programs from the Department of Corrections (DOC) to the Department of Children and Families (DCF).

The Governor's proposal will enable the state to align the child welfare and juvenile justice systems to achieve better outcomes for the children, youth, and families involved in both systems. Many of the youth in the juvenile justice system have been victims of child abuse, child neglect, or have experienced other significant adverse childhood experiences (ACEs).

This transfer capitalizes on DCF's commitment to implement trauma-informed principles into child and family serving system. Used along with a multi-generational approach designed to support and strengthen the family, trauma informed approaches are expected to be more effective and long-lasting ways of curtailing a juvenile's delinquent behavior and preventing that youth from entering into the adult criminal justice system.

The realignment also takes into consideration that many of the youth in the child welfare system are simultaneously in, or move on to, the juvenile justice system and will enable the state to provide continuity of care and services to these "dual status" youth and families in a more integrated, coordinated manner. Through this new structure DCF will leverage current training, information systems and other infrastructure that is dedicated to child welfare to improve these areas in the juvenile justice system.

The Governor's proposal recognizes that taking preventative measures to help juvenile offenders avoid entry into the adult correctional system strengthens communities, grows Wisconsin's workforce, and saves tax payers' money.

Extension of Out-of-Home Care

Another positive feature of the Governor's budget is the funding for the continuation of the statewide implementation of the extension of out-of-home care through the age of 21 for a child with an individualized education plan. Last year care was extended from 18 to 19, this year it will be extended from 19 to 20, and the following year from 20 to 21.

Youth who age-out of foster care face significant challenges to a healthy transition to adulthood. Many of these youth end up dropping out of school, living on the streets, incarcerated, unemployed and without any job skills, or pregnant without the support or means to raise a child. Outcomes not completely unexpected for youths who have bounced from one out-of-home care placement to another, and have no permanent family to support them through this difficult time.

The extension of out-of-home care to age 21 shows a commitment to improving the lives of the youth, who through no fault of their own, face the difficult task of becoming productive adults without many of the traditional mechanism that aid most of us in this transition.

Domestic Abuse Grants/Sex Trafficking Treatment/Connections Count Program

Many of the parents of the children who become involved with child welfare were themselves victims of abuse and neglect. This is the "Cycle of Harm" that weaves its way through generations; destroying lives, families and communities alike. The Department of Children and Families has worked closely with First Lady Tonette Walker to end the cycle of harm by implementing trauma informed practices into services that treat the whole family.

In support of these efforts the Governor has recommended providing \$5 million dollars in GPR funding for domestic abuse grants. These grants offers enhanced services, with a basis in trauma informed

care, to aid victims of domestic abuse and their families recover from their trauma and end the cycle of abuse.

Additionally, he recommends providing \$2 million in SFY 17 to expand treatment options for victims of sex trafficking. Last year, DCF worked in cooperation with Lad Lake to pilot a treatment program to serve the unique needs of the victims of this horrible abuse. Based upon early positive results, the Governor is providing additional funding to expand services to more victims throughout the state, with an eye towards delivering treatment to the often forgotten victims in rural areas.

It is also quite clear that the best way to break the cycle of harm is by preventing it at the outset. To support this effort, Governor Walker has allocated \$72,800 in SFY 16 and \$475,400 in SFY 17, plus an FTE position for the creation of the Connections Count program. Following a similar model to the Nurses Home-Visiting Program, Connections Count will connect vulnerable families with children aged 0-5 with trusted members of the community who can offer guidance, identify the family's needs, and connect them with formal and informal community assistance.

DIVISION OF EARLY CARE AND EDUCATION

This Division houses Child Care Licensing and Certification, Milwaukee County Child Care Administration, and the YoungStar Program.

Governor Walker understands that the key to Wisconsin's future rests with our children. In order to compete, we must transform education in Wisconsin, so that our children receive the foundation needed to thrive in today's global economy.

Research shows investment into quality early childhood education yields returns of \$8 to \$16 for every \$1 spent. Helping children succeed from day one, leads to adults who are more productive and less likely to need public services. This in turn leads to significant overall cost savings to taxpayers. Investing in efforts to ensure that all of our children have access to a quality early childhood education is a key component of the Governor's budget.

YoungStar Quality Rating Program

Education reform is called for at all levels, but where we are focused is on early education within child care settings.

We're rating child care providers. We're rewarding quality ones. We intend to give parents meaningful choice in selecting child care based on their young one's particular needs. We call it YoungStar.

The Governor's budget fully funds the cost of the SFY 15 rate increase for child care providers who are rated by YoungStar and accept children who are receiving the Wisconsin Shares child care subsidy.

Micro-grants: TEACH and 'Reward' Scholarships

The Governor's budget does more than just reward the best child care providers and enhance choice for parents; it provides grants and educational opportunities to providers of child care who are motivated to improve their programs and earn a higher YoungStar Rating.

Through training, technical assistance, T.E.A.C.H. scholarships and micro-grants, Wisconsin is investing in the child care providers who show a commitment to offering our children the highest quality early childhood setting. Thanks to these efforts, we can happily report that over 68 % of children receiving Wisconsin Shares are enrolled with child care providers who are rated 3, 4, or 5 Stars. This is an increase of over 14% from just two years ago.

Governor Walker renews the state's commitment to these educators by increasing YoungStar contracts by \$1,158,000 annually to continue to help fund providers' quests for improvement.

Conclusion

In conclusion, the Department of Children and Families is committed to protecting children and youth, strengthening families and supporting communities. Governor Walker's budget maintains this commitment of serving children, youth and families.

Thank you for the opportunity to appear before the Committee. I would be happy to address questions.