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## Testimony on Legislative Audit Bureau Audit of Wisconsin Shares: August 4, 2009

We found the high error rates and the level of improper payments found in the Wisconsin Shares audit cause for alarm. Clearly the program needs attention if there is an eleven percent error rate found in case reviews and if improper payments are estimated to be between \$16.7 and \$18.5 million per year. While there were some indications of possible fabrication of attendance records, we noted that the report did not have strong findings of deliberate fraud.

Wisconsin Shares has grown tremendously since W-2 began, from \$56 million in 1995 to \$385 million in the current budget. Just in the last decade the number of children served monthly has doubled to nearly 60,000. It is not surprising that a program that has grown this fast is facing administrative challenges. We suspect that counties are struggling to keep up with the rising caseloads they face across human services.

It also appears that the greatest challenge is in Milwaukee County, which has 48.8 percent of the participants and 58.9 percent of the payments in Wisconsin Shares. As the Department of Children and Families (DCF) takes over administration of Wisconsin Shares in Milwaukee, we believe improving the accuracy of eligibility determination, authorizations, and payments there can make a significant difference. We are also very pleased to see staffing for the program integrity unit - staffing that was long overdue for a program of this size.

We agree with the recommendations of the audit, and we believe that DCF is working diligently to address the problems through training of local staff, adjusting underutilized authorizations, beefing up verifications for eligibility, and targeting cases where there are red flags of possible fraud. An automated attendance system may also provide more accurate attendance data.

Wisconsin Shares is an essential support to our working families and their children. We are hopeful that efforts underway will restore the integrity of the program. We believe that these efforts become part of a stronger focus on the **quality** of services the state is paying for. Shares should not just be a program to safely park kids. It should be a program that not only helps low-income parents work, but also provides effective early learning experiences to help their children prepare for school and beyond. That is the promise of what this program can become. We strongly support the establishment of a quality rating system that would provide additional accountability and establish quality standards that parents can use to select care and providers to strive for. We look to the detailed plan for a quality rating system to be developed by ACF as directed by the Legislature, and we are ready to work with legislators to get an effective system off the ground in Wisconsin. We also forward to the future findings of the Audit Bureau as it examines quality in Wisconsin Shares.

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