



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

Memo No. 3

TO: MEMBERS OF THE SPECIAL COMMITTEE ON PUBLIC ASSISTANCE PROGRAM INTEGRITY

FROM: Anna Henning, Staff Attorney

RE: Materials from the Department of Children and Families

DATE: September 8, 2010

The enclosed materials were prepared by the Department of Children and Families (DCF) in response to requests made during the Special Committee's August 4, 2010 meeting.

The first enclosed item is a chart showing a decrease in the growth rate for expenditures in the Wisconsin Shares child care subsidy program from September 2007 through August 2010. The data was referenced in Secretary Bicha's testimony regarding the efficacy of DCF's efforts to address fraudulent activity in the Shares program. Each small data point on the chart shows the percentage change in average expenditures for the previous 12 weeks compared with the same 12-week period during the previous year. The five large diamonds depict the timing of the following events, in order from left to right:

- Inception of the new Department of Children and Families (July 2008).
- Joint Legislative Audit Committee requested an audit in response to *Journal Sentinel* articles (February 2009).
- First major conviction for fraud in the Wisconsin Shares program (June 2009).
- DCF began to suspend providers for fraudulent overpayments (October 2009).
- DCF began automatically adjusting under-utilized enrollment-based authorizations (i.e., recalculating reimbursements to match children's actual attendance levels, based on a child's attendance during the previous six-week period), as required by 2009 Wisconsin Act 28 (May 2010).

The second enclosed item sets forth the funding allocations from DCF to counties and tribes for fraud prevention and detection in the Wisconsin Shares program for the 2010 calendar year.

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Enclosures