Options for Allocating State
Child Welfare Dollars to Wisconsin
Counties

Prepared for the
Wisconsin Department of Children and Families

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

FOREWORD

Students enrolled in the Workshop in Public Affairs at the Robert M. La Follette School of Public Affairs, University of Wisconsin–Madison, prepared this report in collaboration with the Wisconsin Department of Children and Families (DCF). The workshop provides graduate students in their last semester of the Master of Public Affairs degree program the opportunity to expand their policy analysis skills while working with a government agency and contributing to that agency's understanding of a major public policy issue. Other workshop projects involve three for the City of Milwaukee, under the supervision of Professor Andrew Reschovsky, and two under my supervision, in collaboration with the Wisconsin Department of Natural Resources and the Government Accountability Office's Chicago Field Office.

DCF allocates state funds to counties for Child Protective Services (CPS) in fixed proportions that have not changed in several decades. Originally based on an undocumented formula first used in the 1980s, this allocation may have been consistent with counties' relative needs then, but has not been—indeed could not be—updated as relative needs for CPS have changed across counties. As funding constraints have increased at state and local levels, this funding formula has come under greater scrutiny. DCF proposed that a workshop team investigate alternatives. The authors compare current policy to alternative funding methods and recommend DCF use one of the alternatives—a risk factor formula described in the report—to allocate CPS funds. This alternative would reflect differentials in service needs and it would be adaptable to changes in relative needs over time.

I am grateful to John Elliott, Senior Policy Advisor in the Department, for his readiness to identify an important policy topic that was feasible for a one-semester workshop and likely to be part of DCF policy discussions. He and others in the Department were available to the students throughout the semester. The authors' acknowledgments thank other individuals who supported their work through frequent meetings and by reading report drafts.

Although the conclusions are addressed to DCF, other readers may find this report useful for its overview of child welfare policy in Wisconsin, its detailed discussion of the challenges in allocating funding across counties, and the solid policy analysis that led to the authors' recommendations.

The report also benefited greatly from the support of La Follette School faculty and staff, especially that of Publications Director Karen Faster, who edited and managed production of the report. The conclusions herein are those of the authors alone and do not represent the views of the La Follette School or the client.

Karen Holden
Professor Emeritus of Public Affairs and Consumer Science
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DEFINITIONS AND ABBREVIATIONS

The following are definitions of terms and abbreviations used in this report.

Basic County Allocation (BCA): The allocation of Wisconsin state funds distributed via the Department of Health Services and the Department of Children and Families to counties for their social and human service programs (Austin & Swissdorf, 2011).

Caseload: The number of cases (children or families) assigned to an individual worker in a given time period. Caseload reflects a ratio of cases (or clients) to staff members and may be measured for an individual worker, all workers assigned to a specific type of case, or all workers in a specific area (e.g., agency or region) (Child Welfare Information Gateway, 2010).

Children and Families Allocation (CFA): The portion of BCA funds distributed by DCF to counties for Child Protective Services.

CPS: Child Protective Services.

CPS report: Each child identified in a screened-in referral as an alleged victim of maltreatment or threatened maltreatment is considered one CPS report. One CPS report can have multiple allegations involving the same child (Bureau of Program Integrity [BPI], 2008 - Revised 2010).

DCF: The Wisconsin Department of Children and Families.

eWiSACWIS: An abbreviation for the web-based Wisconsin State Automated Child Welfare Information System, a database used by child protective agencies in Wisconsin to manage child welfare cases and information (Bowman, Hofer, O'Rourke, & Read, 2009).

Initial assessment: A comprehensive assessment conducted in response to reports of alleged child maltreatment. A CPS initial assessment is completed in order to:
- assess and analyze present and impending danger threats to child safety;
- take action, when necessary to control threats to child safety;
- determine the need for ongoing CPS (court-ordered or voluntary);
- determine whether maltreatment occurred; and
- assist families in identifying useful community resources.

The term "CPS initial assessment" includes the CPS investigation process as defined in Wisconsin law, s.48.981(3)(c), Stats (BPI, 2008 - Revised 2010).

Maltreatment: An act or omission resulting in demonstrable harm (Sedlak et al., 2010). For DCF, maltreatment allegations may be one of five types: neglect, physical abuse, sexual abuse, or emotional abuse (BPI, 2010a).

Performance-based contracting (PBC): States or human service agencies contract with service providers in such a way that the state or agency "buys" outcomes. For example, if contracted providers exceed goals and expectations, then they are rewarded as detailed in their contract. If contractors fail or underperform, however, they receive less compensation than they would have had they met their goals.

Preventive services: Rehabilitative services provided to children and their families for the purpose of averting an impairment or disruption of a family that will or could result in the placement of a child in foster care; enabling a child who has been placed in foster care to return to her or his family at an earlier time than would otherwise be possible; or reducing the likelihood that a child who has been discharged from foster care would return to such care (New York Code - Section 409, n.d.).

Screened-in Referral: One or more allegations of child maltreatment in a referral to CPS (which may include one or more children in a family) is deemed as rising to the level of maltreatment or threat of maltreatment as defined by Wisconsin statutes and therefore must be assessed (BPI, 2010a).

Screened-out Referral: All allegations of child maltreatment in a referral to CPS are deemed as not rising to the level of maltreatment or threat of maltreatment as defined by Wisconsin statutes. No further assessment of the allegation is required. The family may be referred for voluntary CPS or other appropriate community services (BPI, 2008 - Revised 2010).

Substantiation: The information gathered during the CPS initial assessment provides a preponderance of evidence (that is, the proof shows that the fact sought to be proved is more probable than not) that the maltreatment allegation made in the CPS report or identified during a CPS initial assessment has occurred. In general, a known maltreater is substantiated for the maltreatment; however, an allegation can also be substantiated even when the maltreater is unknown or not identified (BPI, 2008 - Revised 2010).

Workload: The amount of work required to manage assigned cases and bring them to resolution. Workload reflects the average time a worker takes to do the work required for each assigned case and to complete other non-casework responsibilities (Child Welfare Information Gateway, 2010).

EXECUTIVE SUMMARY

In Wisconsin, the Department of Children and Families (DCF) distributes state child welfare funds to help support counties' management of child protective services. The problem is that DCF uses a funding allocation method that may not optimize child welfare outcomes. This method is based on counties' Medicaid enrollment counts, population, and property values as they stood in 1986. In the past 25 years, the proportion of state child welfare dollars that each county receives has not been updated to reflect changing needs or changing demographics.

DCF asked graduate students in the La Follette School of Public Affairs to recommend alternative allocation methods for state child welfare funds to better address counties' child welfare needs. Through a research review, county interviews, and a county survey, we arrive at two alternatives. The first, a risk factor formula, accounts for characteristics shown to correlate highly with the risk of child maltreatment. Counties where children are at higher risk of maltreatment would receive more state funds from DCF. In our second alternative, a workload method, DCF would estimate a county's workload. The county's proportion of the total state workload would then be used to determine its funding from DCF.

We evaluate these alternatives and the current policy against four goals: effectiveness, equity, cost to DCF, and county acceptability. Of these, we judge effectiveness—matching dollars to need—to be the most important goal. We conclude that the risk factor formula is the most effective because it would allocate state dollars to counties facing the greatest predicted child welfare needs. It is also the most equitable because counties with similar poverty rates would receive similar amounts per person. It would likely not cost DCF substantially more than the current policy to implement and would prove modestly acceptable to counties. We therefore recommend that DCF pursue the risk factor alternative.

We then offer advice on how DCF could encourage cross-county collaboration. Cross-county collaboration would enhance any allocation method by helping counties use funds more efficiently. Specifically, we consider the potential benefits of an insurance pool to protect counties in the event of extremely costly case, the possibility of counties sharing administrative and training costs, and the means by which DCF could facilitate collaboration while avoiding possible pitfalls.

INTRODUCTION

In Wisconsin, counties administer child protective services (CPS). When a report is made that a child may be unsafe, abused, or neglected, counties offer "programs to prevent abuse and neglect, investigate reports of abuse or neglect, provide services so children can remain safely in their own homes, and place children in foster care when they cannot" (Bess & Andrews Scarcella, 2004, p. 1). CPS is funded by local taxes that counties collect and by state and federal dollars that the Wisconsin Department of Children and Families (DCF) distributes to counties through the Child and Families Allocation block grant.

In 1986, all state human service funds, including those for CPS, were distributed via a formula accounting for a county's population, property value, and number of residents receiving medical assistance. Each county thereby received a certain percent of Wisconsin's CPS dollars. Since then, counties have received that same percent of CPS dollars every year, regardless of changing population or changing need for services. As a result, state funding may not be allocated in a way that optimizes child welfare outcomes. DCF requested that graduate students at the La Follette School of Public Affairs recommend alternative ways of allocating state CPS funds to counties. In addition, DCF requested information on how counties can better collaborate in order to steward resources more effectively.

This report has four sections. First, we present detailed background information describing CPS and the status of child welfare services in Wisconsin. Second, we present our findings from county interviews and survey results. Third, we focus on three allocation methods and analyze which one best addresses Wisconsin's child welfare needs. Our report examines the current allocation method and two alternatives: funding counties based on risk factors associated with child maltreatment and funding counties based on their workload. We recommend that DCF pursue the risk factor formula. Finally, we explore the use of county collaborations with CPS.

BACKGROUND

To understand the reasoning behind the recommended funding alternatives and county collaborations, it is important to know the background of Wisconsin CPS, including its service structure, the demand for services, and funding challenges.

Child Protective Services Structure in Wisconsin

Wisconsin operates a state-supervised, county-administered child welfare system. In this structure, the state assumes the responsibility of federal compliance, sets program requirements by issuing policy, and oversees county policy implementation. Each county has a child welfare agency that handles tasks such as screening and investigating child abuse reports, removing children from their homes, and determining where and with whom a child will be placed in out-of-home care. County child welfare agencies also monitor the care and safety of children in foster and group homes as well as provide services to preserve and reunite families. Counties support the costs of child welfare and child protective services with a combination of state, federal, and local funding. They either provide services directly or contract services out to private or non-profit organizations. The only exception to this is Milwaukee County, where the state-run Bureau of Milwaukee Child Welfare administers CPS.

In Wisconsin, Milwaukee County is in a unique position with how its child welfare services are funded and administered. Since 1998, the state has administered CPS in Milwaukee County as a result of a 1993 lawsuit alleging inadequate child welfare funding and service provision. As part of a 2002 settlement to this lawsuit, the Bureau of Milwaukee Child Welfare must meet certain performance benchmarks, must ensure that each caseworker has no more than an average of 11 family cases, and cannot place children in shelter care facilities. Milwaukee County must pay nearly $58.9 million dollars each year to DCF for administering CPS. To do this, Milwaukee County automatically has money withheld from its Basic County Allocation, Child and Families Allocation, shared revenue,[1] and substance abuse grant (Swissdorf, 2011).

Current Report, Investigation, and Substantiation Rates in Wisconsin

Through CPS, counties meet the needs of some of their most vulnerable residents. Counties work with clients who include abused and neglected children; children evicted from their families because of developmental, emotional, or behavioral problems; and families at risk of losing custody of their children because of life situations (for example, lack of adequate housing, poverty, mental and physical illnesses, and domestic violence). When people report suspicions of child abuse, CPS workers screen the reports to determine if the allegation meets the definition of child maltreatment. The average number of screened-in reports across the state

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[1] Shared revenue is money the state gives to counties and municipalities with the intention of providing property tax relief and creating more equal revenue capacity across the state (Griffin, Klippel, Maguire, & Riggs, 2006).

from 2005 to 2009, which are the most recent years data are available, is 40,000 per year (BPI, 2010a). If CPS workers believe that maltreatment has occurred, then the "screened-in" reports are investigated and substantiated. From 2005 to 2009, on average, 6,625 Wisconsin children have been victims of maltreatment. See Appendix A for an illustration of the CPS decision process.

At the county level, rates of CPS reports, investigations, and substantiations are different based on the county's wealth. From 2005 to 2009, the ten poorest counties, as measured by the percent of a county's population living in poverty, had higher report, investigation, and substantiation rates per 1,000 children than the rest of the state. As seen in Figure 1, in 2009, these rates were almost twice as high compared to the ten richest counties.

Figure 1: Average Rates of CPS Reports and Cases for Richest and Poorest Wisconsin Counties, 2009
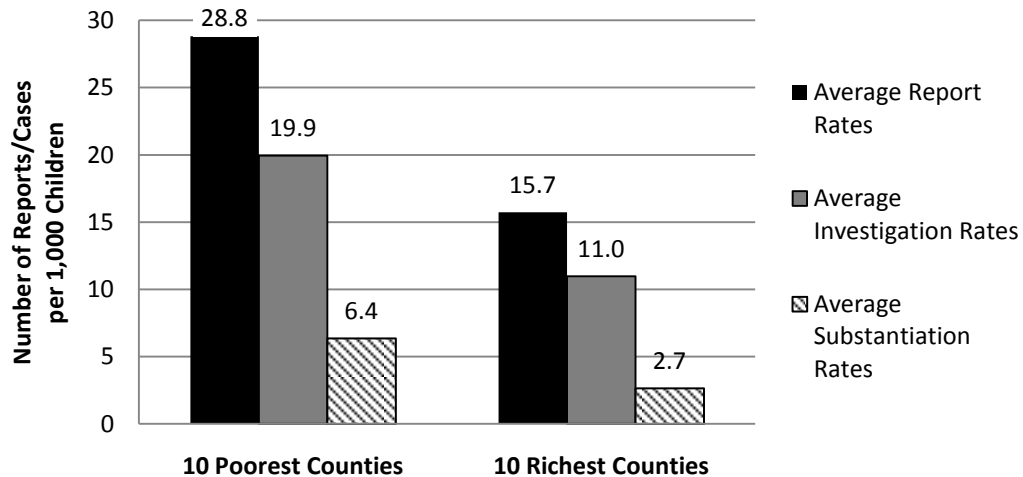
Note: Counties ranked by percent of population living in poverty
Source: Authors' charting of BPI's (2010b) data

In addition, the demand for CPS varies from year to year. Figure 2 shows that the number of CPS cases varies both within a county and among counties. Counties are affected by these fluctuations because it is hard to budget for very expensive, unexpected cases. For example, since 2005, the number of cases substantiated in Richland County dropped by 90 percent, while Washburn County, which is comparable in population, saw a 40 percent increase in substantiation. The current state distribution formula does not account for these fluctuations, and the static funding method may not be appropriate for the dynamic demand for CPS.

Figure 2: Fluctuations in CPS Demand, 2005-2009

Richland County   **Washburn County**

Number of Reports/Cases

Year

Reported Cases · Investigated Cases · Substantiated Cases
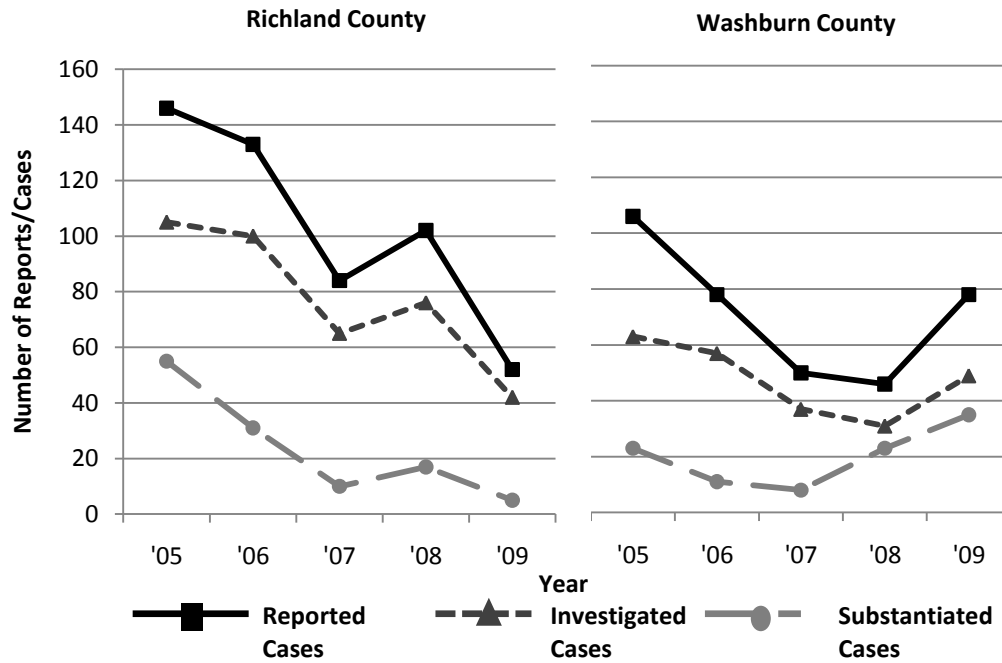
Source: Authors' charting of BPI's (2010b) data

CPS Funding in Wisconsin

Until 2007, state funding for child welfare services came from what was then the Department of Health and Family Services' Community Aids allocation. Meant to act as property tax relief, one part of Community Aids is the Basic County Allocation, a block grant for health and substance abuse services in addition to child welfare services (Austin & Swissdorf, 2011). With the creation of DCF in 2007, the share of child welfare funds was separated out, given to DCF, and distributed to counties as the Children and Families Allocation (CFA). The remainder of what was Community Aids was then distributed through the new Department of Health Services for mental and physical health services. As seen in Figure 3, state revenues used for human services have been declining in real value over the last six years. Counties therefore have had to supplement those funds using taxes or revenue previously dedicated to other purposes.

Counties use state CFA funds along with federal and local sources to support the costs of providing CPS. CFA comes mainly in the form of block grants. Once received, counties allocate the block grants as they see fit. In fiscal year 2010-11, counties received a total of just more than $64 million in CFA funds (Austin & Swissdorf, 2011).

Figure 3: Change in State Funding for Human Services, 2005-2011 (2011 Dollars)
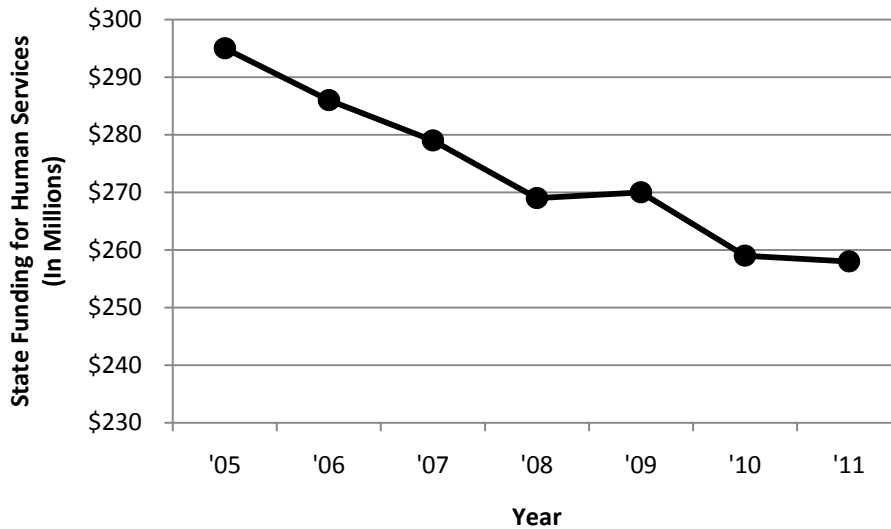
Counties face additional strain at the local level because a large portion of their child welfare budgets come from property taxes. Nearly 37 percent of county property tax revenue was allocated for human service functions in 2009 (Olin, 2011). This dependence on property tax revenue is problematic because counties that have reached their levy limits are unable to raise additional funds. If a county exceeds its levy limit, then the state reduces the amount of shared revenue that it sends to the county (Olin & Kava, 2011). As the state's 2003 Governor's Task Force on State and Local Government found, property-poor counties are the most affected by limited revenue sources (Sheehy, 2003). When all funding streams are considered, counties face declines in revenue from their local and state sources, and the pressure for counties to do more with less grows every year.

The proposed 2011-2013 state biennial budget would place additional financial challenges on counties. The proposed state budget, as of May 1, 2011, freezes the amount by which a county can levy. This may prevent counties from raising revenue sufficient to support current child welfare services (Dane County Health and Human Services, 2011; Dodge County Health and Human Services, 2011). Although the proposed budget would increase the amount of state revenue that goes to CFA, it would reduce overall state revenue going to the counties for human services (Walker, 2011). The reduction in state aid for human services may encourage counties to reduce CPS spending to supplement other human service programs.[2]

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[2] The state does not mandate that other human services funds be used for CPS. In practice, counties pool and reallocate money for various human service functions.

With constrained state resources, DCF officials are concerned that state CFA funds are not distributed to the areas of greatest need and are not improving child welfare as efficiently or effectively as possible. In 1986, CPS funds were distributed via a formula that accounted for a county's population, property value, and number of residents receiving medical assistance (Department of Children and Families [DCF], 2011). Each county thereby received a certain percent of Wisconsin's CPS dollars and has received that same percent every year since. For the last 25 years, the share of total CFA funds allocated to each county has not changed and therefore does not reflect the current relative status of counties.

As a result, state funding may not be allocated in a way that optimizes child welfare. For example, Medicaid eligibility around the state has increased disproportionally since the 1980s, especially with the advent of BadgerCare and BadgerCare Plus (Moore & Morgan, 2007). These changes most radically affected more populous counties. Waukesha County, for instance, was home to 18 percent of Wisconsin's Medicaid recipients in 1998, and is now home to 25 percent of them—a jump of 7 percentage points (Department of Health Services, 2011). Dane and Rock Counties both saw an increase of 4 percentage points, and Brown County had an increase of 5 percentage points. Milwaukee County, however, despite a drastic increase in the number of residents on Medicaid, is now home to 13 percent fewer of Wisconsin's Medicaid recipients than it was in 1998. In light of these changes over the last 13 years, funding based on a county's share of Medicaid enrollment 25 years ago makes even less sense. Counties' population and property values have also changed, but the percent of state child welfare funding allotted to each county has not reflected those changes.

COUNTY FEEDBACK
ABOUT CHILD PROTECTIVE SERVICES

To understand the way counties use their CFA dollars and the current challenges in delivering child welfare services, we interviewed and surveyed a variety of county officials. First, we interviewed administrators from the Bureau of Milwaukee Child Welfare as well as at the human services offices in Dane, Dodge, Marquette, Richland, Rock, and Sauk Counties. Because CPS and administrative structures differ across counties, these administrators varied in job duties from general department directors to CPS supervisors to fiscal managers. However, all are closely connected in some way to CPS.[3] Second, with the cooperation of the Wisconsin County Human Services Association, we sent an on-line survey to human services administrators in all 72 Wisconsin counties asking whether and how they collaborate with neighboring counties for CPS and what the state can do to assist such collaborations. Staff from 11 counties responded to the survey.[4]

From these county visits and survey responses, four themes emerged:
- the importance to counties of funding through block grants and the need for financial flexibility in administering funds;
- the role of local decision-making;
- differences between Milwaukee County and other counties; and
- the constraints of state mandates.

The Importance of Block Grants and Financial Flexibility

Although counties rely heavily on county property taxes to support CPS, funds from the state are also important. Intergovernmental revenues account for about 25 percent of counties' total budgets (Austin & Swissdorf, 2011). Most of these intergovernmental revenues come from other Wisconsin departments, including Health Services and Corrections. While CFA funds are a relatively small part of each county's total budget, county staff acknowledged their services would suffer without them (Richland County Health and Human Services, 2011; Sauk County Human Services, 2011).

In setting budgets, counties generally combine revenues from all sources together. With the exception of Milwaukee, every responding county said that, when possible, it pools state money for CPS with other funds. In theory, money from different state departments helps provide the corresponding services. In practice, money is lumped into a general fund and then allocated where it is needed most. Interviewed counties therefore found it hard to explain precisely the services, staff, or supplies purchased using DCF's CFA funds (Dane County Health and Human Services, 2011; Marquette County Health and Human Services, 2011).

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[3] These individuals and their positions are listed in the acknowledgements of the paper.
[4] Survey responses came from Green, Iron, Marathon, Marinette, Ozaukee, Rock, Vernon, Washington, Washburn, Waukesha, and Waupaca Counties.

Given the way in which CFA funds now enter the counties' budgeting process, it is not surprising that interviewed counties expressed support for using state block grants to help fund CPS. Block grants are lump sum payments the state gives to counties for a specific type of service. In this case, the service area is CPS. Block grants give counties control of final spending decisions. For child welfare, this is very important. Each year counties encounter new and unexpected needs within CPS. Block grants are the best way for counties to absorb the costs of these needs, as counties can shift funds from one line item or one budget to the next (Rock County Human Services, 2011). For example, if a county has a "deep end" child welfare case that requires much time and money, then a block grant enables the county to shift funds from other areas to CPS (Marquette County Health and Human Services, 2011; Rock County Human Services, 2011). Within county human services departments, block grants can support a variety of programs. Many county administrators shared the concern that if money were assigned for specific services or expenses, then counties would be severely limited and would have additional administrative costs in documenting their spending (Marquette County Health and Human Services, 2011).

Role of Local Decision-Making
Support for state CPS block grants is consistent with counties' emphasis on local control of administrative processes. The state provides guidelines and standards to maximize child safety outcomes. However, all interviewed county officials argued that they should have as much control over local decisions as possible. They emphasized that they are focused on doing what was necessary to serve the children and families within their counties. They argued that agency staff know the families and can tailor services to the needs of the family and the community when screening in and handling cases (Iron County Human Services Administrator, 2011; Vernon County Health and Human Services Administrator, 2011). Furthermore, counties can each leverage different partnerships with community agencies to best meet the needs of their residents. For example, counties stated that different types of cases fare differently in the local courts (Richland County Health and Human Services, 2011). Therefore, agencies believed it is important for the county, not the state, to determine which CPS cases go to court.

Differences between Milwaukee County and Other Counties
County administrators used the differences with Milwaukee County to describe local control and their need for more funding. On one hand, some county staff generally viewed Milwaukee County as receiving preferential state assistance because the state administers Milwaukee County's CPS as the result of the 2002 settlement. Some county officials want the same guarantee of a low caseload (Dane County Health and Human Services, 2011). However, Milwaukee County's low caseloads are legally mandated as a result of the lawsuit settlement. Officials from Rock and Sauk Counties stated that a county does not receive more state aid even if it has higher reporting, investigation, and substantiation rates per capita than Milwaukee County (Rock County Human Services, 2011; Sauk County

Human Services, 2011). Richland County staff members suggested shifting some of Milwaukee County's money to rural counties to achieve more equitable caseload (Richland County Health and Human Services, 2011). As one Sauk County official asked, "Why should one child be worth more than another" because of where they live? (Sauk County Human Services, 2011). On the other hand, counties do not want the state to compare Milwaukee County with their own counties because doing so would ignore local differences in how services are delivered and priorities of the counties.

Constraints of State Mandates

The final theme is the perceived challenges of state mandates to the counties' ability to provide CPS. From the state's perspective, DCF requires certain standards and services to ensure safety for children and to supervise county operations. From the perspective of many interviewed county staff members, these mandates are often expensive and burdensome. Rock County staff members indicated that state mandates increase the amount of time spent in front of the computer, which decreases the amount of time spent with families and children (Rock County Human Services, 2011). Administrators from Dane and Sauk Counties stated that they would like to meet all of the state mandates, but doing this is impossible with current resources (Dane County Health and Human Services, 2011; Sauk County Human Services, 2011). Rock County staff members noted two constraints in particular: the mandate shifting the cost of expensive institutional care from the state to the counties and the mandate requiring an expensive and restrictive tiered case management system (Rock County Human Services, 2011). Some surveyed officials also saw state mandates as inhibiting county collaborations (Marathon County Health and Human Services Administrator, 2011; Waupaca County Health and Human Services Administrator, 2011). In the opinion of a Waupaca County administrator, true cross-county collaboration would require counties to process each other's cases; the current mandate that cases must be handled by the county where they originate may make such collaboration difficult. In the absence of increased aid, a Sauk County official suggested that state expectations be lowered and some mandates be eliminated (Sauk County Human Services, 2011).

ANALYSIS OF ALLOCATION METHODS

We propose two alternative allocation methods for CFA funds and compare the alternatives with the current policy. In addition to these alternatives, we analyzed a percent-for-service method and a performance-based contracting system, both of which we deemed unfeasible for Wisconsin. See Appendix B for descriptions of these alternatives.

Current Policy

The state allocates CFA funds based on information from the 1980s. The 1986 formula considered three factors: the total population of the county, the number of county residents receiving medical assistance, and the total assessed property value within the county. State administrators then determined the proportion of CFA dollars to go to each county. Since the adoption of the 1986 funding formula, DCF has not altered the variables used, the weights assigned to the variables, or reevaluated the values of the variables. In other words, the proportion of the state CFA funds given to a county in 2010 is the same proportion of the state CFA funds given to the county in 1986. As a result, the current allocation does not reflect any differentials across counties in the population of the county, the number of individuals receiving medical assistance, or the change in property values. Furthermore, the original formula does not take into consideration the differentials across counties in case types and caseloads, the change in population size or type, or the economy of the county.

Updating Current Policy

We considered updating current policy when constructing our alternatives. We rejected this option, however, for two reasons. First, despite our best efforts, we could not determine the weights placed on county population, Medicaid enrollment, and property values that administrators used when determining counties' CPS funding in 1986. Therefore, we could not simply use counties' current circumstances to update the funding formula. Second, we could have recommended new weights for these factors, but from our research we concluded that these factors do not predict child welfare need as well as other factors. CFA dollars were originally intended to provide property tax relief, but we judge our alternatives primarily for their capacity to match child welfare dollars to child welfare need. Medicaid enrollment may increase as counties' poverty increases, and more people in a population will undoubtedly result in more need. However, the two alternatives we present below use stronger, evidence-based predictors of need. Thus, without weights for the original factors that informed the 1986 funding formula and with research indicating better ways to match dollars to need, we ultimately decided against simply updating the current allocation formula.

Alternative 1: Allocation Based on Risk Factors

The first alternative intends to allocate funds based on factors in a community that increase the likelihood of needing child welfare services. If DCF chooses to use the risk factors alternative, then DCF would fund counties based on their assessed risk level. Counties determined to have more children at risk of abuse or neglect would receive more state CPS funding.

Literature Informing the Risk Factor Alternative

Validated risk factors may be an effective way of predicting the likelihood of the need for CPS. A 2008 joint study between the Institute for Research on Poverty and the Wisconsin Council on Children and Families confirmed the relationship between child maltreatment and certain factors (for example, substance abuse, single parent status, poverty) and for Wisconsin (Wisconsin Council on Children and Families, 2008).

Family characteristics are known to be associated with higher incidences of child abuse or neglect. One such characteristic is poverty. Nationally 7.7 per 1,000 children living in poverty are abused, compared to 2.5 children not living in poverty. Poor children also suffer serious injury or harm at five times the rate of wealthier children (Sedlak et al., 2010). A child's living arrangement may also strongly affect his or her risk of harm. Of children living with one parent, 28.4 per 1,000 are harmed, and substantially more of these cases result from neglect rather than abuse. Children who live with a parent and his or her unmarried partner experience maltreatment at a rate almost twice as high as single-parent families and eight times higher than children who live with two married, biological parents. This correlation does not imply that poverty or single-parent families are the cause of child abuse and neglect, rather they are associated with a higher risk.

Other characteristics associated with higher risk of maltreatment include parental unemployment, parental stress, spousal abuse, and living in a rural area (Anderson, 1993; Sedlak et al., 2010). However, studies suggest that a few risk factors can be strong predictors of change in the need for child welfare services (Sedlak et al., 2010; Sharma, 2008). For example, in a Canadian study that looked at risk factors that predict child welfare caseloads, one variable, the size of the child population, explained over 90 percent of the variability of caseloads (Sharma, 2008).

The Risk Factor Formula

Allocating funding based on risk factor levels in a county could better match need for services to state funding. DCF could choose the risk factors that informed its formula, but we recommend using two measures: number of children in single-parent families and number of children living in poverty. Note that number of children incorporates both the level of risk among children and the total population of children, both of which affect total funding need.

To use such a formula, DCF would compile the data at the county level. Data are available from a number of sources, such as the American Community Survey and the Wisconsin Department of Health Services. Each risk factor would be incorporated into a formula with a factor-specific weight determined by its importance in assessing the need for child welfare services. Those weights would be generated through a simple regression formula such as Equation 1 below. In the formula, "number of cases investigated by county" was used to represent the "county need for child welfare services." The number of children in single-parent families and the number of children living in poverty[5] were used to predict this need.

Equation 1: Risk Factor Weight Formula

County need for child welfare services = β_1(Number of children in single-parent families) + β_2 (Number of children living in poverty) + ε(Error)

In the equation above, the *β* symbol refers to the coefficient that would be used to calculate the risk factor number for each county. The *error* term represents all of the variation in county need across the state not explained by the two coefficients. We ran a simple regression using Wisconsin-specific data and Equation 1 to estimate the weights for this analysis. See Appendix C for these estimates.

Once the weights are generated, they can be applied to the county's specific data. In this case, by multiplying the risk factors by their respective weights we can generate one number for each county, which is called the "risk number." The risk number represents the projected county need for CPS. Equation 2 illustrates the risk number formula for any given county. In our analysis, 0.33 or 33 percent of "county need for child welfare services" was predicted with the number of children in single-parent families, while 0.67 or 67 percent was predicted by the number of children living in poverty.

Equation 2: County Risk Number Formula with Weights

County Risk Number = 0.33(Number of children in single-parent families in county) + 0.67(Number of children living in poverty in county)

For DCF to calculate the allocation for each county, it would sum all counties' risk numbers and then divide each individual county's risk factor by that sum. The result would be each county's proportion of the available DCF funds. Once DCF has each county's proportion, DCF can multiply it by the total CFA funds available to calculate each county's allocation as illustrated in Equation 3.

Equation 3: County Allocation Formula

County Allocation = (County risk number / Sum of risk numbers for all counties) x Total CFA funding available

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[5] The American Community Survey uses the federal poverty level in its data.

Our preliminary analysis of the available data suggests that the number of children in single-parent families and the number of children living in poverty accounted for over 97 percent of the variation in the number of cases that Wisconsin CPS offices investigated. These findings are consistent with the available literature and suggest that DCF may not need a more complex formula to produce usable weights for a highly predictive formula. This formula would change DCF's county allocations across the state. See Appendix D for an estimate of allocations across counties using this formula and current state data.

However, if this alternative were to be implemented, then DCF could consider using "total county child welfare spending" instead of "number of cases investigated" to represent child welfare service need in a county. This change would more accurately reflect counties' differences in cases and the counties' investment in CPS. DCF would need to define what "total child welfare spending" constitutes and would need to collect the total spending figures from each county on an annual basis. Notably, we did not have access to counties' total CPS spending and could not use such spending as a dependent variable in our calculations.

Alternative 2: Allocation Based on Workload

A second alternative funding method is for DCF to allocate CFA funding based on a county's total workload, a measurement of the hours spent by social workers to manage cases. The county's proportion of the total state workload in each year would then be used to determine its CFA funding in the subsequent year.

Literature Informing the Workload Alternative
Workload refers to the amount of time the social worker needs to manage his or her assigned cases. Workload measures consider both casework and non-casework tasks, such as meetings, professional development, and vacation (Child Welfare Information Gateway, 2010). Nationally, approximately two-thirds of social workers' time is spent on case services (Tooman & Fluke, 2002; Child Welfare Information Gateway, 2010). Not all cases require equal amounts of work, as some cases are more labor-intensive than others. For example, more time is needed for cases with multiple children, when travel is required, and when working with a non-English family or people with physical or mental disabilities (Tooman & Fluke, 2002).

A framework for measuring workload was developed by the Children's Research Center,[6] which created a simple method to assist agencies in estimating if they are over- or under-staffed (Wagner, Johnson, & Healy, 2009). The center calculated the average amount of time a social worker spends on each type of child welfare case or service area. See Table 1 for an example of the center's calculations. After considering the total agency workload demand, the center's framework helps agencies determine the necessary agency workforce.

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[6] The Children's Research Center is a division of the National Council on Crime and Delinquency, a national organization dedicated to crime prevention and positive interventions. The Center is located in Madison, WI.

Table 1: Children's Research Center Worker Time Estimates per Case

Agency Service Area	Median Worker Time in Hours per Month
CPS Intake	
Maltreatment Report	1.1
Screened Out	0.3
CPS Investigation/Assessment	
Completed, No Placement	8.1
Completed, with Placement	18.6
Child and Family Services	
In-Home Family Case	6.6
Child Placement Case	
New Child Case	9.5
Ongoing Child Case, Return Home Goal	7.5
Ongoing Child Case, Other Goal	5.6

Source: Wagner et al., 2009

The Workload Method

Allocating Wisconsin CPS funds to counties based on workload would look similar to the Children's Research Center framework. First, DCF would calculate the average amount of time a caseworker spends across the state on each type of service area, essentially calculating Table 1 for Wisconsin caseworkers. Then, DCF would use the statewide child welfare computerized reporting system, eWiSACWIS, to determine the number of cases each county recorded in the year by service area. Using the numbers of cases and hours, DCF would determine the workload for each county. Finally, DCF would allocate the available CFA funds for the next year to counties based on each county's share of the total calculated workload for the five previous years. This alternative allocates money to counties that demonstrate the highest need based on both number of cases and most labor-intensive cases. This method would also change county allocations across the state. See Appendix D for estimates of this change. See Appendix E for details on the estimates we used for this alternative.

Two details are important when considering the workload allocation method. First, county workloads could be calculated using multiple years of case data to prevent large changes in county allocations due to normal yearly fluctuations in demand. For example, if a county has relatively high demand one year and low demand the next year, multiple years of data would stabilize the county's funding. Second, if Wisconsin chooses to allocate funding using this workload-based method, then DCF may wish to complete or commission a study that is specific to the characteristics of child welfare services in Wisconsin and the specific needs of Wisconsin counties. Such a study would increase the accuracy of the allocation method.

Goals

The goal of state funding for child welfare is to provide quality services in an effective and equitable way that imposes minimal administrative costs on DCF and is acceptable to the counties. Table 2 discusses these goals. The two alternatives are compared to the current policy, which would continue to allocate funds based on 1986 allocations.

Table 2: Goals/Alternative Matrix

Goals		Current Policy	Risk Factor	Workload Based
Effectiveness	Reflects need	**Moderate** Uncertain if it matches need	**High** Matches theoretical need, but some counties that invest in preventative services or with low levels of the "risk factors" may be underfunded	**Moderate to Low** Counties without capacity to address as many cases as they would like may not receive additional funding to take those cases in the future
	Potential for manipulation	**None**	**None**	**Low**
Equity	Chance to regularly demonstrate need	**No** Based on historical allocation	**Yes** Updated each year	**Yes** Updated every year with a new five-year average
	Counties of similar poverty rates receive similar amounts	**Moderate**	**High**	**Low**
Cost to DCF		**Maintains same cost**	**Minimal increase in cost**	**Moderate increase in cost**
County Acceptance	Methodology	**High**	**Moderate** Counties may debate the variables used and the weights assigned	**Low** Counties may debate whether it fully reflects need and if there is gaming of the system
	Magnitude of gains and losses (compared to current policy)	**Not Applicable**	**Moderate** All poverty rate quartiles lose and gain similar amounts	**Low** 3rd quartile gains the most, 1st quartile loses the most
	Number of counties that gain or lose (compared to current policy)	**Not Applicable**	34 lose, 11 neutral, 27 gain	40 lose, 8 neutral, 24 gain

Source: Authors

Effectiveness
State funding policy aims to promote child welfare practices with visible outcomes for children and families. An allocation policy will be effective if it clearly identifies need for services and then matches resources with need. Alternatively, an ineffective policy will have the potential for cheating or manipulating the formula.

The current policy is somewhat effective. While the original variables in the allocation formula—population, medical assistance, and property value—may indicate a need for child welfare services, these variables are not particularly predictive of service needs. As noted, eligibility for medical assistance and the number of people enrolled has changed statewide since 1986. Moreover, a county's total population on medical assistance may not be an accurate assessment of the need for child welfare services. Finally, property values may not accurately indicate need or whether counties can access other sources of funding for child welfare services. Counties that are property-rich but income-poor receive less state funding, even though they may have high need for services due to higher poverty rates. Despite these limitations, the current policy is effective in the sense that it does not promote manipulation of the allocation method.

The risk factor allocation formula would match resources with counties that have a higher prevalence of factors that increase the likelihood of child abuse and neglect and therefore indicate a greater need for child welfare funding. The risk factor alternative also would be more effective than the current policy at matching need with resource shares because the counties would demonstrate their need annually. However, counties that have a high need for state funding might be under-funded if the formula does not capture that need or if the county invests in preventative services. A better dependent variable, such as total county child welfare spending, would address this problem. In addition, the risk factor alternative would be effective in terms of minimizing the potential for cheating the system. The alternative would allocate money based on data collected in the U.S. Census, making it difficult and unlikely for counties to cheat.

In terms of effectiveness, the workload allocation method does poorly. In theory, the workload alternative should be effective because it would give more money to counties that demonstrate the higher number of cases and the most labor-intense cases. However, the workload allocation method might not accurately reflect the need of counties. For example, counties that are not receiving adequate funding may screen in fewer cases because they do not have the capacity to screen in all reported cases. It is important to note that Sauk County officials presented reservations about this alternative's effectiveness if it did not include caseworker travel time or account for "high level," time-intensive cases (Sauk County Human Services, 2011).

The workload allocation method also has the potential for cheating. For example, the workload method depends on the number of cases opened and not on the quality of services the county provides or whether the cases were opened or

closed appropriately. Counties could game the system and increase their number of screened-in cases to increase their state allocations. Richland County staff were particularly concerned that this alternative would incentivize increased screen-in and substantiation rates (Richland County Health and Human Services, 2011). The potential for cheating makes the workload method less effective than both the current policy and the risk factor formula.

Equity
We also compared the equity of each policy option. An equitable state funding policy gives children and families across the state an equal chance of receiving the same quality services. We recognize that the state-supervised, county-administered system makes it difficult to ensure that each county will value child welfare equally or offer equal services. Therefore, although the goal of equity may be to have similar access to and quality of services across the state, we cannot measure equity in terms of services offered. Instead, we measure a policy's equity by whether it affords counties the opportunity to demonstrate need for funding regularly and whether counties with similar poverty rates are allocated an equal amount per person.

The current policy is not very equitable for counties. Counties never have the opportunity to demonstrate their need for a different share of state funding. Furthermore, counties with a similar percent of the population in poverty are not allocated equal amounts of funding. Figure 4 shows the correlation between county poverty rates and current DCF allocations.

The risk factor allocation method would be more equitable across counties, as indicated by a higher correlation between county poverty rates and estimated allocations.[7] Because the risk factor formula includes a measure of poverty, counties with comparable poverty rates receive similar amounts of state funding regardless of their population size. Figure 5 shows the correlation between county poverty rates and estimated risk factor formula allocations. In addition, this data-driven formula allows counties to demonstrate need for state funding each year.

Although updated annually, the workload allocation alternative is not equitable across counties. Each county would have a chance to demonstrate to DCF its need for state funding. However, as seen in Figure 6, the workload formula does not treat counties of comparable poverty levels the same. The workload method is therefore more equitable than the current policy because it is updated regularly. However, it is less equitable than both current policy and the risk factor formula in that the amount allocated per person varies.

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[7] This greater equity results in part from the inclusion of the number of children living in poverty as a variable in the risk factor allocation formula. However, both the variable and the criteria of using poverty to indicate an equitable policy are suggested because of the high correlation with need.

Figure 4: Estimated County Allocation per Person Under the Current Policy, by Percent of County Population Living in Poverty, 2009
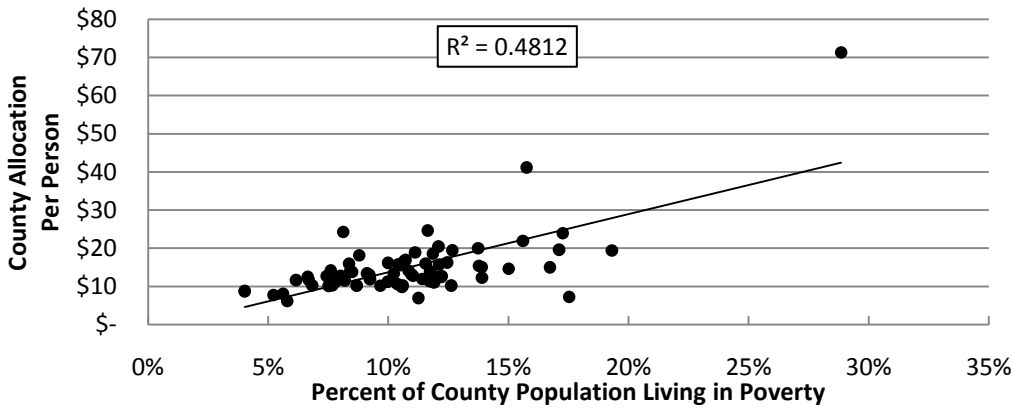
Note: County allocations per person are calculated by dividing the amount a county would receive from CFA by the county's population. Milwaukee County is not included because of its unique situation.
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Figure 5: Estimated County Allocation per Person Under the Risk Factor Alternative, by Percent of County Population Living in Poverty, 2009
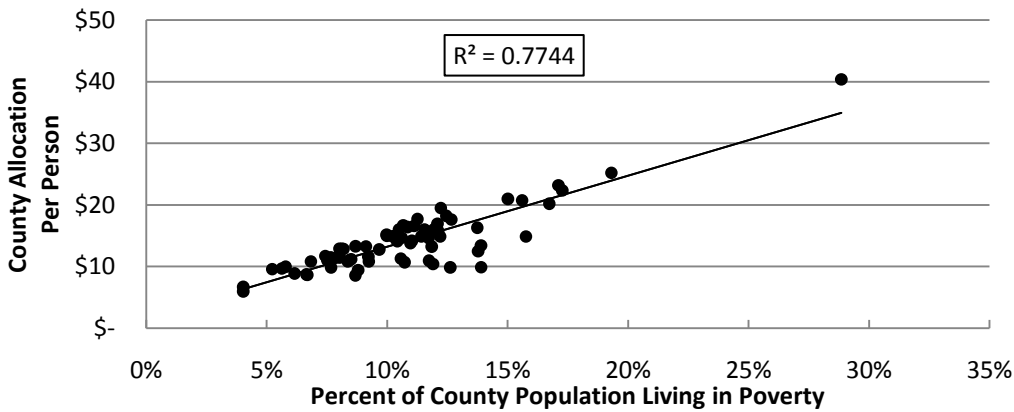
Note: County allocations per person are calculated by dividing the amount a county would receive from CFA by the county's population. Milwaukee County is not included because of its unique situation.
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Figure 6: Estimated County Allocation per Person Under the Workload Alternative, by Percent of County Population Living in Poverty, 2009
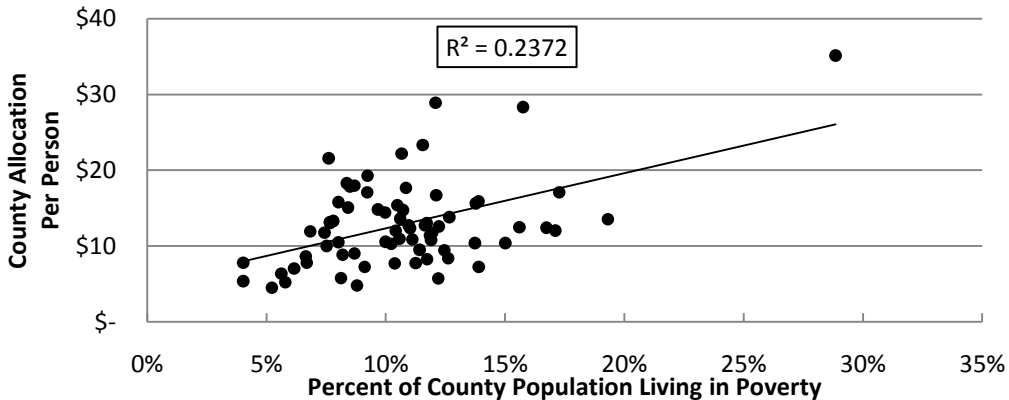
Note: County allocations per person are calculated by dividing the amount a county would receive from CFA by the county's population. Milwaukee County is not included because of its unique situation.
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Cost to DCF
In addition to effectiveness and equity, we evaluate each policy in terms of the costs it imposes on DCF. A low-cost and easy-to-implement policy would be more feasible for DCF to adopt.

The current policy imposes little cost to DCF; each year DCF simply uses last year's allocations to determine how much state funding a county receives. Similarly, the risk factor formula would impose a small increase in cost on DCF. The department would have to update the data, rerun the formula to assess each county's need, and allocate state funding accordingly. However, the American Community Survey collects county-level data for each of our variables. We therefore believe that collecting the data and running the formula would impose a minimal increase in cost to DCF. Finally, the workload method would impose the greatest increase in cost to DCF. For the workload alternative, DCF would need to commission a study that is specific to Wisconsin to determine the amount of time caseworkers in Wisconsin spend on each task defined in the workload formula. Hiring a consulting firm to perform the study on Wisconsin counties would have high up-front costs for DCF with lower costs in the following years.

County Acceptance
Finally, each policy option is measured in terms of how acceptable it is likely to be to affected counties. Child welfare services are often provided and paid for at the county level. Therefore, state funding policy that counties agree with will have a better chance of being supported by those who provide the services. We measure county acceptance by the degree to which counties are likely to agree with the allocation method and by how counties fare under each option. Because the state is allocating a fixed pot of funds but changing allocations, some counties will receive a larger share at the cost of some counties receiving smaller shares. A method that reallocates money so that fewer counties face a reduction in their state funding compared to the current policy will be more acceptable than a method where a larger number face reductions. In addition, a method that has counties losing drastic amounts of money may be less acceptable to all counties than a policy that has a larger number of counties losing only a small share of state funds.

The current policy is acceptable to counties because the policy is already in place. By contrast, allocating state funding based on risk factors might not be agreeable to all counties. Counties may resist the use of the formula as officials debate the variables DCF uses and the weight that each variable is assigned. For example, staff members from Dane, Dodge, Richland, and Sauk Counties suggested that homelessness and housing availability, substance abuse rates, unemployment, and transportation issues be included. The risk factor formula also would reallocate money, resulting in some counties losing state funding and others gaining state funding. We anticipate resistance from the counties that would lose money under this allocation formula. Counties that would lose CFA funding would be more dependent on tax levy money to fund child welfare services, and, under the

proposed state budget, raising property taxes is not an option. In addition, the workload allocation method may not be an attractive option for counties. As mentioned, the human services workers with whom we met in our county interviews were concerned that the workload alternative would not fully reflect the county's need, and the method could lead to screening-in as many cases as possible to inflate the demonstrated need. This method also would result in some counties losing state funding and others gaining state funding.

We also weigh county acceptability based on the number of counties that would gain additional state funding and number of counties that would face a reduction in state funding. A policy will be more politically popular if few counties lose state funding and many counties gain funding. Moreover, the magnitude of the gains and losses will also determine how popular the new policy is. Out of the 71 counties that are reallocated CFA funding, the risk factor alternative has 34 counties that would lose funding and 27 counties that would gain funding, whereas the workload method has 40 counties facing a reduction and 24 counties receiving more. Therefore, the risk factor formula will be more agreeable to counties than the workload alternative. Moreover, the risk factor formula has counties of all poverty levels gaining and losing by similar amounts. On the other hand, the workload based allocation method has the poorest counties losing a significant amount of money and the richer counties gaining additional funds, which is not politically popular. See Appendix F for how each policy alternative impacts counties of different poverty levels.

Based on the number of counties that would gain or lose funds, the risk factor formula is likely to be less acceptable to counties than the current policy, but more acceptable than the workload formula. Figures 7 and 8 show how counties would fare under each policy option.

Figure 7: Magnitude of Changes in County Allocation using the Risk Factor Alternative, by Percent of County Population Living in Poverty

Note: 1st quartile is the 18 counties with the highest percent of population living in poverty (poorest), while the 4th quartile is the 18 counties with the lowest percent of population living in poverty (richest). Those counties that did not have a more than 5 percent increase or decrease are not included, as the magnitude is minimal.
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Figure 8: Magnitude of Changes in County Allocation using the Workload Alternative, by Percent of County Population Living in Poverty

Note: 1st quartile is the 18 counties with the highest percent of population living in poverty (poorest), while the 4th quartile is the 18 counties with the lowest percent of population living in poverty (richest). Those counties that did not have a more than 5 percent increase or decrease are not included as the magnitude is minimal.
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Implementation Considerations

In addition to weighing the alternatives by the aforementioned goals, it is imperative that we consider how to implement the new allocation methods as state funding policy. Specifically, DCF must be aware of three implementation concerns: the "leaky bucket," county levy limits, and the potential for large fiscal impacts on counties.

Leaky Bucket

The "leaky bucket" problem is that counties receiving additional state dollars may reduce county-level funding for CPS, which would defeat the intent behind giving additional state dollars to increase CPS. One of the goals that DCF mentioned was to provide CFA funds to the counties so that they could be used most effectively, meaning that the counties in greater need would receive additional funds. However, the leaky bucket would occur in both the risk factor and workload alternatives, as it does with current policy, if the counties that received an increase in CFA funds used the additional funds to replace some share of their county funding for services. This shift would make additional DCF funds work as property tax relief, rather than dispensing CFA to the areas of greatest child welfare need.

County Levy Limits

New DCF allocation methods would place additional burden on counties, which are not able to offset CFA funding losses by raising revenue through property tax levies. While the focus of this paper is on the distribution of the state's CFA funds to counties, it is important to note that the majority of the revenue used for county health and human services is raised through county property tax levies. If a county loses state CFA dollars, then it typically can choose to raise its levy, tax at a higher rate to offset the reduced state money, or reduce services. However,

Governor Walker's proposed 2011-2013 biennium budget and existing state statutes caps levy amounts and property tax rates, thereby creating a situation where some counties that see a reduction in CFA dollars will not be able to make up the difference.

One consideration for implementation is to hold some counties at their current CFA funding level even though the allocation formula dictates a decrease. This is called a "no harm" option. We believe that those counties where levy limits are already above the allowable level and have no ability to make up the reduction of CFA funds could be given exemptions. A county given such an exemption would receive the current amount of CFA funds until either the county can raise the money itself or until the county's allocation increases.

Large Fiscal Impacts on Counties
We believe it is important for DCF to gradually adjust each county's CFA. Depending on what alternative is implemented, our estimates indicate that as many as 40 counties would see significant declines in their state funding, with some counties losing as much as 76 percent of their CFA. Such a sharp reduction in CFA would make counties more reliant on local tax levies. A gradual implementation of the cutback in state funding would give counties time to adjust their practices and spending and to gather community support for a tax levy increase. For example, those counties receiving less CFA funding could be limited to a maximum reduction of 10 percent in funding in each year. Although it may take eight years to achieve the maximum benefit of state CPS funding, gradual implementation would prevent adverse consequences to county child welfare services and, ultimately, to the children. It would also increase the county acceptance of a new allocation method.

Recommendation

We examine two possible alternative formulas, one based on risk factors that increase the likelihood of children needing CPS and one based on the workload of the social workers in the county. We weigh the current policy and the two proposed alternatives on the goals of effectiveness, equity, cost to DCF, and acceptance by counties. After assessing each option, we find the current policy to be inequitable and possibly ineffective at matching the need for services with resources. The workload method is theoretically effective at matching need with resources, but in practice overlooks under-resourced counties that are unable to demonstrate need. In addition, the workload alternative is inequitable and is a less attractive option to counties. In the end, we recommend that DCF consider adopting the risk factor formula because it is effective at matching need with resources, does not promote cheating the system, is equitable to counties, has low implementation and administrative costs to DCF, and would likely be acceptable to the counties. Beyond our allocation method recommendation, we recommend that the state facilitate and that counties work toward cross-county collaborations for CPS, especially for access and intake, training, specialized services, and for insuring high-cost cases. Cross-county collaboration is discussed in the following section.

In addition to recommending a new funding formula strategy, collaboration among counties could provide a more effective and efficient use of CPS resources. Collaboration among counties does not change the method of state allocation, so collaboration efforts would supplement any change to how CFA funds are distributed. Although other states have state-mandated and managed regions for CPS, neither officials from DCF nor the county officials interviewed supported a mandate. Instead, both groups preferred voluntary cross-county collaboration with state encouragement. The state-run, county-administered system has the benefit of responsiveness to local needs and cultures, but the system also results in limited access to services by small counties and inconsistencies in service delivery across counties (Policy Studies Inc. & American Humane Association, 2009). Collaboration among counties may help overcome these limitations.

State Variation

In Wisconsin, the feasibility of collaboration varies. Cross-county collaborations may be most productive between smaller, rural counties that on their own cannot provide certain services or whose residents must travel long distances for out-of-county care. Staff members from some counties, such as Marquette, stated that these collaborations already exist by necessity to save costs (Marquette County Health and Human Services, 2011). Richland County staff members acknowledged relatively little CPS collaboration but still saw potential benefits of sharing resources with other counties (Richland County Health and Human Services, 2011). Northern rural counties such as Iron have difficulties sharing staff because of large distances between cities (Iron County Human Services Administrator, 2011). On the other hand, large counties such as Dane and Milwaukee sometimes have less to gain from collaboration with smaller counties because they already have specialists and offer more services because of their size (Bureau of Milwaukee Child Welfare, 2011; Dane County Health and Human Services, 2011). However, a larger county could provide a regional institution or administrative overhead if smaller counties were willing to send cases out of their own county. Many officials surveyed and interviewed already participate in formal collaborations such as the Family Partnership Initiative, informally aid with "courtesy cases" for other counties, or share staff or institutions. However, multiple counties did little collaboration, and others expressed interest in collaborating beyond current levels.

Suggestions for Collaboration

Keeping in mind these challenges, the following suggestions are tailored to the preferences of and the fiscal realities faced by county governments and the state.

High-Risk or Catastrophic Case Insurance Pool

In combining money to create an insurance pool, counties could help cover the high costs of severe needs cases. Particularly for small and medium-sized counties,

even one very expensive case can "blow the budget out of the water" (Richland County Health and Human Services, 2011). These concerns were echoed by officials from Rock and Marquette Counties (Marquette County Health and Human Services, 2011; Rock County Human Services, 2011). This kind of pool was instituted in La Crosse County with the collaboration of ten neighboring counties, but little is known about the program's outcomes (Walter R. McDonald & Associates Inc, 2003). In 2007, Wisconsin implemented a similar program for the state's tribes. Through this program DCF provides assistance with "unexpected or unusually high-cost out-of-home care placements of Indian children by tribal courts" for cases over $50,000 a year (DCF, 2010b, p. 2). Ultimately, an insurance pool of this type could help bring stability to the yearly CPS budgets of counties.

Access and Intake
Administration of access and intake may be one of the most feasible options for collaboration. By implementing a statewide intake call center, counties would follow the same intake guidelines and screening processes for cases. La Crosse County hosts a regional call center that provides referrals and information and screens CPS reports (Walter R. McDonald & Associates Inc, 2003). In other parts of the state, call center collaboration extends only to "after hours" calls (Wisconsin County Human Service Association [WCHSA], 2010). Other states such as North Dakota have also found cross-county call centers useful (North Dakota Department of Human Services, 2002). If counties combined funds for one call center, then this would reduce duplication of expensive infrastructure. Not all counties supported such efforts, however. A Vernon County official strongly preferred county control over calls from its citizens, citing better knowledge of and responsiveness to local cases (Vernon County Health and Human Services Administrator, 2011).

Data entry and paperwork were repeatedly cited by counties as detractions from social workers' time. Counties such as Marquette have used paraprofessionals to do some of this work (Marquette County Health and Human Services, 2011). In contributing portions of a salaried staff, several counties could collaborate in hiring workers for these administrative functions for case intake.

Training
Training for certain services is another area that can be expanded regionally. Indiana has had success in implementing regional teleconference training under state direction (Indiana Department of Child Services, n.d.). In Wisconsin, counties have collaborated on foster care training for parents, and several counties engage in video conference training and consultations with specialists (WCHSA, 2010). For example, Marinette, Ozaukee, Washington, and Waukesha Counties already collaborate to some extent on this (Ozaukee County Human Services Administrator, 2011; Washington County Human Services Adminstrator, 2011; Waukesha County Health and Human Services Administrator, 2011). County officials see potential for expanding collaborative training particularly in foster care training and licensing. Training efforts for high-cost practices such as

"cognitive graphing" and with specialty care such as that for sexual abuse victims were also seen as needed (Richland County Health and Human Services, 2011; Sauk County Human Services, 2011).

DCF Facilitation
DCF could play more of a role in cross-county collaborations in a variety of ways. One way is to help financially support collaborative efforts. Some have called for a per-capita increase in state funds for the creation of regional "cooperation compacts (Commission on State-Local Partnerships for the 21st Century, 2001). These compacts would have counties combine in at least two governmental areas (e.g. public health, emergency services, law enforcement, or housing assistance). Accountability would occur locally without state oversight. If DCF were to provide new funds or reallocate existing money for these efforts, then it could help fund portions of specialized staff for collaborating counties. Indiana has done this for "practice consultants" that regionally evaluate programs and work to ensure that evidence-based practices are being implemented (Indiana Department of Child Services, n.d.). DCF could also provide grants to reward multi-county collaborations. It could, like North Carolina, create a trust fund to support collaborations during times of recession (WCHSA, 2009). Relocating a small amount of money into a fund to provide state loans or grants for one-time start-up costs would also help counties build regional infrastructure for collaboration (Sheehy, 2003). In our interviews with and surveys of county agencies, officials in several counties supported such a measure (Richland County Health and Human Services, 2011; Waukesha County Health and Human Services Administrator, 2011). After DCF helped set up the new collaborative effort, the counties would maintain the system. Without reallocating funds, such proposals are not possible given the projected 2011-2013 biennium budget deficit of more than $3 billion (Reschovsky, 2010).

In the absence of monetary incentives, a Richland County official stated that DCF could help "lay the groundwork" for the first meeting between counties (Richland County Health and Human Services, 2011). The state could help organize meetings, recruit counties, and provide and interpret the county's CPS data (Dodge County Health and Human Services, 2011). DCF could give information on how sharing certain resources may be helpful. DCF also could provide legal information on how counties can raise revenue through increased fees (Sheehy, 2003). Some county officials also said DCF should decrease mandates or provide assistance to counties so they can better navigate legal barriers to collaboration (Marathon County Health and Human Services Administrator, 2011; Waupaca County Health and Human Services Administrator, 2011), or change state law to encourage county collaboration (Sauk County Human Services, 2011). For example, a Waukesha County official stated that the state could allow counties to collaborate and direct Youth Aids funds to preventive services so counties can avoid costly incarceration and institutionalization placements (Waukesha County Health and Human Services Administrator, 2011).

Collaborations by counties may better meet needs than before, but it will be difficult to prove this unless accurate outcome measures are tracked. Human services staff members from Rock and Dane Counties voiced concerns about unintended consequences and poorer service if face-to-face social worker functions are regionalized (Dane County Health and Human Services, 2011; Rock County Human Services, 2011). However, we do not recommend collaborating on such functions. Any collaborative effort should consider how reforms would affect service delivery and experience for struggling children and families. Viewing any new structural or service-delivery through this lens would ensure that CPS continues to best help those in need.

Problems to Avoid

Comments from Wisconsin county officials as well as other states' experiences provide lessons to learn from when encouraging county collaborations.

Poor Timing

States such as North Carolina have tried to implement too many changes at once, resulting in confusion and poor service delivery (WCHSA, 2009). Changes in administration and service delivery are less disruptive if they are staggered, with greater changes requiring greater transition time.

Poor Planning

Careful budgeting and modest expectations are also needed. States such as New Mexico and North Carolina have found that reorganization without adequate funding will not provide desired results (WCHSA, 2009).

Lack of Stakeholder Consensus and Buy-In

Having all relevant stakeholders be part of the collaboration planning process would decrease the likelihood that an agency or county feels cheated. When reforms are implemented, it would be helpful to track data on outcomes to ensure that better results are reached. According to officials from Dane and Richland Counties, there still would be disagreement and debate as to what constitutes an outcome, including if and whether outcomes can be measured in CPS (Dane County Health and Human Services, 2011; Richland County Health and Human Services, 2011). Getting as much consensus on these measurement and data issues as early as possible could limit counties' opposition.

Unaccountable Governing Bodies

Based on experiences in other human service collaborations, Richland County officials suggested that collaboration should not create a new governing body separate from the counties themselves. They noted that this could result in a competing and insulated "silo" unaccountable to county needs (Richland County Health and Human Services, 2011).

CONCLUSIONS

Wisconsin's counties and DCF are strained by limited child welfare funds. In addition, the current formula for allocating state funds across counties does not reflect the counties' current realities or relative needs. To address these concerns, we assessed two proposals against state allocation policy: a risk factor funding alternative that would allocate money based on child poverty and the number of single-parent families, and a workload alternative that would allocate money based on the number of opened and closed cases a county has in a year.

After weighing these policy options on their effectiveness, equity, the cost to DCF, and potential county acceptance, we recommend that DCF adopt the risk factor approach to allocate its funds to counties. This alternative performs particularly well on equity grounds, would impose little additional administrative cost on DCF, and is unlikely to be influenced by data manipulation. Most importantly, the risk factor formula would be effective at matching resources with needs. However, our recommendation does not consider the extent to which the severity of cases might vary across counties. Counties may also debate which factors are included in the new formula. The formula could be adjusted to better reflect needs measures, but it is the variations in risk factors across counties that matters most.

In addition to a new state funding formula, we recommend that counties collaborate to reduce costs and expand access to services. The state can facilitate these collaborations by arranging meetings, disseminating information, easing certain mandates to encourage collaboration, and providing start-up funds.

Taken together, our recommended funding alternative and the suggestions for collaboration will target state CFA funding to where it is needed most and in a way that is most likely to improve child welfare outcomes in Wisconsin.

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APPENDIX A: OVERVIEW OF THE CPS PROCESS

Figure A.1 below charts the different outcomes that occur after the county CPS agency receives a report from a source.

Figure A.1: Wisconsin CPS Process

```
                    ┌─────────────────────────────────────┐
                    │            CPS ACCESS                │
                    │  CPS receives a report of alleged    │
                    │  child abuse and/or neglect from     │
                    │             a source                 │
                    └─────────────────────────────────────┘
                    ┌─────────────────────────────────────┐
                    │        SCREENING DECISION            │
                    └─────────────────────────────────────┘
        ┌───────────────────────────┐  ┌───────────────────────────┐
        │        SCREENED-IN        │  │        SCREENED-OUT        │
        │ CPS determineds that at   │  │  CPS determines that all   │
        │ least one allegation      │  │  allegations do *not* meet │
        │ meets statutory           │  │  statutory requirements    │
        │ requirements for child    │  │  for abuse and/or neglect  │
        │ abuse and/or neglect      │  │                            │
        └───────────────────────────┘  └───────────────────────────┘
        ┌───────────────────────────┐  ┌───────────────────────────┐
        │     INITIAL ASSESSMENT    │  │     CPS CASE CLOSED        │
        │ CPS assesses if the child │  │  Family may still be       │
        │ is safe, if there are     │  │  offered/referred          │
        │ risk conditions present,  │  │  services                  │
        │ and if maltreatment       │  │                            │
        │ occured                   │  │                            │
        └───────────────────────────┘  └───────────────────────────┘
   ┌──────────────────────┐     ┌───────────────────────────────┐
   │  SAFETY DECISIONS:   │     │    MALTREATMENT FINDING       │
   │  Are services needed │     ├───────────────────────────────┤
   │  to ensure child     │     │         Substantiated         │
   │  safety              │     ├───────────────────────────────┤
   └──────────────────────┘     │        Unsubstantiated        │
        ┌──────────────────────┐├───────────────────────────────┤
        │        YES           ││  Abuse Likely or Not Likely   │
        │ CPS case opened and  ││          to Occur             │
        │ family offered       │├───────────────────────────────┤
        │ voluntary CPS or     ││ Unsubstantiated because Not   │
        │ family assigned to   ││ Able to Located Sources/      │
        │ court-ordered CPS    ││ Report Subject                │
        └──────────────────────┘└───────────────────────────────┘
        ┌──────────────────────┐
        │         NO           │
        │ CPS case closed,     │
        │ and/or family        │
        │ referred to          │
        │ community services,  │
        │ or family offered    │
        │ voluntary CPS        │
        └──────────────────────┘
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Source: BPI, 2010a

APPENDIX B: OTHER ALTERNATIVES

DCF requested that we evaluate a number of allocation policies. Below are the policies, percent-for-service and performance-based contracting, that we considered but, in the end, did not pursue because of their low feasibility.

Percent-for-Service

If Wisconsin used a percent-for-service model for child protective services, counties would report all services rendered and how much those services cost. Wisconsin would then reimburse the counties a percent of their service costs. The state could use the same reimbursement rate for all services or could offer higher reimbursement rates for evidence-based practices.

Evidence-based practices are available for prevention, intervention, and administrative services. The Washington State Institute on Public Policy analyzed 74 program evaluations of 26 programs throughout the country. The institute compiled the long-term impact these programs have on the child's safety, permanency, and well-being, and identified which practices improve child outcomes and increase net social benefits (Lee, Aos, & Miller, 2008). The prevention programs that have the highest returns in terms of monetization of benefits and costs are the Chicago Child Parent Center,[8] the Nurse Family Partnership,[9] Intensive Family Preservation Services,[10] and Parent-Child Interaction Therapy.[11]

If Wisconsin used percent-for-service to encourage best practices, it would first have to incentivize counties to invest in prevention. This practice is beneficial for families and less costly to taxpayers. Second, a percent-for-service system would

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[8] Chicago Child Parent Centers is a school-based program that "provides educational and family support services for families living in high poverty neighborhoods. The centers aim to provide a stable learning environment from preschool through the early elementary school years and provide support to parents so that they can be involved in their children's education" (Lee, Aos, & Miller, 2008, p. 15).

[9] "Nurse Family Partnership for Low Income Families provides intensive visitation by nurses during a woman's pregnancy and the first two years after birth; the program was developed by Dr. David Olds. The goal is to promote the child's development and provide support and instructive parenting skills to the parents. The program is designed to serve low-income, at-risk pregnant women bearing their first child" (Lee, Aos, & Miller, 2008, p. 16).

[10] "Intensive Family Preservation Services Programs are short-term, home-based crisis intervention services that emphasize placement prevention. The program emphasizes contact with the family within 24 hours of the crisis, staff accessibility round the clock, small caseload sizes, service duration of four to six weeks, and provision of intensive, concrete services and counseling. These programs are intended to prevent removal of a child from his or her biological home (or to promote his or her return to that home) by improving family functioning" (Lee, et al., 2008, p. 15).

[11] "Parent-Child Interaction Therapy aims to restructure the parent-child relationship and provide the child with a secure attachment to the parent. Parents are treated with their children, skills are behaviorally defined, and all skills are directly coached and practiced in parent-child sessions. Therapists observe parent-child interactions through a one-way mirror and coach the parent using a radio earphone. Live coaching and monitoring of skill acquisition are cornerstones of the program" (Lee, et al., 2008, p. 16).

accommodate programs that allow social workers to spend considerable amounts of time serving their families. Good programs are intensive in terms of the number of service hours offered by the agency and the amount of engagement required from the families. Third, percent-for-service would encourage programs that focus on behavior. Rather than merely telling families what to do, effective programs observe, coach, and guide parents or children to help them modify their behavior.

Other states use percent-for-service to encourage best practices. New York, for example, may have overly incentivized the use of foster care through the state's previous funding system (Child Welfare Organizing Project, n.d.). State officials wanted counties to use alternatives to foster care more frequently so they implemented a new system through which the state reimburses counties for 65 percent of their preventive, child protective, adoption, aftercare, and independent living services (New York State Office of Children and Family Services, 2006). New York also still funds foster care through a block grant. The state distributes most of its foster care grant to counties based on their historical claims but also reserves some funds to reward counties that reduce their total annual foster care days.

Percent-for-service has three distinct advantages over other policy alternatives. First, Wisconsin could incentivize best practices (cost-effective, evidence-based services that researchers recommend for the best possible child welfare outcomes). Second, with the assurance of continuous and steady funding, counties can cultivate programs they may otherwise neglect. Many counties in New York had a certain program for diverting youth from the courts in name only, but did not invest in and develop that program until county child welfare workers knew they could count on a reliable funding source. Third, Wisconsin counties would not suffer as greatly if the need for services in a given year unexpectedly surpassed the funds budgeted for them.

However, percent-for-service would not work for Wisconsin in the current fiscal climate. To make percent-for-service work, a state must commit to reimbursing counties at the promised rate without knowing exactly how much of that service a county will provide in a given year. The problem is that Wisconsin will mostly likely not increase its state child welfare funds in the near future. After the policy change in New York, claims for services newly reimbursed at 65 percent rose from a total of $107 million to $126 million in nine counties studied, and New York City's claims rose from $394 million to $425 million. Unless Wisconsin can commit to reimbursing counties regardless of the total cost to the state, the state cannot engage in percent-for-service.

Moreover, some Wisconsin counties may already use their funds efficiently. New York's previous funding structure may have overly incentivized the use of foster care (Child Welfare Organizing Project, n.d.), but Wisconsin's current system does not reward one type of service over another. Officials in most of the counties we spoke with claimed great interest in preventive and less intrusive programs,

both for the services they provided as well as the potential savings from avoided expensive care. Wisconsin counties may therefore already be pursuing many best practices without needing additional incentives. Finally, DCF funds make up only a small part of many counties' budgets. Thus, percent-for-service would help stabilize counties' funding, but it may only incentivize small changes and would probably prove unfeasible in Wisconsin's current financial political situation.

Performance-Based Contracting

We also considered but ultimately rejected performance-based contracting (PBC). Agencies or states using PBC negotiate with the contractors that deliver human services to create a contract with mutually acceptable goals. In Kansas one such goal for child welfare PBC read "90% of families will not have a substantiated abuse or neglect report during program participation" (Planning and Learning Technologies Inc. & The University of Kentucky, 2006). Agencies thus "buy" outcomes from contractors. If contractors exceed expectations, then they are rewarded as specified in their contract. If they fail, then they receive less compensation than they would have had they met their goals.

PBC has garnered much interest nationally. Many state human service agencies use PBC, and legislatures in Florida and Maine mandated the use of PBC in all human service contracts (Planning and Learning Technologies Inc. & The University of Kentucky, 2006). Under Governor Thompson, Wisconsin converted its public health system to PBC (Chapin & Fetter, 2002). The state buys public health outcomes from local public health departments. Importantly, contracts reward outcomes (e.g. reduced youth smoking), not processes (e.g. 352 youths received anti-smoking pamphlets). Much of local health departments' funds come from levies and other non-PBC sources, so local departments can genuinely bargain with the state and refuse contracts that are not to their liking. Regional offices assist and vouch for local departments in the negotiating process.

If Wisconsin adopted a similar model for child welfare, then DCF would use all or some of its allotments to purchase child welfare outcomes from the counties. By nature, PBC would help counties demonstrate and quantify the results they achieved. However, counties would have to devote significant effort to learn the process of writing and negotiating outcome-based goals. The Division of Public Health, within the Wisconsin Department of Health Services, found that the negotiation process can be very time-consuming and that local departments needed much assistance in learning to write outcome-based objectives (Jones, Smith, Dawson, Hatcher, & Moulton, 2002). PBC may also stifle risky innovation for fear of not meeting goals and may not work for goals that require more than a year to achieve.

Outcomes and expenses also depend on the nature and severity of the cases counties tackle. In our interviews, counties noted the inherent difficulties in prospectively negotiating contracts to fairly reward services for children that turn out to be harder to serve. Counties that fail to meet their goals may complain of forces beyond their control. Finally, officials in Dodge County felt that human

service workers already work to achieve the best outcomes and that commercializing child welfare would divert their attention from helping children to making money (Dodge County Health and Human Services, 2011). In light of these philosophical and implementation issues, we decided not to include PBC in our potential alternatives.

PBC may become more feasible in coming years. Act 335, enacted in 2010, paved the way for DCF to use PBC when negotiating with service providers. The act requires DCF to implement PBC systems for group homes and other residential care centers that bill DCF and counties for child welfare services (Legislative Reference Bureau, 2010). Notably, private agencies are the sellers of outcomes, while DCF *and* counties are the buyers. However, this act will allow further development of the systems counties would need to become outcome sellers and provide a forum where philosophical issues and implementation difficulties arising from PBC can be addressed. As counties learn more about PBC and develop the expertise needed to negotiate such contracts, PBC may become a more common and more feasible means of paying for child welfare services.

APPENDIX C: METHODOLOGY FOR ALLOCATION BASED ON RISK FACTORS

To calculate the county allocations using risk factors, it is necessary to find the correct weights for each independent variable. The table below shows the results of the regression we used to calculate the county allocations in this paper. Both risk factors showed a positive relationship to the dependent variable, which was the number of cases opened in a given county. This means that as the number of children living in poverty increases by 1, the number of cases opened is expected to increase by 0.0795. The coefficient for single-parent children is interpreted in the same manner; for each additional child with a single parent, the number of cases opened is expected to rise by 0.0386. Regressions yield estimates that are best interpreted with caution. It is inaccurate to say that if 100 children go below the poverty line there *will* be 7.95 cases opened. Rather, over the long-term the number of cases opened is expected to increase at those rates.

Coefficients for each factor would then be converted into weights. First, one needs to assume that 100 percent of the variation is explained by the included risk factors. In other words, the error term is removed and the coefficients are changed into proportions. In our example, we divided each risk factor coefficient by the sum of both coefficients; therefore, the 0.0795 coefficient for child poverty becomes 0.67 or 67 percent while the 0.0386 coefficient for single-parent families becomes 0.33 or 33 percent. This regression has an R-Squared value of 0.974 which means that the two risk factors in the model explain 97 percent of the variation in the number of cases opened. As shown in Table C.1, this preliminary analysis suggests that a risk factor formula could include only a handful of factors and still provide a gauge of CPS demand.

Table C.1: Risk Factor Coefficient Summary

Risk Factors	Coefficients	Standard Error
Number of Children Living in Poverty	0.0795***	(0.0129)
Number of Children in Single-Parent Families	0.0386**	(0.0157)
Constant	14.83	(19.66)
Number of Observations	72 Counties	
R-Squared	0.974	

*** p<0.01, ** p<0.05, * p<0.1
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

APPENDIX D: ALTERNATIVE COUNTY ALLOCATIONS

Table D.1 presents each county's allocation and the allocation changes each alternative could cause, thereby allowing a county by county comparison of those who gain and those who lose CFA funding.

Table D.1: 2010 County Allocations, Based on Alternative

County	Current Policy County Allocation	Risk Factors Alternative County Allocation	Change from Current Policy		Percent of Change from Current Policy	Workload Alternative County Allocation	Change from Current Policy		Percent of Change from Current Policy
Adams	$ 231,898	$ 298,175	$ 66,277	↑	28.6%	$ 265,696	$ 33,798	↑	14.6%
Ashland	$ 319,908	$ 378,197	$ 58,289	↑	18.2%	$ 196,277	$ (123,631)	↓	-38.6%
Barron	$ 600,294	$ 629,063	$ 28,769	-	4.8%	$ 580,238	$ (20,056)	-	-3.3%
Bayfield	$ 235,426	$ 210,562	$ (24,864)	↓	-10.6%	$ 179,539	$ (55,887)	↓	-23.7%
Brown	$ 2,727,439	$ 3,686,660	$ 959,221	↑	35.2%	$ 3,500,973	$ 773,534	↑	28.4%
Buffalo	$ 248,053	$ 129,156	$ (118,897)	↓	-47.9%	$ 65,432	$ (182,621)	↓	-73.6%
Burnett	$ 241,798	$ 325,456	$ 83,658	↑	34.6%	$ 200,066	$ (41,732)	↓	-17.3%
Calumet	$ 357,580	$ 429,754	$ 72,174	↑	20.2%	$ 281,528	$ (76,052)	↓	-21.3%
Chippewa	$ 803,088	$ 794,248	$ (8,840)	-	-1.1%	$ 433,473	$ (369,615)	↓	-46.0%
Clark	$ 544,724	$ 610,488	$ 65,764	↑	12.1%	$ 316,308	$ (228,416)	↓	-41.9%
Columbia	$ 556,877	$ 605,897	$ 49,020	↑	8.8%	$ 550,194	$ (6,683)	-	-1.2%
Crawford	$ 415,036	$ 263,585	$ (151,451)	↓	-36.5%	$ 214,623	$ (200,413)	↓	-48.3%
Dane	$ 5,234,766	$ 4,967,228	$ (267,538)	↓	-5.1%	$ 5,143,762	$ (91,004)	-	-1.7%
Dodge	$ 896,859	$ 949,270	$ 52,411	↑	5.8%	$ 1,046,094	$ 149,235	↑	16.6%
Door	$ 324,844	$ 248,019	$ (76,825)	↓	-23.6%	$ 196,400	$ (128,444)	↓	-39.5%
Douglas	$ 855,006	$ 774,652	$ (80,354)	↓	-9.4%	$ 606,915	$ (248,091)	↓	-29.0%

County	Current Policy County Allocation	Risk Factors Alternative County Allocation	Change from Current Policy	Percent of Change from Current Policy		Workload Alternative County Allocation	Change from Current Policy	Percent of Change from Current Policy	
Dunn	$ 520,829	$ 420,223	$ (100,606)	↓	-19.3%	$ 307,088	$ (213,741)	↓	-41.0%
Eau Claire	$ 1,498,648	$ 1,217,565	$ (281,083)	↓	-18.8%	$ 1,522,531	$ 23,883	-	1.6%
Florence	$ 194,344	$ 70,320	$ (124,024)	↓	-63.8%	$ 133,792	$ (60,552)	↓	-31.2%
Fond du Lac	$ 1,368,722	$ 1,111,412	$ (257,310)	↓	-18.8%	$ 1,773,337	$ 404,615	↑	29.6%
Forest	$ 233,674	$ 218,345	$ (15,329)	↓	-6.6%	$ 166,836	$ (66,838)	↓	-28.6%
Grant	$ 683,419	$ 536,411	$ (147,008)	↓	-21.5%	$ 403,645	$ (279,774)	↓	-40.9%
Green	$ 365,408	$ 473,750	$ 108,342	↑	29.6%	$ 640,069	$ 274,661	↑	75.2%
Green Lake	$ 237,244	$ 240,737	$ 3,493	-	1.5%	$ 195,517	$ (41,727)	↓	-17.6%
Iowa	$ 275,520	$ 203,343	$ (72,177)	↓	-26.2%	$ 182,860	$ (92,660)	↓	-33.6%
Iron	$ 125,254	$ 102,191	$ (23,063)	↓	-18.4%	$ 65,057	$ (60,197)	↓	-48.1%
Jackson	$ 404,227	$ 335,273	$ (68,954)	↓	-17.1%	$ 571,662	$ 167,435	↑	41.4%
Jefferson	$ 821,207	$ 785,508	$ (35,699)	-	-4.3%	$ 1,042,300	$ 221,093	↑	26.9%
Juneau	$ 315,616	$ 395,002	$ 79,386	↑	25.2%	$ 251,852	$ (63,764)	↓	-20.2%
Kenosha	$ 2,299,805	$ 2,670,708	$ 370,903	↑	16.1%	$ 2,877,771	$ 577,966	↑	25.1%
Kewaunee	$ 254,832	$ 177,875	$ (76,957)	↓	-30.2%	$ 176,096	$ (78,736)	↓	-30.9%
La Crosse	$ 1,676,881	$ 1,497,396	$ (179,485)	↓	-10.7%	$ 1,774,167	$ 97,286	↑	5.8%
Lafayette	$ 253,306	$ 171,750	$ (81,556)	↓	-32.2%	$ 290,362	$ 37,056	↑	14.6%
Langlade	$ 323,549	$ 324,844	$ 1,295	-	0.4%	$ 472,550	$ 149,001	↑	46.1%
Lincoln	$ 395,214	$ 441,806	$ 46,592	↑	11.8%	$ 304,954	$ (90,260)	↓	-22.8%
Manitowoc	$ 1,142,107	$ 886,929	$ (255,178)	↓	-22.3%	$ 1,218,372	$ 76,265	↑	6.7%
Marathon	$ 1,450,826	$ 1,472,102	$ 21,276	-	1.5%	$ 1,726,368	$ 275,542	↑	19.0%
Marinette	$ 527,592	$ 630,571	$ 102,979	↑	19.5%	$ 241,966	$ (285,626)	↓	-54.1%

County	Current Policy County Allocation	Risk Factors Alternative County Allocation	Change from Current Policy	Percent of Change from Current Policy		Workload Alternative County Allocation	Change from Current Policy	Percent of Change from Current Policy	
Marquette	$ 190,479	$ 211,071	$ 20,592	↑	10.8%	$ 183,708	$ (6,771)	-	-3.6%
Menominee	$ 323,529	$ 183,149	$ (140,380)	↓	-43.4%	$ 159,428	$ (164,101)	↓	-50.7%
Milwaukee	$ 6,888,991	$ 6,888,991	$ -	-	0.0%	$ 6,888,991	$ -	-	0.0%
Monroe	$ 545,207	$ 839,514	$ 294,307	↑	54.0%	$ 541,127	$ (4,080)	-	-0.7%
Oconto	$ 393,930	$ 535,236	$ 141,306	↑	35.9%	$ 286,883	$ (107,047)	↓	-27.2%
Oneida	$ 430,887	$ 392,484	$ (38,403)	↓	-8.9%	$ 698,976	$ 268,089	↑	62.2%
Outagamie	$ 1,840,241	$ 1,996,909	$ 156,668	↑	8.5%	$ 2,285,220	$ 444,979	↑	24.2%
Ozaukee	$ 755,833	$ 510,464	$ (245,369)	↓	-32.5%	$ 665,951	$ (89,882)	↓	-11.9%
Pepin	$ 178,717	$ 95,079	$ (83,638)	↓	-46.8%	$ 42,333	$ (136,384)	↓	-76.3%
Pierce	$ 404,228	$ 340,320	$ (63,908)	↓	-15.8%	$ 358,085	$ (46,143)	↓	-11.4%
Polk	$ 547,321	$ 506,549	$ (40,772)	↓	-7.4%	$ 697,439	$ 150,118	↑	27.4%
Portage	$ 698,652	$ 674,773	$ (23,879)	-	-3.4%	$ 573,632	$ (125,020)	↓	-17.9%
Price	$ 246,344	$ 155,868	$ (90,476)	↓	-36.7%	$ 214,641	$ (31,703)	↓	-12.9%
Racine	$ 3,101,851	$ 3,189,980	$ 88,129	-	2.8%	$ 3,067,816	$ (34,035)	-	-1.1%
Richland	$ 339,584	$ 298,542	$ (41,042)	↓	-12.1%	$ 195,506	$ (144,078)	↓	-42.4%
Rock	$ 2,651,328	$ 2,653,778	$ 2,450	-	0.1%	$ 3,525,569	$ 874,241	↑	33.0%
Rusk	$ 317,142	$ 300,077	$ (17,065)	↓	-5.4%	$ 180,609	$ (136,533)	↓	-43.1%
St. Croix	$ 494,011	$ 803,334	$ 309,323	↑	62.6%	$ 419,880	$ (74,131)	↓	-15.0%
Sauk	$ 671,565	$ 749,157	$ 77,592	↑	11.6%	$ 515,099	$ (156,466)	↓	-23.3%
Sawyer	$ 328,446	$ 426,253	$ 97,807	↑	29.8%	$ 228,689	$ (99,757)	↓	-30.4%
Shawano	$ 284,909	$ 727,330	$ 442,421	↑	155.3%	$ 317,740	$ 32,831	↑	11.5%
Sheboygan	$ 1,450,972	$ 1,338,044	$ (112,928)	↓	-7.8%	$ 1,340,484	$ (110,488)	↓	-7.6%

County	Current Policy County Allocation	Risk Factors Alternative				Workload Alternative			
		County Allocation	Change from Current Policy		County	County Allocation	County Allocation	Change from Current Policy	
Taylor	$ 358,284	$ 255,755	$ (102,529)	↓	-28.6%	$ 220,306	$ (137,978)	↓	-38.5%
Trempealeau	$ 447,468	$ 414,765	$ (32,703)	↓	-7.3%	$ 292,221	$ (155,247)	↓	-34.7%
Vernon	$ 423,337	$ 607,928	$ 184,591	↑	43.6%	$ 301,248	$ (122,089)	↓	-28.8%
Vilas	$ 223,268	$ 320,724	$ 97,456	↑	43.6%	$ 297,097	$ 73,829	↑	33.1%
Walworth	$ 985,097	$ 1,131,115	$ 146,018	↑	14.8%	$ 1,095,360	$ 110,263	↑	11.2%
Washburn	$ 260,626	$ 261,418	$ 792	-	0.3%	$ 276,898	$ 16,272	↑	6.2%
Washington	$ 993,502	$ 1,225,514	$ 232,012	↑	23.4%	$ 576,660	$ (416,842)	↓	-42.0%
Waukesha	$ 3,290,117	$ 2,541,244	$ (748,873)	↓	-22.8%	$ 2,031,029	$ (1,259,088)	↓	-38.3%
Waupaca	$ 527,549	$ 663,660	$ 136,111	↑	25.8%	$ 769,605	$ 242,056	↑	45.9%
Waushara	$ 310,056	$ 396,673	$ 86,617	↑	27.9%	$ 290,332	$ (19,724)	↓	-6.4%
Winnebago	$ 2,096,446	$ 1,872,301	$ (224,145)	↓	-10.7%	$ 2,757,805	$ 661,359	↑	31.5%
Wood	$ 1,048,885	$ 818,152	$ (230,733)	↓	-22.0%	$ 1,597,586	$ 548,701	↑	52.3%

Note: Because of the unique situation with the Bureau of Milwaukee Child Welfare's funding and administration of Milwaukee's child welfare services, CFA total dollar allocation to Milwaukee County is not changed.

↑ = increase in funding by more than 5 percent
↓ = decrease in funding by more than 5 percent.
Source: Authors, calculated using DCF (2010a) data

APPENDIX E: METHODOLOGY
FOR ALLOCATION BASED ON WORKLOAD

To estimate allocation for Wisconsin counties under this alternative, we manipulated publically available data provided by DCF (BPI, 2010a, 2010b, 2010c, 2010d) in three steps. First, we converted the categories laid out in the Children's Research Center report to categories used in these DCF reports. See Table E.1 for these adjustments. In some cases, we were not able to match the center's categories with DCF categories. DCF data did not indicate if an investigation or assessment resulted in placement. Therefore, we estimated this by using the number of cases that were or were not substantiated. To prevent a large overestimation, we used a average of the two Children's Research Center subcategories (13.35 hours) as the median worker time for substantiated cases, as not all substantiated cases result in placement. Similarly, DCF data did not indicate if an ongoing case had returning home as a goal. We determined the amount of time for all ongoing cases by averaging the center's subcategory time, which we believe is a conservative estimate because returning home is usually the ultimate goal for CPS cases. In addition, we did not have information on the number of in-home cases, so we deleted this category, resulting in an underestimation of workload. Second, we used DCF annual data to estimate the number of cases per month by dividing by 12. Third, we multiplied the number of cases by the median worker time in hours per month to determine the total county workload demand in worker hours.

Table E.1: Wisconsin County Worker Time Estimates per Case

County Service Area	Median Worker Time in Hours per Month
CPS Intake	
Number of Screened-In CPS Reports	1.1
Number of Screened-Out CPS Reports	.3
CPS Investigation/Assessment	
Investigated Cases without Substantiation*	8.1
Investigated Cases with Substantiation	13.35
Child and Family Services	
New Child Case	9.5
Ongoing Case	6.55

* Estimated by taking the number of Initial Assessments minus number of cases that maltreatment was substantiated
Source: Authors, calculated using data from BPI (2010a, 2010b, 2010c, 2010d) and Wagner et al. (2009)

Using the 2009 workforce estimate per county, we estimated county allocations for 2010 to see how they would differ from the current policy.[12] Because of the unique situation with the Bureau of Milwaukee Child Welfare's funding and administration of Milwaukee County's welfare services, DCF recommended that we keep the CFA total dollar allocation to Milwaukee County the same under this estimate. We then added together the state workload for all other counties to

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[12] We are using 2009 to estimate 2010 allocation. If DCF were to implement this alternative, it is likely that there would be a longer delay. In other words, 2009 data would be used to make 2011 allocations.

determine what proportion of workload belongs to each county and multiplied this proportion by the $57.2 million available in 2010, which does not include Milwaukee County's allocation, to get the county allocation. See Table E.2 for an example county or Appendix D for all county allocations.

Table E. 2: Example County Workforce Estimate, Rock County

County Service Area	Number of Cases		Worker Hours/Case per Month	Total Worker Hours
	Annual	Monthly		
CPS Intake				
Screened-In CPS Reports	1,527.0	127.3	1.1	140.0
Screened-Out CPS Reports	909.0	75.8	0.3	22.7
CPS Investigation/ Assessment				
Investigated Cases without Substantiation*	1,146.0	95.5	8.1	773.6
Investigated Cases with Substantiation	278.0	23.2	13.4	309.3
Child and Family Services				
New Child Case	161.0	13.4	9.5	127.5
Ongoing Child Case	174.0	14.5	6.6	1,139.7
Total County Workload Demand in Worker Hours (Sum of Total Worker Hours under each County Service Area)				2,512.7 hours
State Workload Demand Estimate^ (Total State Workload Demand ÷ available worker time of 122.3 hours/month)				40,710.8 hours
County Proportion (Total of State Workforce Estimate ÷ County Workforce Estimate)				6.2%
County Allocation Estimate (Total of available DCF funding [$57 million] x County Proportion)				$3.5 million

* Estimated by taking the number of initial assessments minus the number of cases in which maltreatment was substantiated

^ Removed Milwaukee from calculations in the allocation formula because of its unique situation

Source: Authors, calculated using data from BPI' (2010a, 2010b, 2010c, 2010d) and Wagner et al.' (2009)
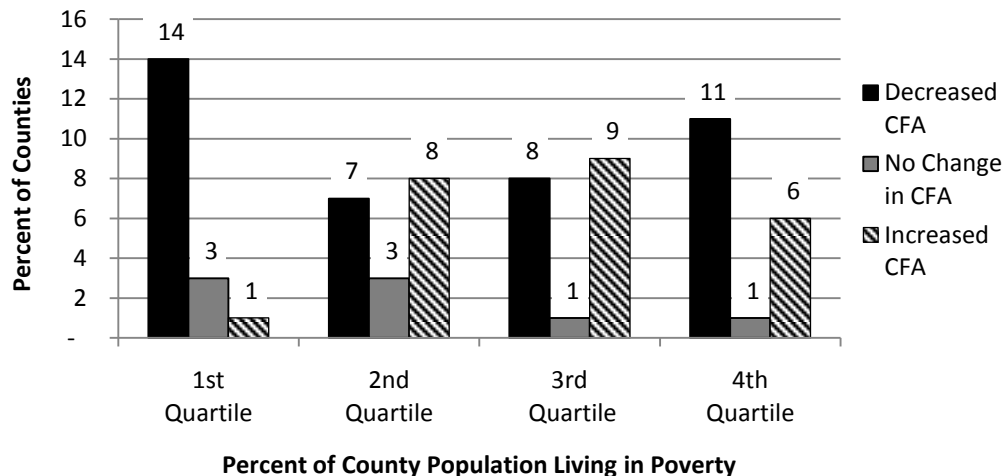
APPENDIX F: IMPACT OF THE ALTERNATIVES

Figures F.1 and F.2 show the show the number of counties that would receive a different amount of CFA compared to the current policy. The counties were grouped into quartiles by the percent of people in poverty. The first quartile represents the counties with the highest percent of people in poverty, and the fourth quartile represents the counties with the lowest percent of people in poverty.

Figure F.1: Changes in County Allocation using the Risk Factor Alternative, by Percent of County Population Living in Poverty
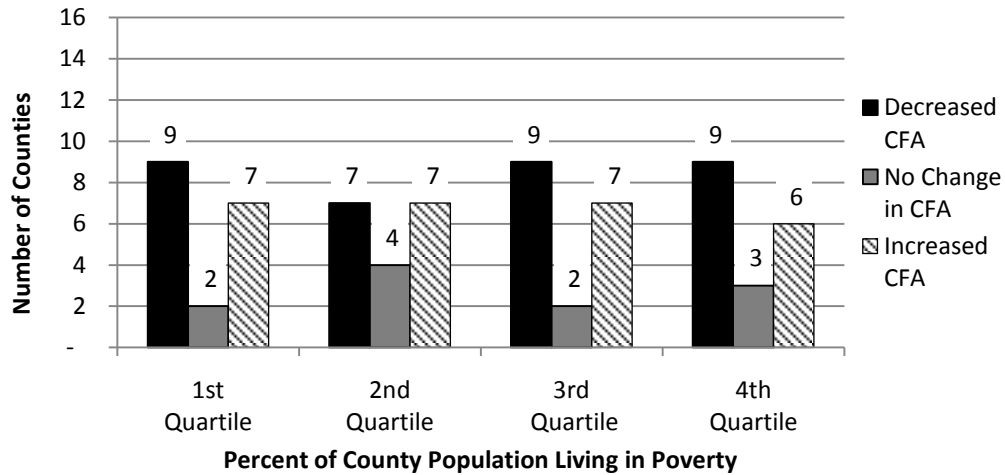
Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data

Figure F.2: Changes in County Allocation using the Workload Alternative, by Percent of County Population Living in Poverty

Source: Authors, calculated using DCF (2010a) and American Community Survey (2010) data