



ADMINISTRATION FOR
CHILDREN & FAMILIES

OFFICE OF FAMILY ASSISTANCE
An Office of the Administration for Children & Families

2017 Linking TANF Families to Employment and Economic Opportunities Meeting

Performance Based Contracts: Models for Improved Customer Outcomes and Program Efficiency

Wisconsin Works (W-2)

Presented by:

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W-2 Overview

- State Supervised – Locally Administered
- 1997 – 2012
 - Administered by:
 - Single County Human/Social Service Agencies
 - Contractor Defined Multi County Consortia Led by County Human/Social Service Agencies
 - Single County Private for Profit and Not for Profit Agencies
 - Contractor Defined Multi-County Private for Profit and Not for Profit Agencies



W-2 Contract History

- 1997 – 2012
 - Sum Certain Cost Reimbursement Contracts
 - Two – Four Year Contracts
 - Contractors Required to Meet Performance Measures
 - Competitive Procurement for Contractors who did not Meet Performance Standards



Moving To Performance Based Contracts

- Problems with the Cost-Reimbursement Model
 - Cost Inefficiencies
 - Sub-standard Outcomes
 - Inconsistent Access to Services Statewide



Expectations of the Performance Based Contract Model

- Increased Cost Efficiencies
- Improved Outcomes
- Equal Access to Services Statewide



Features of the Performance Based Model

- State Defined Geographical Areas
 - Moved from 38 Contractor Defined Geographical Areas to 10 State Defined Areas
 - 71 Counties Outside of Milwaukee County Consolidated into Six Geographical Areas
 - Milwaukee County Divided into Four Geographical Areas
 - Desired Result: Increased Cost Efficiencies



Performance Based Contracts

- Capitation Payment: Payment per Case Served Per Month
 - Desired Result: Consistent Access to Services Statewide
- Performance Payments
 - Performance Outcomes
 - Process Outcomes
 - Additional Performance Incentives
 - Desired Result: Improved Outcomes



Performance/Process Outcomes

- Job Attainment
- Job Retention
- SSI/SSDI Attainment
- Timely Application Processing
- Services to Non-Custodial Parents



Challenges

- Potential Political Roadblocks
- Staff Intensive to Shift to Performance Based Contract Model
- Bidder Response by Geographical Area
 - Rural vs Urban
- “Guesstimated” Caseload/Outcome Projections



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Results to Date

- Cost per Case per Month Decreased
 - 2011 - \$304
 - 2014 - \$201
- Employment Outcomes Improved
 - 2011 - 27%
 - 2014 - 35%
- Improved Access to Services
 - January 2010 Caseload - 9,393
 - January 2014 Caseload - 16,151



Best Practices

- Use Data to Identify Problems and Drive Decisions
- Use Evidence to Influence Decision Makers
- Take Time to Plan and Implement
- Pay for Outcomes that Incentivize Contractors to Achieve Program Goals



Lessons Learned

- Be Willing to Make Changes/Improvements
- Don't Lose Sight of Program Priorities/Goals
- Establish Communication Methods
- Have Strong Quality Assurance
- Include Research and Evaluation Opportunities



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Questions

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