

Complaint Resolution in the Context of Welfare Reform: How W-2 Settles Disputes

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, welfare was no longer held to be an entitlement under federal law. This basic policy shift created the opportunity for states to change the way disputes between welfare recipients and program administrators would be resolved. Wisconsin was unique among the states in taking up this challenge, creating a novel complaint-resolution process as part of its welfare reform program called Wisconsin Works, or W-2. The state's aim was to simplify and streamline the old fair hearing system, and it provided that the agencies administering the W-2 program would be responsible for conducting reviews of their own decisions, with a central state agency hearing appeals.

This paper reports on the implementation of the complaint resolution process during the first three years of W-2 in Milwaukee County, a place where the operation of W-2 has been contracted out by the state to five private agencies. It focuses on several key issues, including how the tensions between caseworker discretion and accountability are being resolved; how a process that is subject to legal scrutiny can operate within a model of decentralized program administration; and how the goal of informality and speed of process can be reconciled with the need to treat clients fairly and equitably.

Key Findings

- A program model based on decentralized administration and caseworker discretion is a difficult environment for a review process that must meet certain legal standards. While a variety of staffing and organizational models were tried initially, over time the agencies moved toward greater standardization.
- Reconciling the goal of procedural informality and speed with the competing need to protect clients' rights to a full and fair proceeding was a challenge, and over time hearing procedures became more formal. At the same time, techniques aimed at early resolution evolved to help ease the administrative burden.
- Placing responsibility for the impartial review of caseworkers' decisions in the hands of the agencies operating the W-2 program presented a great challenge to staff and management.
- A high proportion of agency decisions have been overturned on appeal by state hearing examiners, revealing the need for agencies to put more resources into training staff on W-2 policies and procedures.

This paper is part of a larger project examining the administration of W-2 in Milwaukee County. In cooperation with of the State of Wisconsin Department of Workforce Development and with support from the Joyce Foundation, The Rockefeller Foundation, the Kellogg Foundation, and the Annie E. Casey Foundation, future papers will address aspects of the assessment process, the contracting process, time-limit extensions, and the community service jobs program.

