

1995-96 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 95hrJC-Fi_Misc_pt58

➤ Record of Comm. Proceedings ... RCP

➤ **

XII. Department of Health and Family Services -- Joe Leraan, Secretary

As required by 1995 Wisconsin Act 27, the Department of Health and Family Services requests the approval of the model contract for counties to use when purchasing services in Community Based Residential Facilities under the Community Options Program.

Governor's Recommendation

Approve the model contract submitted by DHFS.

CORRESPONDENCE\MEMORANDUM**STATE OF WISCONSIN
Department of Administration**

Date: September 19, 1996

To: Members, Joint Committee on Finance

From: James R. Klauser, Secretary
Department of Administration 

Subject: Section 13.10 Request from the Department of Health and Family Services for a Model Contract for Purchased Services in Community Based Residential Facilities

Request

The Department of Health and Family Services (DHFS) requests approval of a model contract developed by the department for counties to use when purchasing services from Community Based Residential Facilities (CBRF) under the Community Options Program (COP).

Background

Wisconsin 1995 Act 27 required DHFS to develop a model contract for counties to use in contracting for services from CBRF's and further required that the contract be approved by the Governor and the Joint Committee on Finance. Requiring counties to use a contract developed by the department was one of several provisions in Act 27 designed to moderate the escalating cost increases in COP.

Analysis

Other than the allowable cost policies, the department currently has no mechanism for ensuring efficient use of public funds under COP. The proposed contract requires the listing of rates, type of unit, estimated number of units and persons served, with an option for listing the funding source (Community Aids, COP or COP waiver). This data, which is currently not available in a uniform form, will allow the department and counties to better address cost effectiveness and allowable costs.

In developing the model contract, the department amended its base model contract related to purchases of services and sought input from counties and provider associations such as the Wisconsin Association of Homes and Services for the Aging.

Recommendation

Approve the model contract submitted by DHFS.

Prepared by: Gretchen A. Fossum
266-2288



Legislative Fiscal Bureau

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*don't need \$
just because
it's there*

September 26, 1996

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Wisconsin Conservation Corps -- Section 13.10 Request for an Anticipated Increase
in Corps Enrollee Support Costs -- Agenda Item XIII

The Wisconsin Conservation Corps (WCC) Board requests \$150,000 GPR in 1996-97 to fund an anticipated increase in corps enrollee support costs related to an increase in the federal minimum wage.

BACKGROUND

1995 Act 27 transferred \$150,000 GPR from WCC's corps enrollee support appropriation to the Joint Committee on Finance's appropriation for agency supplements. In addition, the WCC Board was given the authority to submit a request to the Committee under s. 13.10 to fund increased corps enrollee support costs related to an increase in the minimum wage. The WCC is statutorily required to pay its corps enrollees the higher of the state or federal minimum wage.

In June, 1996, the WCC Board submitted a request to the Committee to release \$150,000 in 1995-96 from the Committee's appropriation under s. 20.865(4)(a) to the general enrollee appropriation under s. 20.399(1)(b) to fund an anticipated increase in the minimum wage. The Department of Administration (DOA) approved the request but recommended that the funding be placed in unallotted reserve for release by DOA only if a minimum wage increase was mandated by the federal government. At the July 10, 1996, meeting under s. 13.10, the Committee placed this request on the table.

In August, 1996, the President signed legislation that increases the federal minimum wage under a two-step process, as follows: (a) an increase from \$4.25 to \$4.75 (50¢ increase), effective October 1, 1996; and (b) an increase from \$4.75 to \$5.15 (40¢ increase), effective

September 1, 1997. The WCC Board asks that its June, 1996, request be taken off the table in order to provide funding for the minimum wage increase. However, since the WCC is now administratively attached to the Department of Workforce Development (DWD), the funding would be transferred to the DWD appropriation under s. 20.445(6)(b).

The WCC Board has the option to classify corps enrollees as corps members, assistant crew leaders, crew leaders or regional crew leaders. In general, the maximum pay for assistant crew leaders and crew leaders is twice the minimum wage. However, crew leaders who were being paid more than the maximum on July 29, 1995, (the effective date of Act 27) continue to be paid at the higher rate. Currently, the WCC Board pays, on average, the following hourly wages: (a) \$4.25 to corps members; (b) \$5.13 to assistant crew leaders; (c) \$9.60 to crew leaders; and (d) \$12.48 to regional and mobile crew leaders.

In August, 1996, the WCC Board adopted a two-stage wage increase for crew leaders and assistant crew leaders that would coincide with the scheduled increase in the minimum wage for corps members. Specifically, hourly wages for assistant crew leaders will increase from \$5.13 to \$5.73 in October, 1996, and will increase again to \$6.21 in July, 1997. Similarly, crew leaders hired after July 29, 1995, will receive proportionate hourly wage increases up to a maximum of \$9.50 (two times the minimum wage) in October, 1996, and an additional increase of 2% (to a maximum of \$9.69) in July, 1997. Crew leaders hired before July 29, 1995, will not receive an increase.

ANALYSIS

The WCC Executive Director has estimated that the anticipated increase in the minimum wage would cost approximately \$211,000 in 1996-97. WCC would use \$61,000 in existing base funds to offset the remaining anticipated costs ($\$211,000 - \$150,000 = \$61,000$).

It is estimated that approximately \$400,000 could be available in unobligated GPR and SEG funding on June 30, 1997. This estimate is based on the WCC Board approving 100 projects during the 1995-97 biennium. During the Committee's deliberations over the 1995-97 biennial budget, it was estimated that the WCC would be able to approve from 82 to 92 projects in 1995-97, depending on how the WCC Board chose to utilize available funding. Several factors, in addition to funding levels, determine the level of projects the WCC Board is able to fund during a biennium. These include, but are not limited to: (a) the number of corps enrollees assigned to a crew; (b) the minimum wage and crew leader wages that are set by the Board; (c) the vacancy rate of corps enrollees; and (d) special activities approved by the Board, such as training and developmental workshops.

The Board approves projects at six meetings staggered over the biennium. The last project approval meeting for the 1995-97 biennium will occur in January, 1997. WCC's Executive Director has indicated that the Board would approve additional projects (more than the current

estimate of 100) to fully utilize any available funding. Any unobligated GPR and SEG dollars would lapse to the appropriate funds on June 30, 1997.

If WCC's request to release the \$150,000 is denied, the WCC Board could fund the entire anticipated increase in corps enrollee support costs from the estimated \$400,000 unobligated balance. This action would most likely result in fewer projects being approved by the Board.

If the Committee denies WCC's request to release the \$150,000, the WCC Board could still approve between eighteen and eight more projects than estimated upon passage of the biennial budget (82 to 92 projects compared to the current estimate of 100 projects).

ALTERNATIVES

1. Approve WCC's request to transfer \$150,000 GPR in 1996-97 from the Committee's appropriation under 20.865(4)(a) to the DWD appropriation under 20.445(6)(b) to fund an anticipated increase in corps enrollee support costs related to an increase in the federal minimum wage.

2. Deny the request.

Prepared by: Bob Soldner and Ron Shanovich