

1997-98 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

➤ 97hrJC-Fi\_Misc\_pt70d\_LFB

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Intoxicated Driver Program (DHFS -- Children and Family Services and Supportive Living)**

[LFB Summary: Page 325, #30]

## CURRENT LAW

Persons convicted of operating while intoxicated (OWI) offenses are required to pay a \$300 driver improvement surcharge in addition to any applicable fine, forfeiture, penalty assessment and jail assessment. County clerks collect and transmit revenue from the driver improvement surcharge to the county treasurer, except that if the forfeiture is imposed by a municipal court, the court transmits revenue from the driver improvement surcharge to the treasurer of the county, city, town or village. In either case, local treasurers are required to submit 29.2% of the amount collected to the state treasurer. The balance (70.8%) is retained or transmitted to the county and used to fund treatment services for persons convicted of OWI offenses. Treatment may include traffic safety schools, outpatient alcohol or other substance abuse treatment, detoxification and inpatient treatment.

Funding forwarded to the state from the OWI surcharge is initially credited to two appropriations to the Department of Health and Family Services (DHFS). First, 14.2% of the total amount of OWI surcharge revenue is credited to an appropriation that DHFS uses to distribute funds to counties that otherwise have costs in excess of revenues for the treatment of drivers referred through assessment. In 1996-97, DHFS is authorized to expend up to \$1,000,000 PR to supplement county funds retained for these services.

Second, 15% is credited to an appropriation that enables the Secretary of DOA, after consulting with the Secretaries of DHFS, DOT, the Superintendent of Public Instruction, the Attorney General and the President of the University of Wisconsin System, to transfer these funds

to four appropriations in four different agencies. These appropriations include: (a) a DHFS appropriation that funds unanticipated deficits in poor, rural counties' intoxicated driver programs; (b) a Department of Justice appropriation to support crime victim compensation services; (c) a University of Wisconsin System appropriation that funds State Laboratory of Hygiene costs associated with services for drivers; and (d) a DPI appropriation that supports services for drivers. On June 30 of each year, the unencumbered balance of three of these four appropriations reverts to the DHFS appropriation from which these moneys are initially budgeted. (Funds transferred to the State Laboratory of Hygiene do not revert to the DHFS appropriation at the end of each fiscal year.)

In the 1996-97 fiscal year, DHFS is budgeted a total of \$1,150,000 PR in two different appropriations to distribute to counties to support services for drivers, including \$1,000,000 PR to provide funds to counties that otherwise have costs in excess of revenues and \$150,000 PR to support unanticipated deficits in poor, rural counties intoxicated driver programs.

## **GOVERNOR**

Repeal the current DHFS appropriation to which 14.2% of revenues generated by the OWI surcharge is credited, and transfer base funding from the repealed appropriation (\$1,000,000 PR annually) to the remaining appropriation. Under the bill, DHFS would be authorized to allocate to counties \$1,150,000 PR annually for services to drivers referred through assessment, based on a plan developed by DHFS. In addition, specify that all of the OWI surcharge revenues received by the State Treasurer would be initially credited to the DHFS appropriation from which the DOA Secretary is authorized to make transfers.

## **DISCUSSION POINTS**

1. On May 22, 1997, the Committee took two actions relating to the OWI surcharge based on information presented in LFB Papers #881 and #882.

*Purchase of Breath Testing Equipment.* First, the Committee authorized the DOA Secretary to transfer amounts from the DHFS appropriation in 1997-98, as deemed necessary to fund the cost of breath testing instruments to a new, PR continuing appropriation in the Department of Transportation for the purchase and maintenance of these instruments. At the time the paper was prepared, it was estimated that the projected unencumbered balance of the DHFS appropriation would be \$2.1 million at the end of the 1996-97 fiscal year, an amount sufficient to support the estimated cost of purchasing all of the machines at one time (\$1,990,400). The Governor had recommended that the OWI surcharge be increased from \$300 to \$315, and that the additional revenue generated by the increase in the surcharge be used to support the purchase of this equipment on a five-year financing agreement totalling \$2,345,500.

*Support for Chemical Test Section.* Second, the Committee increased the OWI surcharge from \$300 to \$340, applicable to offenses that occur on or after the bill's general effective date, to transfer the support of the chemical test section within the Division of State Patrol from SEG (transportation fund) to PR (OWI surcharge revenues). The projected increase in revenue (\$466,700 in 1997-98 and \$933,300 in 1998-99) would be used to support a new, PR appropriation for DOT, with \$444,200 PR in 1997-98 and \$888,300 PR in 1998-99. To ensure that the total amount of additional revenue resulting from the OWI surcharge was forwarded to the state to support these costs, the proposal increased the percentage of total OWI surcharge revenue distributed to the state from 29.2% to 37.6%.

2. Under SB 77, the total amount of funding that would be budgeted to supplement funding to counties that otherwise have costs in excess of revenues for treatment of drivers referred through assessment (\$1,150,000 PR annually) significantly exceeds the total payments to counties from this appropriation in the 1995-97 biennium. This suggests that total funding for supplemental funds could be reduced to more closely reflect the historical demand for these funds. Further, there appears to be no reason to continue to earmark funds to support unanticipated deficits for poor rural counties.

- In 1995-96, DHFS distributed a total of \$119,206 in supplemental funds to five counties and one combination of counties (Ashland, Barron, Clark, Dunn, Forest/Vilas, Langlade and Menominee); no payments were made from the appropriation used to fund unanticipated deficits for poor, rural counties.

- In 1996-97, county requests for funds totaled \$183,286, including: (a) \$175,085 of supplemental funds; and (b) \$8,201 to support unanticipated deficits for poor, rural counties. Actual 1996-97 claims were \$424,200 less than projected at the time the Committee took action on funding for the breath testing instruments and chemical test program.

3. Table 1 on the Attachment shows that, based on the Committee's action to date, the projected balance of the OWI surcharge revenue appropriation would be \$640,900 PR at the end of the 1997-99 biennium. However, if the Committee elected to reduce funding for supplemental payments to counties to more closely reflect demand for these supplemental funds, the Committee would have several options to consider. For example, as Table 2 on the attachment shows, if funding for supplemental payments to counties were reduced from \$1,150,000 PR to \$500,000, an amount the administration indicates would be sufficient to support supplements in the 1997-99 biennium, the projected balance of the OWI surcharge appropriation would be approximately \$1.9 million.

4. The Committee could transfer a portion of base funding currently allocated for county supplemental funds to community aids. In order to maintain a comparable balance in the OWI surcharge appropriation based on the Committee's previous action on this issue, \$650,000 PR annually could be transferred to increase community aids funding in both 1997-98 and 1998-99. Table 3 of the Attachment shows the projected balance of the OWI surcharge appropriation

under this alternative. Further, if the Committee transfers these funds to community aids, it could also reduce GPR support for community aids by a corresponding amount and maintain total funding for community aids at the level recommended by the Governor in SB 77.

5. Finally, the Committee could reduce funding for county supplemental payments and delete the increase in the OWI surcharge the Committee recommended as a means of supporting the chemical test section in DOT. Under this alternative, the projected 1997-99 closing balance for the OWI surcharge appropriation would be \$540,900, as shown on Table 4 of the Attachment. However, budgeted expenditures in 1998-99 would exceed projected revenues in that year by approximately \$250,000, which would create a structural deficit for the appropriation that would need to be addressed in the 1999-2001 budget.

## ALTERNATIVES TO BILL

A.

### Level of County Supplemental Funds

1. Adopt the Governor's recommendations relating to the consolidation of supplemental funding for counties to a single appropriation and to provide \$1,150,000 PR annually for DHFS to make these payments.

2. Modify the Governor's recommendations by reducing funding for supplemental funds by \$650,000 PR annually.

<u>Alternative A2</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$1,300,000

3. Modify the Governor's recommendations by reducing funding for supplemental funds by \$650,000 PR annually. In addition, increase PR funding for community aids by a corresponding amount.

4. <sup>FALL</sup> Modify the Governor's recommendations by reducing funding for supplemental funds by \$650,000 PR annually. In addition, increase PR funding for community aids by a corresponding amount and reduce GPR funding for community aids by a corresponding amount.

<u>Alternative A4</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$1,300,000

5. Modify the Governor's recommendations by reducing funding for supplemental funds by \$650,000 PR annually. In addition, maintain the OWI surcharge at \$300, rather than increasing the surcharge to \$340.

<u>Alternative A5</u>	<u>PR</u>
1997-99 REVENUE (Change to Bill)	- \$1,332,500
1997-99 FUNDING (Change to Bill)	- \$1,300,000

**B. Specific Allocation for Poor, Rural Counties**

- Continue to earmark \$150,000 of county supplemental funds to support unforeseen deficits for poor, rural counties. In addition, modify the appropriation to provide a statutory earmark for these funds.
- <sup>PASS</sup> Delete the requirement that DHFS set aside \$150,000 of funding provided for county supplemental funds to support unforeseen deficits of poor, rural counties.

Prepared by: Charles Morgan

MO# <u>AH#4</u>	MO# <u>AH#3</u>	MO# <u>AH#B2</u>
2 JENSEN      Y   N   A 1 OURADA     Y   N   A HARSDORF   Y   N   A ALBERS      Y   N   A GARD        Y   N   A KAUFERT     Y   N   A LINTON      Y <del>N</del> A COGGS      Y <del>N</del> A  BURKE      Y <del>N</del> A DECKER     Y <del>N</del> A GEORGE     Y <del>N</del> A JAUCH      Y <del>N</del> A WINEKE     Y <del>N</del> A SHIBILSKI   Y <del>N</del> A COWLES     Y   N   A PANZER     Y   N   A  AYE <u>8</u> NO <u>8</u> ABS _____	JENSEN      Y   N   A 2 OURADA     Y   N   A HARSDORF   Y   N   A ALBERS      Y   N   A GARD        Y   N   A KAUFERT     Y   N   A LINTON      Y   N   A COGGS      Y   N   A  1 BURKE      Y   N   A DECKER     Y   N   A GEORGE     Y   N   A JAUCH      Y   N   A WINEKE     Y   N   A SHIBILSKI   Y   N   A COWLES     Y   N   A PANZER     Y   N   A  AYE <u>16</u> NO <u>0</u> ABS _____	1 JENSEN      Y   N   A OURADA     Y   N   A HARSDORF   Y   N   A ALBERS      Y   N   A 2 GARD       Y   N   A KAUFERT     Y   N   A LINTON      Y <del>N</del> A COGGS      Y <del>N</del> A  BURKE      Y   N   A DECKER     Y   N   A GEORGE     Y   N   A JAUCH      Y   N   A WINEKE     Y   N   A SHIBILSKI   Y   N   A COWLES     Y   N   A PANZER     Y   N   A  AYE <u>14</u> NO <u>2</u> ABS _____

**ATTACHMENT**

**TABLE 1**

**SB 77 as Modified by the Committee's Prior Action**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$2,646,600	\$2,578,200	\$606,100
Revenues			
Base Estimate	\$1,833,900	\$2,044,000	\$2,044,000
Increase Surcharge to \$340	<u>0</u>	<u>466,700</u>	<u>933,300</u>
Subtotal	\$1,833,900	\$2,510,700	\$2,977,300
Total Available	\$4,480,500	\$5,088,900	\$3,583,400
Expenditures			
DHFS -- Supplemental Funds	\$175,100	\$1,150,000	\$1,150,000
DHFS -- Emergency Funds	8,200	0	0
DOJ*	72,800	39,300	39,300
DPI*	450,400	225,200	225,200
DOT--Breath Testing Equipment	0	1,990,400	0
DOT --Chemical Test Section	0	444,200	888,300
UW*	<u>1,195,800</u>	<u>633,700</u>	<u>639,700</u>
Subtotal	\$1,902,300	\$4,482,800	\$2,942,500
Projected Closing Balance	\$2,578,200	\$606,100	\$640,900

**TABLE 2**

**Alternative A2 -- Reduce Funding for County Supplemental Payments**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$2,646,600	\$2,578,200	\$1,256,100
Revenues			
Base Estimate	\$1,833,900	\$2,044,000	\$2,044,000
Increase Surcharge to \$340	<u>0</u>	<u>466,700</u>	<u>933,300</u>
Subtotal	\$1,833,900	\$2,488,200	\$2,932,300
Total Available	\$4,480,500	\$5,088,900	\$4,233,400
Expenditures			
DHFS -- Supplemental Funds	\$175,100	\$500,000	\$500,000
DHFS -- Emergency Funds	8,200	0	0
DOJ*	72,800	39,300	39,300
DPI*	450,400	225,200	225,200
DOT--Breath Testing Equipment	0	1,990,400	0
DOT --Chemical Test Section	0	444,200	888,300
UW*	<u>1,195,800</u>	<u>633,700</u>	<u>639,700</u>
Subtotal	\$1,902,300	\$3,832,800	\$2,292,500
Projected Closing Balance	\$2,578,200	\$1,256,100	\$1,940,900

\* Expenses incurred in 1995-96 and 1996-97 were paid from the 1996-97 appropriation.

TABLE 3

**Alternative A3 and A4  
Transfer Funding for Supplemental Payments to Community Aids**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$2,646,600	\$2,578,200	\$606,100
Revenues			
Base Estimate	\$1,833,900	\$2,044,000	\$2,044,000
Increase Surcharge to \$340	<u>0</u>	<u>466,700</u>	<u>933,300</u>
Subtotal	\$1,833,900	\$2,510,700	\$2,977,300
Total Available	\$4,480,500	\$5,088,900	\$3,583,400
Expenditures			
DHFS -- Supplemental Funds	\$175,100	\$500,000	\$500,000
DHFS -- Emergency Funds	8,200	0	0
DHFS -- Community Aids	0	650,000	650,000
DOJ*	72,800	39,300	39,300
DPI*	450,400	225,200	225,200
DOT--Breath Testing Equipment	0	1,990,400	0
DOT --Chemical Test Section	0	444,200	888,300
UW*	<u>1,195,800</u>	<u>633,700</u>	<u>639,700</u>
Subtotal	\$1,902,300	\$4,482,800	\$2,942,500
Projected Closing Balance	\$2,578,200	\$606,100	\$640,900

TABLE 4

**Alternative A5 -- Reduce Funding for Supplemental Payments  
Maintain \$300 OWI Surcharge**

	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
Opening Balance	\$2,646,600	\$2,578,200	\$789,400
Revenues			
Base Estimate	\$1,833,900	\$2,044,000	\$2,044,000
Maintain \$300 Surcharge	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	\$1,833,900	\$2,044,000	\$2,044,000
Total Available	\$4,480,500	\$4,622,200	\$2,833,400
Expenditures			
DHFS -- Supplemental Funds	\$175,100	\$500,000	\$500,000
DHFS -- Emergency Funds	8,200	0	0
DOJ*	72,800	39,300	39,300
DPI*	450,400	225,200	225,200
DOT--Breath Testing Equipment	0	1,990,400	0
DOT --Chemical Test Section	0	444,200	888,300
UW*	<u>1,195,800</u>	<u>633,700</u>	<u>639,700</u>
Subtotal	\$1,902,300	\$3,832,800	\$2,292,500
Projected Closing Balance	\$2,578,200	\$789,400	\$540,900



To: Joint Committee on Finance  
From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Domestic Violence Programs (DHFS -- Children and Family Services and Supportive Living)**

[LFB Summary: Page 326, #32]

## CURRENT LAW

Both the Department of Health and Family Services (DHFS) and the Office of Justice Assistance (OJA) provide funds for services related to domestic violence. DHFS provides funding to prevent domestic violence and services for victims of domestic violence. OJA receives two federal grants to enhance effective law enforcement and prosecution of crimes against women and provide services to victims of domestic violence.

**DHFS Domestic Violence Programs.** In calendar year 1997, DHFS allocated \$4,232,100 (all funds) as ongoing support for local domestic violence programs and allocations to counties and Native American tribes, specialized domestic violence services and other domestic violence services.

Federal funding is available under the family violence prevention and service grant program administered by the U.S. Department of Health and Human Services. PR funding is collected from a \$50 charge assessed on individuals convicted of domestic violence offenses.

*Local Domestic Violence Programs.* DHFS allocates funds for grants to public and private organizations to provide: (a) shelter facilities or private home shelter care; (b) advocacy and counseling; (c) 24-hour telephone service; and (d) community education. If an organization provides shelter facilities or private home shelter care, the organization is required to provide the following additional services: (a) temporary housing and food; (b) referral and follow-up services; (c) arrangement for the education of school-age children; and (d) emergency transportation to the

shelter. Organizations are required to provide a 30% match, of which 10% can be provided through in-kind contributions. DHFS estimates that organizations generally receive about one-third of their costs from these grants. In 1997, 47 local domestic violence programs received a total of \$3,384,200 (all funds).

In addition, 30 counties and nine tribes have no local domestic violence programs. Attachment 1 identifies the organizations that received funding for local domestic violence programs in calendar year 1997. For these counties and tribes, DHFS provides funding for the county or tribe to provide some domestic violence services. In 1997, DHFS distributed \$365,000 (all funds) to these counties and tribes. Attachment 2 identifies these 1997 allocations.

*Specialized Domestic Violence Services.* In addition to the services identified above, DHFS allocated \$245,000 (all funds) in calendar year 1997 for specialized legal advocacy, transitional living and children's program services to victims of domestic violence. These funds were allocated to providers on a competitive basis. Attachment 3 identifies organizations that received funding for specialized domestic violence services in calendar year 1997.

*Other Domestic Violence Programs.* In calendar year 1997, DHFS allocated \$887,900 (all funds) for: (a) technical assistance (\$212,900); (b) programs serving refugee populations (\$25,000); (c) one-time funding to the Milwaukee Women's Center for a state-wide media campaign (\$205,000); and (d) one-time funding for equipment and technology purchases for local programs (\$445,000). Attachment 4 identifies the allocations to organizations for technical assistance, programs for refugee populations and one-time funding for a state-wide media campaign and equipment and technology purchases for local programs.

**OJA Programs for Domestic Violence.** OJA receives federal funding for two programs: (a) violence against women act programs; and (b) rural domestic violence and child victimization projects.

*Programs funded by the Federal Violence Against Women Act.* The federal Violence Against Women Act (VAWA) provides funding for states to develop and enhance effective law enforcement and prosecution strategies to combat violent crimes against women, and to develop and strengthen victim services. OJA completed a needs assessment in 1995, when federal funds first became available. OJA's 1996 implementation plan indicated that the total federal allocation of \$2,157,500 FED in federal fiscal year 1995-96, would be allocated in four program areas: (a) \$195,000 for enforcement and prosecution training; (b) \$950,000 for specialized enforcement and prosecution; (c) \$270,000 for police prosecution policies, protocols and services; and (d) \$742,500 for victim service programs. In federal fiscal year 1996-97, OJA received \$2,517,000 FED and is developing an implementation plan for these funds.

*Rural Domestic Violence and Child Victimization Projects.* The rural domestic violence and child victimization project grant is a discretionary grant awarded by the U.S. Department of Justice to increase the investigation and prosecution of incidents of domestic violence and child

abuse, provide treatment and counseling to victims of domestic violence and child victimization and develop education and prevention strategies directed toward such issues. A total of \$379,800 FED is budgeted for the eighteen-month period from January 1, 1997 through June 30, 1998. This funding will be distributed for: (a) increasing collaboration between state and tribal systems relating to child abuse and domestic violence (\$78,100); (b) providing services to migrant families (\$166,700); and (c) providing domestic violence programs for victims in counties that currently do not have a local program supported with DHFS funds (\$135,000).

## **GOVERNOR**

Provide \$150,000 FED and \$90,000 PR annually for DHFS to distribute as grants to domestic violence service organizations to fund eight additional domestic violence programs in counties where such programs are not currently available. These programs would provide 24-hour phone service, advocacy and counseling services, referral and follow-up services and community education programs. This funding would be awarded on a competitive basis. The Governor's recommendations reflect: (a) reestimates of federal funds the state will receive from the federal family violence prevention and services grant program; and (b) increased budget authority supported by assessments paid by individuals convicted of domestic violence offenses.

As part of the federal revenue reestimate item, SB 77 would increase funding by \$373,200 FED annually for current grants to local domestic violence programs. Under SB 77, a total of \$4,744,000 (\$3,580,800 GPR, \$863,200 FED, and \$300,000 PR) would be provided to DHFS to support domestic abuse programs in each year of the 1997-99 biennium.

## **DISCUSSION POINTS**

1. In 1995, the state's domestic violence programs served a total of 25,313 individuals. Temporary food and lodging were provided to 8,017 individuals for an average of 14.1 days. A total of 1,843 individuals were not provided food and lodging because shelter facilities were full. DHFS staff indicate that in most cases, these individuals received referrals to other resources.

2. Currently, 30 counties and nine Native American tribes receive funding to contract for domestic violence services because there is insufficient state funding to support the comprehensive programs that are funded under the local domestic violence program. In 1997, these counties and tribes will receive an average of \$6,426 to contract for domestic violence services.

3. State law requires that organizations receive no more than 70% of their operating costs from state domestic abuse grants. DHFS estimates that organizations generally receive about one-third of their costs from these grants.

4. OJA will subcontract with DHFS for \$90,000 annually to fund three additional domestic violence programs from funds available under the federal rural domestic violence and child victimization project. DHFS intends to allocate these funds with the funding included in SB 77 to fund a total of eleven new programs in counties that currently have no program. SB 77 does not increase DHFS funding to reflect these OJA funds. Consequently, the bill should be amended to increase PR authority in DHFS by \$90,000 PR annually to reflect the transfer of these funds from OJA to DHFS.

5. The Council on Domestic Abuse requests \$420,000 in 1997-98 and \$840,000 in 1998-99 to provide \$30,000 annually for local domestic violence programs in each of the counties and tribes that currently do not have a state-supported local domestic violence program. SB 77 and the additional funds provided from OJA would fund eleven programs at \$30,000 each beginning in July, 1997.

The Committee could choose to provide \$294,700 GPR in 1997-98 and \$589,400 GPR in 1998-99 to fund local domestic violence programs in counties and tribes with no local domestic violence program. This funding reflects a reestimate of the cost to fund local domestic violence programs in each county and tribe currently with no program. Specifically, the Committee could require that DHFS redirect funding provided to counties and tribes that do not have state-supported local programs (\$125,300 in 1997-98 and \$250,600 in 1998-99), since these counties and tribes receive funding due to the lack of state-supported local programs in their county or tribe.

Funding for the Lac du Flambeau and Oneida tribes would not be redistributed, since these tribes receive sufficient funding to support a local program (\$57,200 in 1997-98 and \$114,400 in 1998-99).

6. In addition, the Council has identified other priorities that could be funded in the 1997-99 biennium, beginning in January, 1998. Specifically, the Council requests:

- \$117,000 to fund two local programs for under-served populations that cannot access domestic violence services due barriers of race, language, age, ethnicity, sexual orientation, religions, physical or mental ability, culture or geographic location;
- \$150,000 for a statewide program to provide services to under-served populations that reside in small clusters throughout Wisconsin;
- \$2,160,000 to fund 48 programs to provide services to children from violent homes to provide assessments, orientation, individual counseling, age appropriate education (including dating violence), referral, follow-up, support groups, safety planning and community education and outreach; and

- \$144,000 to provide additional funds for eight programs that currently provide services to children from violent homes.

7. Alternatively, if the Committee wishes to maintain current support for local programs and county and tribal allocations, it could reduce GPR funds currently used to support local domestic violence programs to reflect the availability of additional federal and PR funds to support these programs (\$240,000 annually). Since the \$90,000 which would be transferred to DHFS from OJA are federal funds awarded to the state based on a competitive process, the funds should not be used to replace current funding for local programs.

8. Total funding from the federal family violence prevention and services grant program would be budgeted in a federal project operations appropriation in DCFS. The portion of these funds used for providing domestic violence services should be appropriated in a federal programs appropriation for aids to individuals and organizations in DCFS. Consequently, the bill should be modified to transfer 0.575 FED positions and \$44,500 FED annually from the federal projects operations appropriation to the federal programs appropriation.

**ALTERNATIVES TO BILL**

**A. Funding for Domestic Violence Programs**

*→ Completed in Child Abuse*

1. Modify the Governor's recommendation by increasing funding for interagency and intra-agency aids by \$90,000 PR annually to reflect funding transferred from OJA to support three additional local domestic violence programs. Total funding would be sufficient to support 11 new programs in counties and tribes that currently have no program.

<u>Alternative A1</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	\$180,000

2. Modify the Governor's recommendations by deleting \$240,000 GPR annually so that only three additional domestic violence programs would be funded in the 1997-99 biennium. Increase funding by \$90,000 PR annually to reflect funding transferred from OJA to support these three additional local domestic violence programs.

<u>Alternative A2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$480,000	\$180,000	- \$300,000

3. Modify the Governor's recommendations by providing \$90,000 PR annually to reflect funding transferred from OJA to support three additional local domestic violence

programs. In addition, provide \$589,400 GPR annually to reflect the net funding required to support local domestic violence programs in each of the 30 counties and nine tribes that currently do not have state-supported local domestic violence programs.

In addition, provide GPR funding for any of the following:

	<u>1997-98</u>	<u>1998-99</u>
a. Local Programs for Under-Served Populations	\$39,000	\$78,000
b. Statewide Programs for Under-Served Populations	50,000	100,000
c. New Programs for Children	720,000	1,440,000
d. Existing Programs for Children	48,000	96,000

**B. Technical Funding and Position Adjustments**

1. Transfer \$863,200 FED annually from the DCFS federal program operations appropriation to the DCFS federal aids to individuals and organizations appropriation and transfer \$44,500 FED and 0.575 FED position annually from the federal projects operations appropriation to the federal program operations appropriation to allocate funding and positions in the proper appropriations.

Prepared by: Rachel Cissne

MO# AH # B1

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

## ATTACHMENT 1

### Local Domestic Violence Programs 1997 Allocations

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
Advocates	Saukville	\$74,363
Asha Family Services	Milwaukee	31,200
Association for Prevention of Family Violence	Elkhorn	41,979
AVAIL	Antigo	79,800
Bolton Refuge House	Eau Claire	93,458
Bridge, The	Menomonie	48,805
Cap Services Inc.	Stevens Point	104,000
Center Against Sexual Assault and Domestic Violence	Superior	62,400
Community Referral Agency	Milltown	79,800
Dane County Advocates for Battered Women	Madison	104,000
Family Advocates	Platteville	79,800
Family Center	Wisconsin Rapids	86,560
Family Support Center	Chippewa Falls	41,744
Family Violence Center	Green Bay	81,151
FAVR	Fond du Lac	62,400
Friends of Abused Families	West Bend	74,363
Greenhaven Family Advocates	Monroe	41,979
Harbor House	Appleton	72,904
Haven	Merrill	85,000
Help of Door County	Sturgeon Bay	57,871
Hope House	Columbia	17,500
Hope House	Baraboo	77,900
Janesville YWCA	Janesville	74,363
Lac du Flambeau Statewide Shelter	Lac du Flambeau	97,413
Manitowoc Co. Domestic Violence Center	Manitowoc	79,800
Menominee Co. Domestic Violence Program	Keshena	41,979
Milwaukee Women's Center	Milwaukee	104,000
New Horizons	La Crosse	74,363
Northwoods Women	Ashland	79,800
Passages	Richland Center	80,379
PAVE	Beaver Dam	62,400
Personal Development Center	Marshfield	43,160
Rainbow House	Marinette	85,832
Regional Domestic Abuse Services	Neenah	87,623
Safe Harbor	Sheboygan	72,904

ATTACHMENT 1 (cont.)

Local Domestic Violence Programs  
1997 Allocations

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
Salvation Army	Beloit	\$36,544
Sojourner Truth House	Milwaukee	114,400
Stepping Stones Shelter	Medford	62,400
Timeout Family Abuse Shelter	Ladysmith	83,661
Tri-County Council on Domestic Abuse	Rhineland	84,638
Turningpoint	River Falls	92,530
Vernon Co. Domestic Abuse Program	Viroqua	31,200
Violence Intervention Project Inc.	Kewaunee	41,184
Women's Center	Waukesha	104,000
Women's Community	Wausau	87,367
Women's Horizons	Kenosha	74,363
Women's Resource Center	Racine	<u>88,910</u>
<b>Total</b>		<b>\$3,384,190</b>

## ATTACHMENT 2

### County and Tribal Domestic Violence Services 1997 Allocations

<u>County</u>	<u>Allocation</u>	<u>Tribe</u>	<u>Allocation</u>
Adams	\$3,225	St. Croix	\$3,500
Barron	5,000	Lac Courte Oreilles	3,500
Bayfield	6,000	Red Cliff	3,500
Buffalo	3,000	Sokaogon	3,500
Burnett	3,000	Potawatomi	3,500
Calumet	5,000	Stockbridge-Munsee	3,500
Clark	1,500	Oneida	40,365
Crawford	4,500	Bad River	10,000
Florence	2,666	Lac du Flambeau	74,000
Forest	3,360	Menominee	3,500
Green Lake	5,500	Ho-Chunk	<u>3,500</u>
Iowa	3,000	Subtotal	\$152,365
Iron	4,000		
Jackson	10,000	Increases to be distributed to	
Jefferson	10,000	counties in 1997	<u>\$49,800</u>
Juneau	9,524		
Lafayette	5,000	Total 1997 Funding to	
Marquette	500	Counties/Tribes	\$364,989
Monroe	11,300		
Oconto	7,500		
Pepin	2,710		
Price	10,000		
Sawyer	3,000		
Shawano	3,000		
St. Croix	6,000		
Trempealeau	7,000		
Vilas	5,520		
Washburn	750		
Waupaca	10,000		
Waushara	<u>11,269</u>		
Subtotal	\$162,824		

### ATTACHMENT 3

#### Specialized Domestic Violence Services 1997 Allocations

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
<b>Children's Programs</b>		
Bridge, The	Menomonie	\$19,590
Cap Services Inc.	Stevens Point	20,000
Community Referral Agency	Milltown	7,006
Lac du Flambeau Statewide Shelter	Lac du Flambeau	20,000
Manitowoc Co. Domestic Violence Center	Manitowoc	20,000
Milwaukee Women's Center	Milwaukee	20,000
Regional Domestic Abuse Services	Neenah	18,404
Women's Resource Center	Racine	<u>20,000</u>
Subtotal		\$145,000
<b>Legal Advocacy</b>		
Association for Prevention of Family Violence	Elkhorn	\$14,900
Help of Door County	Sturgeon Bay	15,100
Wisconsin Coalition Against Domestic Violence		<u>20,000</u>
Subtotal		\$50,000
<b>Transitional Living</b>		
Bolton Refuge House	Eau Claire	\$14,190
Northwoods Women	Ashland	20,000
Passages	Richland Center	<u>15,810</u>
Subtotal		\$50,000
<b>Total Specialized Domestic Violence Services</b>		<b>\$245,000</b>

ATTACHMENT 4

Other Funding for Domestic Violence  
1997 Allocations

<u>Agency</u>	<u>Allocation</u>
<b>Technical Assistance</b>	
Wisconsin Coalition Against Domestic Violence	\$164,331
American Indians Against Abuse	10,296
UW Domestic Violence Project	<u>38,314</u>
Subtotal	\$212,941
<b>Services to Refugee Populations</b>	
Catholic Social Services	\$6,250
Hmong-American Friendship Association	6,250
LaCrosse Area Mutual Assistance Association	6,250
CAP Services	<u>6,250</u>
Subtotal	\$25,000
<b>One-Time Funding</b>	
Milwaukee Women's Center state-wide media campaign	\$205,000
Local program providers equipment and technology purchases	<u>445,000</u>
Subtotal	\$650,000
<b>Total</b>	<b>\$887,941</b>

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Domestic Violence Programs (DHFS -- Children and Family Services and Supportive Living)**

[LFB Summary: Page 326, #32]

## CURRENT LAW

Both the Department of Health and Family Services (DHFS) and the Office of Justice Assistance (OJA) provide funds for services related to domestic violence. DHFS provides funding to prevent domestic violence and services for victims of domestic violence. OJA receives two federal grants to enhance effective law enforcement and prosecution of crimes against women and provide services to victims of domestic violence.

**DHFS Domestic Violence Programs.** In calendar year 1997, DHFS allocated \$4,232,100 (all funds) as ongoing support for local domestic violence programs and allocations to counties and Native American tribes, specialized domestic violence services and other domestic violence services.

Federal funding is available under the family violence prevention and service grant program administered by the U.S. Department of Health and Human Services. PR funding is collected from a \$50 charge assessed on individuals convicted of domestic violence offenses.

*Local Domestic Violence Programs.* DHFS allocates funds for grants to public and private organizations to provide: (a) shelter facilities or private home shelter care; (b) advocacy and counseling; (c) 24-hour telephone service; and (d) community education. If an organization provides shelter facilities or private home shelter care, the organization is required to provide the following additional services: (a) temporary housing and food; (b) referral and follow-up services; (c) arrangement for the education of school-age children; and (d) emergency transportation to the

shelter. Organizations are required to provide a 30% match, of which 10% can be provided through in-kind contributions. DHFS estimates that organizations generally receive about one-third of their costs from these grants. In 1997, 47 local domestic violence programs received a total of \$3,384,200 (all funds).

In addition, 30 counties and nine tribes have no local domestic violence programs. Attachment 1 identifies the organizations that received funding for local domestic violence programs in calendar year 1997. For these counties and tribes, DHFS provides funding for the county or tribe to provide some domestic violence services. In 1997, DHFS distributed \$365,000 (all funds) to these counties and tribes. Attachment 2 identifies these 1997 allocations.

*Specialized Domestic Violence Services.* In addition to the services identified above, DHFS allocated \$245,000 (all funds) in calendar year 1997 for specialized legal advocacy, transitional living and children's program services to victims of domestic violence. These funds were allocated to providers on a competitive basis. Attachment 3 identifies organizations that received funding for specialized domestic violence services in calendar year 1997.

*Other Domestic Violence Programs.* In calendar year 1997, DHFS allocated \$887,900 (all funds) for: (a) technical assistance (\$212,900); (b) programs serving refugee populations (\$25,000); (c) one-time funding to the Milwaukee Women's Center for a state-wide media campaign (\$205,000); and (d) one-time funding for equipment and technology purchases for local programs (\$445,000). Attachment 4 identifies the allocations to organizations for technical assistance, programs for refugee populations and one-time funding for a state-wide media campaign and equipment and technology purchases for local programs.

**OJA Programs for Domestic Violence.** OJA receives federal funding for two programs: (a) violence against women act programs; and (b) rural domestic violence and child victimization projects.

*Programs funded by the Federal Violence Against Women Act.* The federal Violence Against Women Act (VAWA) provides funding for states to develop and enhance effective law enforcement and prosecution strategies to combat violent crimes against women, and to develop and strengthen victim services. OJA completed a needs assessment in 1995, when federal funds first became available. OJA's 1996 implementation plan indicated that the total federal allocation of \$2,157,500 FED in federal fiscal year 1995-96, would be allocated in four program areas: (a) \$195,000 for enforcement and prosecution training; (b) \$950,000 for specialized enforcement and prosecution; (c) \$270,000 for police prosecution policies, protocols and services; and (d) \$742,500 for victim service programs. In federal fiscal year 1996-97, OJA received \$2,517,000 FED and is developing an implementation plan for these funds.

*Rural Domestic Violence and Child Victimization Projects.* The rural domestic violence and child victimization project grant is a discretionary grant awarded by the U.S. Department of Justice to increase the investigation and prosecution of incidents of domestic violence and child

abuse, provide treatment and counseling to victims of domestic violence and child victimization and develop education and prevention strategies directed toward such issues. A total of \$379,800 FED is budgeted for the eighteen-month period from January 1, 1997 through June 30, 1998. This funding will be distributed for: (a) increasing collaboration between state and tribal systems relating to child abuse and domestic violence (\$78,100); (b) providing services to migrant families (\$166,700); and (c) providing domestic violence programs for victims in counties that currently do not have a local program supported with DHFS funds (\$135,000).

## **GOVERNOR**

Provide \$150,000 FED and \$90,000 PR annually for DHFS to distribute as grants to domestic violence service organizations to fund eight additional domestic violence programs in counties where such programs are not currently available. These programs would provide 24-hour phone service, advocacy and counseling services, referral and follow-up services and community education programs. This funding would be awarded on a competitive basis. The Governor's recommendations reflect: (a) reestimates of federal funds the state will receive from the federal family violence prevention and services grant program; and (b) increased budget authority supported by assessments paid by individuals convicted of domestic violence offenses.

As part of the federal revenue reestimate item, SB 77 would increase funding by \$373,200 FED annually for current grants to local domestic violence programs. Under SB 77, a total of \$4,744,000 (\$3,580,800 GPR, \$863,200 FED, and \$300,000 PR) would be provided to DHFS to support domestic abuse programs in each year of the 1997-99 biennium.

## **DISCUSSION POINTS**

1. In 1995, the state's domestic violence programs served a total of 25,313 individuals. Temporary food and lodging were provided to 8,017 individuals for an average of 14.1 days. A total of 1,843 individuals were not provided food and lodging because shelter facilities were full. DHFS staff indicate that in most cases, these individuals received referrals to other resources.

2. Currently, 30 counties and nine Native American tribes receive funding to contract for domestic violence services because there is insufficient state funding to support the comprehensive programs that are funded under the local domestic violence program. In 1997, these counties and tribes will receive an average of \$6,426 to contract for domestic violence services.

3. State law requires that organizations receive no more than 70% of their operating costs from state domestic abuse grants. DHFS estimates that organizations generally receive about one-third of their costs from these grants.

4. OJA will subcontract with DHFS for \$90,000 annually to fund three additional domestic violence programs from funds available under the federal rural domestic violence and child victimization project. DHFS intends to allocate these funds with the funding included in SB 77 to fund a total of eleven new programs in counties that currently have no program. SB 77 does not increase DHFS funding to reflect these OJA funds. Consequently, the bill should be amended to increase PR authority in DHFS by \$90,000 PR annually to reflect the transfer of these funds from OJA to DHFS.

5. The Council on Domestic Abuse requests \$420,000 in 1997-98 and \$840,000 in 1998-99 to provide \$30,000 annually for local domestic violence programs in each of the counties and tribes that currently do not have a state-supported local domestic violence program. SB 77 and the additional funds provided from OJA would fund eleven programs at \$30,000 each beginning in July, 1997.

The Committee could choose to provide \$294,700 GPR in 1997-98 and \$589,400 GPR in 1998-99 to fund local domestic violence programs in counties and tribes with no local domestic violence program. This funding reflects a reestimate of the cost to fund local domestic violence programs in each county and tribe currently with no program. Specifically, the Committee could require that DHFS redirect funding provided to counties and tribes that do not have state-supported local programs (\$125,300 in 1997-98 and \$250,600 in 1998-99), since these counties and tribes receive funding due to the lack of state-supported local programs in their county or tribe.

Funding for the Lac du Flambeau and Oneida tribes would not be redistributed, since these tribes receive sufficient funding to support a local program (\$57,200 in 1997-98 and \$114,400 in 1998-99).

6. In addition, the Council has identified other priorities that could be funded in the 1997-99 biennium, beginning in January, 1998. Specifically, the Council requests:

- \$117,000 to fund two local programs for under-served populations that cannot access domestic violence services due barriers of race, language, age, ethnicity, sexual orientation, religions, physical or mental ability, culture or geographic location;

- \$150,000 for a statewide program to provide services to under-served populations that reside in small clusters throughout Wisconsin;

- \$2,160,000 to fund 48 programs to provide services to children from violent homes to provide assessments, orientation, individual counseling, age appropriate education (including dating violence), referral, follow-up, support groups, safety planning and community education and outreach; and

- \$144,000 to provide additional funds for eight programs that currently provide services to children from violent homes.

7. Alternatively, if the Committee wishes to maintain current support for local programs and county and tribal allocations, it could reduce GPR funds currently used to support local domestic violence programs to reflect the availability of additional federal and PR funds to support these programs (\$240,000 annually). Since the \$90,000 which would be transferred to DHFS from OJA are federal funds awarded to the state based on a competitive process, the funds should not be used to replace current funding for local programs.

8. Total funding from the federal family violence prevention and services grant program would be budgeted in a federal project operations appropriation in DCFS. The portion of these funds used for providing domestic violence services should be appropriated in a federal programs appropriation for aids to individuals and organizations in DCFS. Consequently, the bill should be modified to transfer 0.575 FED positions and \$44,500 FED annually from the federal projects operations appropriation to the federal programs appropriation.

**ALTERNATIVES TO BILL**

**A. Funding for Domestic Violence Programs**

1. Modify the Governor's recommendation by increasing funding for interagency and intra-agency aids by \$90,000 PR annually to reflect funding transferred from OJA to support three additional local domestic violence programs. Total funding would be sufficient to support 11 new programs in counties and tribes that currently have no program.

<u>Alternative A1</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	\$180,000

2. Modify the Governor's recommendations by deleting \$240,000 GPR annually so that only three additional domestic violence programs would be funded in the 1997-99 biennium. Increase funding by \$90,000 PR annually to reflect funding transferred from OJA to support these three additional local domestic violence programs.

<u>Alternative A2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$480,000	\$180,000	- \$300,000

3. Modify the Governor's recommendations by providing \$90,000 PR annually to reflect funding transferred from OJA to support three additional local domestic violence

programs. In addition, provide \$589,400 GPR annually to reflect the net funding required to support local domestic violence programs in each of the 30 counties and nine tribes that currently do not have state-supported local domestic violence programs.

In addition, provide GPR funding for any of the following:

		<u>1997-98</u>	<u>1998-99</u>
a.	Local Programs for Under-Served Populations	\$39,000	\$78,000
b.	Statewide Programs for Under-Served Populations	50,000	100,000
c.	New Programs for Children	720,000	1,440,000
d.	Existing Programs for Children	48,000	96,000

**B. Technical Funding and Position Adjustments**

1. Transfer \$863,200 FED annually from the DCFS federal program operations appropriation to the DCFS federal aids to individuals and organizations appropriation and transfer \$44,500 FED and 0.575 FED position annually from the federal projects operations appropriation to the federal program operations appropriation to allocate funding and positions in the proper appropriations.

Prepared by: Rachel Cissne

MO# \_\_\_\_\_

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

## ATTACHMENT 1

### Local Domestic Violence Programs 1997 Allocations

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
Advocates	Saukville	\$74,363
Asha Family Services	Milwaukee	31,200
Association for Prevention of Family Violence	Elkhorn	41,979
AVAIL	Antigo	79,800
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Bridge, The	Menomonie	48,805
Cap Services Inc.	Stevens Point	104,000
Center Against Sexual Assault and Domestic Violence	Superior	62,400
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Northwoods Women	Ashland	79,800
Passages	Richland Center	80,379
PAVE	Beaver Dam	62,400
Personal Development Center	Marshfield	43,160
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Safe Harbor	Sheboygan	72,904

**ATTACHMENT 1 (cont.)**

**Local Domestic Violence Programs  
1997 Allocations**

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
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Stepping Stones Shelter	Medford	62,400
Timeout Family Abuse Shelter	Ladysmith	83,661
Tri-County Council on Domestic Abuse	Rhineland	84,638
Turningpoint	River Falls	92,530
Vernon Co. Domestic Abuse Program	Viroqua	31,200
Violence Intervention Project Inc.	Kewaunee	41,184
Women's Center	Waukesha	104,000
Women's Community	Wausau	87,367
Women's Horizons	Kenosha	74,363
Women's Resource Center	Racine	<u>88,910</u>
<b>Total</b>		<b>\$3,384,190</b>

## ATTACHMENT 2

### County and Tribal Domestic Violence Services 1997 Allocations

<u>County</u>	<u>Allocation</u>	<u>Tribe</u>	<u>Allocation</u>
Adams	\$3,225	St. Croix	\$3,500
Barron	5,000	Lac Courte Oreilles	3,500
Bayfield	6,000	Red Cliff	3,500
Buffalo	3,000	Sokaogon	3,500
Burnett	3,000	Potawatomi	3,500
Calumet	5,000	Stockbridge-Munsee	3,500
Clark	1,500	Oneida	40,365
Crawford	4,500	Bad River	10,000
Florence	2,666	Lac du Flambeau	74,000
Forest	3,360	Menominee	3,500
Green Lake	5,500	Ho-Chunk	<u>3,500</u>
Iowa	3,000	Subtotal	\$152,365
Iron	4,000		
Jackson	10,000	Increases to be distributed to counties in 1997	<u>\$49,800</u>
Jefferson	10,000		
Juneau	9,524		
Lafayette	5,000	Total 1997 Funding to Counties/Tribes	\$364,989
Marquette	500		
Monroe	11,300		
Oconto	7,500		
Pepin	2,710		
Price	10,000		
Sawyer	3,000		
Shawano	3,000		
St. Croix	6,000		
Trempealeau	7,000		
Vilas	5,520		
Washburn	750		
Waupaca	10,000		
Waushara	<u>11,269</u>		
Subtotal	\$162,824		

### ATTACHMENT 3

#### Specialized Domestic Violence Services 1997 Allocations

<u>Agency Name</u>	<u>Location</u>	<u>Allocation</u>
<b>Children's Programs</b>		
Bridge, The	Menomonie	\$19,590
Cap Services Inc.	Stevens Point	20,000
Community Referral Agency	Milltown	7,006
Lac du Flambeau Statewide Shelter	Lac du Flambeau	20,000
Manitowoc Co. Domestic Violence Center	Manitowoc	20,000
Milwaukee Women's Center	Milwaukee	20,000
Regional Domestic Abuse Services	Neenah	18,404
Women's Resource Center	Racine	<u>20,000</u>
Subtotal		\$145,000
<b>Legal Advocacy</b>		
Association for Prevention of Family Violence	Elkhorn	\$14,900
Help of Door County	Sturgeon Bay	15,100
Wisconsin Coalition Against Domestic Violence		<u>20,000</u>
Subtotal		\$50,000
<b>Transitional Living</b>		
Bolton Refuge House	Eau Claire	\$14,190
Northwoods Women	Ashland	20,000
Passages	Richland Center	<u>15,810</u>
Subtotal		\$50,000
<b>Total Specialized Domestic Violence Services</b>		<b>\$245,000</b>

ATTACHMENT 4

Other Funding for Domestic Violence  
1997 Allocations

<u>Agency</u>	<u>Allocation</u>
<b>Technical Assistance</b>	
Wisconsin Coalition Against Domestic Violence	\$164,331
American Indians Against Abuse	10,296
UW Domestic Violence Project	<u>38,314</u>
Subtotal	\$212,941
<b>Services to Refugee Populations</b>	
Catholic Social Services	\$6,250
Hmong-American Friendship Association	6,250
LaCrosse Area Mutual Assistance Association	6,250
CAP Services	<u>6,250</u>
Subtotal	\$25,000
<b>One-Time Funding</b>	
Milwaukee Women's Center state-wide media campaign	\$205,000
Local program providers equipment and technology purchases	<u>445,000</u>
Subtotal	\$650,000
<b>Total</b>	<b>\$887,941</b>

HEALTH AND FAMILY SERVICES

Elderly Benefit Specialists, Elder Abuse and Senior Tax Credit

Motion:

Move to provide: (a) \$1,160,000 GPR annually for the elderly benefit specialist program; and (b) \$400,000 GPR annually for elder abuse services. In addition, effective for the 1997 tax year, eliminate the senior citizens tax credit of \$25 for the following groups: (a) couples with annual income over \$40,000; (b) individuals with income over \$30,000; and (c) couples filing separate returns with income over \$20,000.

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Note:

This motion would eliminate the senior tax credit of \$25 for certain families with income above specified limits, based on tax filing status. These changes would increase GPR revenues by an estimated \$2.1 million in 1997-98 and \$2.2 million in 1998-99.

The elderly benefit specialist program assists older persons with their private and government benefits. Benefit specialists are employed in each county aging unit and are trained and monitored by regional attorneys. Currently, \$1,224,000 GPR is budgeted for grants to support elderly benefit specialists. In addition, the state allocates \$132,500 GPR annually to area agencies on aging to hire attorneys for the purpose of training, supervision and legal back-up services for benefit specialists.

This motion would increase funding for the elderly benefit specialist program for the following purposes: (a) \$960,000 GPR to support higher wages for the benefit specialists and to increase the number of hours of services; (b) \$150,000 GPR annually to create a tribal benefit specialist program; and (c) \$50,000 GPR annually to expand the legal services for elderly benefit specialists.

In addition, this motion would increase funding for elder abuse services by \$400,000 GPR annually. Currently, the state provides grants totalling \$225,000 GPR annually to counties to provide services to elderly persons who are victims of physical abuse, financial abuse, neglect or self-neglect.

[Change to Bill: \$3,120,000 GPR and \$4,300,000 GPR-REV]



MO# 3100

JENSEN	<del>Y</del>	N	A
<sup>2</sup> OURADA	<del>Y</del>	N	A
HARSDORF	<del>Y</del>	N	A
ALBERS	<del>Y</del>	N	A
GARD	<del>Y</del>	N	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
<sup>1</sup> SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 13 NO 3 ABS \_\_\_\_\_

HEALTH AND FAMILY SERVICES

Runaway Services Grants

Motion:

Move to provide \$100,000 GPR annually to increase funding available for grants to runaway programs.

Note:

DHFS distributes grants to 25 programs that provide services to runaways. These grants are supported by federal funds totalling \$458,600 annually that are available under Title IV-B of the Social Security Act. In addition, these programs receive funds the Wisconsin Association of Runaway Services receives under the federal Runaway Homeless Youth Act (\$738,600 in 1996-97). This motion would increase funding for these programs by \$100,000 GPR annually.

Each of the programs provides 24-hour hotline services, crisis intervention counseling and short-term shelter care. In 1995, these programs provided services to 2, 674 clients.

[Change to Bill: \$200,000 GPR]

MO# 3104

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	<del>Y</del>	N	A

AYE 9 NO 7 ABS



HEALTH AND FAMILY SERVICES

Independent Living Centers

Motion:

Move to provide \$90,800 GPR in 1998-99 and \$181,600 GPR in 1998-99 to increase funding for independent living centers.

Note:

Independent living centers (ILCs) assist persons with severe disabilities to achieve a greater level of independence in the community. Services provided by ILCs include information and referral, peer counseling, independent living skills training and advocacy, employment and personal care.

State funding for ILCs is \$1,039,400 GPR in 1996-97. SB 77 maintains funding for ILCs at this level in each year of the 1997-99 biennium.

The additional funding that would be provided in this motion would be sufficient to establish funding for each of the eight ILCs at \$250,000, beginning January 1, 1998.

[Change to Bill: \$272,400 GPR]

MO# 3099

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A
BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	<del>Y</del>	N	A
PANZER	<del>Y</del>	N	A

AYE 10 NO 4 ABS



HEALTH AND FAMILY SERVICES

Retired and Senior Volunteer Program

Motion:

Move to increase funding for the retired and senior volunteer program by \$440,000 GPR annually to: (a) expand programs to counties for which no funding is currently provided; and (b) increase funding for current programs.

In addition, change the statutory name of the program from the "retired senior volunteer program" to the "retired and senior volunteer program" and clarify that RSVP volunteers are age 55 and over.

Note:

The RSVP develops and supports volunteer opportunities for older adults, enabling volunteers to stay or become active in the community through volunteer service. The RSVP recruits, interviews, trains and places men and women with public and private nonprofit agencies requesting service.

[Change to Bill: \$880,000 GPR]

MO# 3115

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	Y	<del>N</del>	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 9 ABS \_\_\_\_\_

HEALTH AND FAMILY SERVICES

Healthy Beginnings Program

Motion:

Move to provide \$87,500 GPR in 1997-98 and \$175,000 GPR in 1998-99 to ARC Community Services, Inc. for the Healthy Beginnings Program.

Note:

The Healthy Beginnings program provides substance abuse day-treatment services for pregnant and post-partum women and their infants. It is operated by ARC Community Services, Inc. in Dane County.

[Change to Bill: \$262,500 GPR]

MO# 1708

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 8 NO 8 ABS \_\_\_\_\_

# Health & Family Services

## Children & Family Services & Supportive Living

MO# Del. to Item #18

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
2 GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
1 WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 8 NO 8 ABS

To: Joint Committee on Finance  
From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Milwaukee Child Welfare Services -- Funding Reestimate (DHFS -- Children and Family Services and Supportive Living)**

[LFB Summary: Page 305, #7]

## CURRENT LAW

1995 Wisconsin Act 303 directed DHFS to propose legislation by September 15, 1996, to transfer the duty and authority to provide child welfare services in Milwaukee County from the county to DHFS no later than January 1, 1998. This proposal was incorporated into SB 77.

## GOVERNOR

Provide \$60,084,900 (\$9,533,600 GPR, \$17,757,400 FED and \$32,793,900 PR) in 1997-98 and \$104,776,500 (\$20,456,400 GPR, \$28,603,200 FED and \$55,716,900 PR) in 1998-99 and 127.75 positions (89.43 GPR positions, 37.20 FED positions and 1.12 PR positions), beginning in 1997-98, to support costs associated with the state's assumption of the responsibility for providing child welfare services in Milwaukee County, beginning January 1, 1998.

## DISCUSSION POINTS

1. In 1995, DHFS staff, county staff and contracted consultants conducted a needs assessment of the Milwaukee County child welfare system in order for DHFS to plan for the state's takeover of the system. The needs assessment was designed to collect and analyze data which could be used to plan for the program design, staffing and resource needs of the system.

In order to prepare its cost estimate, the administration utilized much of the information contained in this needs assessment.

2. Although this office has reestimated the costs of administering the Milwaukee County child welfare system, these reestimates do not modify any of the administration's recommendations relating to the type and number of services that would be provided to children and families involved in the child welfare system.

3. Several of the funding reductions incorporated into this reestimate were identified by the DHFS Secretary in a letter to the Co-Chairs dated April 21, 1997. These savings were identified as a means of funding additional items identified in the letter. A separate budget paper prepared by this office discusses the DHFS requests for additional funding for the Milwaukee child welfare initiative.

4. The current estimate reflects a number of technical corrections, updated caseload data, and the following modifications:

- In addition to providing child welfare services, DHFS will be responsible for the placement costs of children in out-of-home care. Children in out-of-home care may be placed in foster home, treatment foster care, group homes, and child caring institutions. Under Title IV-E of the federal Social Security Act, Wisconsin is reimbursed for approximately 60% of the placement costs for children from AFDC-eligible homes. The current estimate reflects a modification to the amount of federal IV-E funding which will be available in 1997-99 to support these placement costs.

- Assessment staff will be responsible for receiving reports from the central intake system and investigating those reports to determine if abuse or neglect have occurred and whether a child is safe in his or her home. At the assessment stage, it is assumed that approximately 31% of the cases will require either mental health or substance abuse evaluations to determine the safety of the child in the home. The current estimate reflects an adjustment made to account for the fact that, because approximately 60% of these cases will be MA-eligible, these assessments will be covered under MA.

- After conducting an assessment, interviewing family members and conducting a home visit, the social worker may determine that the child can remain at home if specific safety services are provided to the family. Safety services which will be provided to families for five months may include the following: (a) supervision; (b) basic parenting education; (c) family crisis counseling; and (d) mental health and AODA services. Since the submission of SB 77, the administration has indicated that the costs of these safety services will be less than the costs assumed in the bill. The administration indicates that the estimated cost of providing these services is reduced because: (a) a number of these families are expected to be referred to HMOs for certain services; and (b) reduced estimates of the intensity of these services. In addition, the

administration has indicated that 5% of children in temporary out-of-home care will be referred for safety services, rather than 20% as assumed in SB 77.

- Once a child is placed in out-of-home care, social workers will be assigned to the case to provide on-going case management services. Based on a review of current salaries for comparable staff in Milwaukee County and statewide wage information collected by the Department of Workforce Development, the current estimate reflects a revised salary and fringe benefit rate for these staff. The current estimate of the overhead costs related to these staff including rent, travel and supplies reflects the same level of funding as SB 77.

- The current estimate reflects that all children in foster care are categorically MA-eligible and that the majority (approximately 83%) of case management costs are expected to be MA reimbursable.

- Finally, based on negotiations with Milwaukee County, DHFS has indicated that it will reduce Milwaukee County's community aids allocations by \$791,500 FED in 1997-98 and \$1,583,000 FED in 1998-99 to reflect Milwaukee County's use of its substance abuse prevention and treatment (SAPT) block grant allocation under community aids, for services to adults with children in the child welfare system.

SB 77 should be modified to reflect the reduction of these amounts from the federal community aids appropriation and instead, budget these funds in a federal local assistance appropriation in the Division of Supportive Living (DSL). These funds are not included in the statutory requirement that Milwaukee County contribute towards the costs of providing child welfare services, beginning January 1, 1998. In this reestimate, these funds are used to offset costs budgeted in SB 77 for providing substance abuse treatment services for families in the child welfare system.

**MODIFICATION TO BILL**

Reduce funding in the bill by \$6,260,700 GPR and \$2,680,900 FED in 1997-98 and \$10,666,200 GPR and \$6,576,400 FED in 1998-99. In addition, reduce the federal community aids appropriation by \$791,500 FED in 1997-98 and \$1,583,000 FED in 1998-99 and provide a corresponding increase in the federal aids to individuals and organizations appropriation in DSL to reflect the use of these funds to provide substance abuse treatment services to adults with children in the child welfare system.

<u>Modification</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	- \$16,926,900	- \$9,257,300	- \$26,184,200

Prepared by: Amie T. Goldman and Rachel Cissne

MO# Modification

JENSEN	X	N	A
2 OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	Y	N	A
KAUFERT	X	N	A
LINTON	Y	<del>N</del>	A
COGGS	Y	<del>N</del>	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	Y	<del>N</del>	A
JAUCH	X	N	A
WINEKE	Y	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 13 NO 3 ABS \_\_\_\_\_

PAPER # 478

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Milwaukee Child Welfare -- MA Eligibility for Parents of Children in Child Protective System (DHFS -- Children and Family Services and Supportive Living)**

## CURRENT LAW

Under current law, a child can be removed from his or her home if the child has been, or is at substantial risk of being abused or neglected. If a child is removed from the home, the child is placed in an "out-of-home" setting, such as a foster home or group home. Under current state and federal law, MA eligibility is terminated for parents when all of the parent's children are removed from the home.

## GOVERNOR

No provision.

## DISCUSSION POINTS

1. In his May 12, 1997, letter to the Committee Co-Chairs, the DHFS Secretary requested statutory changes to enable parents whose children are placed in out-of-home care to continue to be eligible for MA. In addition, the DHFS Secretary requested \$2,760,400 (\$1,135,100 GPR and \$1,625,300 FED) in 1997-98 and \$6,999,500 (\$2,896,700 GPR and \$4,102,800 FED) in 1998-99 to support the estimated cost of providing MA coverage to these parents. In addition, Secretary Lekan requested \$58,200 (\$24,000 GPR and \$34,200 FED) in 1997-98 and \$440,800 (\$182,400 GPR and \$258,400 FED) in 1998-99 to support additional MA payments to Milwaukee HMOs, which would provide intensive mental health and alcohol and

drug abuse (AODA) services to these families. Funding for this portion of the Milwaukee child welfare system was not included in the Department's budget request or SB 77.

2. Under the Department's plan for the takeover of the Milwaukee child welfare system, the parents of children placed in out-of-home care would be provided services, including: (a) mental health counseling; (b) substance abuse counseling; (c) parent education; and (d) home management skills. The provision of these services is intended to promote the successful reunification of children placed in out-of-home care with their biological families and to minimize the length of time that children spend in out-of-home care. The current average length of stay for children in out-of-home care in Milwaukee is 24 months. Under SB 77, it is assumed that the average length of stay will be approximately 12 to 14 months.

In some instances, children are not reunited with their families. Instead, there is a termination of parental rights and the child is placed in long-term foster care or placed for adoption. In these circumstances, prior to terminating parental rights, services must be provided to the parent(s) in order to demonstrate to the court that every reasonable effort has been made to reunite the family. One of the issues in the pending Milwaukee court case is that in the past, very few treatment services have been provided to parents whose children have been placed in out-of-home care.

3. In order for DHFS to expedite the reunification of families and meet its goal of decreased lengths of stay in out-of-home placements for children in Milwaukee, DHFS will need to provide intensive services to these parents. If DHFS cannot meet its goal of reuniting families more quickly, its out-of-home placement costs for children, which represent the majority of costs for the Milwaukee child welfare initiative, could be significantly higher than the level budgeted.

4. SB 77 assumes that MA-eligible parents would remain eligible for MA after the child has been placed in out-of-home care and that approximately 60% of the parents would be covered under MA, 15% would have private insurance and 25% would be uninsured. In addition, SB 77 assumes that MA-eligible child welfare services provided to MA-eligible parents would be funded through the MA program. However, because these parents are not currently MA-eligible, the estimated costs of providing these services are not included in the MA base, or in SB 77.

5. At this time, it is uncertain as to whether or not Wisconsin can, under federal law, extend MA coverage to parents who lose their MA eligibility when their children are placed in out-of-home care. In recent weeks, DHFS has begun discussions with the Department of Health and Human Services, Health Care Financing Administration (HCFA) regarding the possibility of this MA expansion. If HCFA permits Wisconsin to extend MA eligibility to parents whose children are placed in out-of-home care, federal law would require this expansion on a statewide basis. DHFS staff believe that HCFA will allow this MA-eligibility expansion.

6. Approximately 60% of families whose children are placed in out-of-home care are MA eligible at the time such a placement occurs. Nearly all of these families who are eligible are eligible based on AFDC-related criteria. It is estimated that the cost of continuing MA eligibility for these families after their children are removed from the home, including an enhanced MA HMO capitation rate for these families, would be \$3,429,100 (\$1,410,000 GPR and \$2,019,100 FED) in 1997-98 and \$8,500,600 (\$3,517,300 GPR and \$4,983,300 FED) in 1998-99.

The current estimates differ from the amounts identified in the DHFS Secretary's May 12, 1997 letter to reflect: (a) corrected caseload data; and (b) revisions relating to the number of adults in each household that will be MA-eligible. The DHFS estimate assumes that MA coverage could be extended to an average of 1.5 adults per household. SB 77 assumes that there are, on average, 1.5 adults per family for each family that is involved in the child welfare system. While there may be 1.5 adults per household, virtually all AFDC-related MA eligible families are headed by single parents and, in most instances, MA-eligibility is only available to the parents of AFDC-related children. Therefore, the current estimate assumes that MA coverage will be extended to 1.0 parent per family.

As a result of this limitation in MA-eligibility, services provided to the other .5 adult per household would have to be supported entirely with GPR. The estimated cost of providing services to these adults is \$665,400 GPR in 1997-98 and \$2,463,300 GPR in 1998-99. Thus, the total cost would be approximately \$8.0 million GPR and \$7.0 million FED in 1997-99.

7. Under the current system, to the extent that families are receiving services designed to facilitate family reunification, the costs of providing services to these families are the responsibility of counties. For families who have private health insurance, a portion of the cost of these services may be covered under this insurance.

8. In 1997-99, almost all AFDC-related MA eligibles will be enrolled in health maintenance organizations (HMOs). Therefore, if MA eligibility is extended to cover parents whose children have been placed in out-of-home care, most of the services intended to facilitate family reunification provided the MA eligible parent would be provided by HMOs.

These services would include intensive mental health, AODA and family therapy services. For example, it is expected that, on average, each individual would receive 13 units of these services per month for six months and 6.5 units per month for an additional six months. In other words, each individual would go to counseling, group therapy and substance abuse treatment approximately 13 times a month for six months and 6.5 times per month for an additional six months.

9. Under the current MA HMO contract, the HMO capitation payment (the per member/per month payment) is primarily based on historical fee-for-service utilization of MA services. DHFS utilizes actuaries to estimate what the average cost of providing MA services on a fee-for-services basis would have been in various areas of the state. These estimates are

then adjusted for inflation and discounted. Under the current contract that applies to all participating counties, except Milwaukee, Eau Claire, Dane, Kenosha and Waukesha county, the discount rate is an average of 4%.

10. The most recent MA HMO/fee-for-service comparison report provides information related to the utilization of mental health and AODA services. The report shows that, in 1995, approximately 4.7% of all fee-for-service recipients received at least one mental health or AODA service during the year. In Milwaukee HMOs, approximately 2.4% of the enrolled population received at least one of these services. Among those recipients who did receive these services, the average number of services provided during the year was 5.6 for the Milwaukee HMO population and 5.8 per year for the statewide fee-for-service population. On average, this is less than .5 services per month.

11. As this data illustrates, historical utilization of mental health and AODA services is significantly lower than the expected utilization of these services among parents whose children are placed in out-of-home care. Consequently, the current capitation rate does not reflect the level of utilization which is anticipated for this population. As a result, DHFS will likely need to increase the capitation rate paid to HMOs for this population. This would be consistent with the Department's policy of paying a higher capitation rate for pregnant women, since it is expected that this population will utilize high-cost services.

12. The DHFS Secretary's May 12, 1997 letter includes a request for additional funding to increase payments to the HMOs as compensation for providing intensive mental health and AODA services. DHFS requests that funding in SB 77 be increased by \$58,000 (\$23,900 GPR and \$34,100 FED) in 1997-98 and \$440,800 (\$182,400 GPR and \$258,400 FED) in 1998-99 to support these costs. In 1998-99, this funding would be an additional \$18.00 per person per month. While the Department maintains that this would be adequate reimbursement for these additional services, an analysis prepared by this office and discussions with HMO staff in Milwaukee suggest that this level of funding would not provide sufficient reimbursement for these services.

13. The current estimate of the additional funding required to support these additional services is \$1,348,100 (\$554,300 GPR and \$793,800 FED) in 1997-98 and \$3,530,200 (\$1,460,700 GPR and \$2,069,500 FED) in 1998-99. This estimate assumes that the enhanced rate would only be paid to Milwaukee HMOs and not to HMOs in the rest of the state that would be enrolling these parents. DHFS staff argue that the concentration of these families, approximately 50% of all children in out-of-home care reside in Milwaukee, provides the rationale for an enhanced rate in Milwaukee County. In addition, this estimate assumes that DHFS will be able to negotiate a 10% discount on the fee-for-service equivalent reimbursement for these services. This estimate does not account for administrative costs the HMOs may incur related to the coordination of these services with child welfare case managers, the courts and providers. These administrative costs are likely to occur, if some of the parents do not comply with their treatment plans or do not show up for appointments. Finally, to the extent that HMOs outside of

Milwaukee require an increased capitation rate, or the Department is not able to negotiate a 10% discount, the cost of providing these services through HMOs could be higher.

14. Expanding MA eligibility to these parents on a statewide basis would provide a number of benefits, including: (a) the provision of health care services to families which may otherwise be uninsured; and (b) the integration of physical and mental health services, a working goal of DHFS. This MA coverage would be particularly important if some of these families had health problems which compromised their ability to care for their children. However, there are a number of concerns related to the provision of these services through HMOs that the Committee should consider.

15. Because mental health and AODA services are a covered MA benefit, HMOs are required to provide these services to MA enrollees. There is evidence that MA recipients have had difficulties accessing these services through HMOs in Milwaukee. In a June 26, 1996 letter to the DHFS Secretary, the Milwaukee County Executive expressed the following:

"In terms of treating parents who come into contact with the child welfare system, we have two other major barriers. The first is that most of the parents are single mothers on AFDC who are not eligible for county funded AODA treatment since their medicaid HMO is responsible for AODA services. The inability of AFDC mothers in Milwaukee to access AODA services through their MA HMOs is a longstanding problem that needs to be addressed by the State. The other major barrier is that high caseloads prevent child welfare workers from providing the case management necessary to track parents through whatever AODA treatment process they may choose to access."

16. Concerns about access to these services for this population is further supported by the fact that individuals who would be covered by MA under this expansion were covered by MA prior to their involvement with the child welfare system and have been receiving all of their MA eligible services from these HMOs prior to their child being placed in out-of-home care. To the extent that the child's placement in out-of-home care is related to the parent's mental health or substance abuse problems, it could be argued that these HMOs are not currently able to recognize and adequately treat these problems among this population.

17. There has also been some debate at the national level relating to the provision of mental health and AODA services through traditional HMOs. In a 1995 article published in Health Affairs ("Can HMOs Manage the Mental Health Benefit?"), Mary L. Durham states:

"It is widely acknowledged that mental health services are a poor stepchild to medical services under virtually all insurance arrangements. This is certainly true in health maintenance organizations (HMOs)..."

Prepaid reimbursement provides the best and worst incentives for the delivery of services for persons with chronic problems-especially psychiatric care. Capitated prepayment has the potential to reduce institutional care, improve coordination of services, and promote the prevention of future illness or episodes of care. This potential is less likely to be realized, however, if preventative technologies are not available or the efficacy of available treatments is unknown, as is the case with some chronic diseases, particularly mental illness. This places an already vulnerable population at even greater risk for being managed toward the bottom line rather than toward improved clinical outcomes."

The article states that a crucial part of care management for HMOs is the avoidance of high cost/high intensity treatment. Under the administration's proposal, it is this type of treatment that the HMOs will be expected to provide to this population. In response to these concerns, some states have exempted mental health services from their MA HMO benefits package and have opted to provide those services on a fee-for-service basis, or through mental health managed care organizations.

18. The provision of mental health and AODA services through HMOs has been an area of concern for DHFS for some time. DHFS is addressing these concerns through HMO audits targeted to mental health and AODA services. DHFS has also reconvened its Milwaukee County managed care mental health workgroup. The workgroup's primary objective is to continuously monitor access to and improve the quality of care and the quality of reporting of mental health and AODA services. In addition, the BHCF is planning statewide training for HMOs and their providers on how to provide quality mental health and AODA treatment. Finally, DHFS intends to strengthen the language in its 1998-99 HMO contract relating to the provision of mental health and AODA services.

19. If the Committee determines that it wishes to provide mental health and AODA services through HMOs, it could authorize DHFS to seek federal approval to expand MA eligibility to parents of children who have been removed from the home, as requested by the administration. However, due to the possibility that this expansion may not be permissible under federal law, the Committee may want to provide these services through an alternative mechanism.

20. Under SB 77, every family with a child in out-of-home care will be assigned a child welfare case manager. These case managers will be responsible for accessing, coordinating and monitoring services on behalf of the family. The case manager will be responsible for the oversight of mental health and AODA services, in addition to other services provided to families, such as parenting education, life skills education, home management, supervision, and respite care. Included in the contracts between DHFS and the lead agencies will be funding to support the costs of mental health, AODA and family therapy services to uninsured parents. The lead agencies will be responsible for subcontracting with community social service and mental health agencies for the provision of services to these parents.

21. As an alternative to the administration's proposal to expand MA eligibility and increase payments to HMOs to provide mental health and AODA services, the Committee could provide funding to the lead agencies to support these services for 1.5 adults per household who are presumed to be MA-eligible. Under this alternative, the case management vendors would be able to provide for these services in the same manner and using the same providers as it will use for parents who are uninsured.

22. This alternative would provide the child welfare case managers with the ability to subcontract for these services directly with providers who have an expertise in working with this population. In addition, because the case managers will not be relying on the HMOs to "manage" the care, the child welfare case managers will be able to exercise more control and flexibility related to the parent's treatment by working directly with the family and the service providers. If the child welfare case manager is able to directly coordinate all of the services, they may be able to better integrate the parent education, life skills education and home management services with the mental health and AODA services, resulting in less fragmentation.

In addition, because under either alternative the case management vendors would be providing services to the .5 adult per family who is not MA-eligible, the alternative to provide services to all of the adults through the case management vendors would facilitate coordination of services among families. Additional fragmentation may occur if one adult in the family receives services through an HMO and the other receives services from a non-HMO provider, particularly since many of the issue the adults will be dealing with relate to inter-familial relationships and coping strategies.

Finally, this alternative would enable the case management vendors to directly manage the mental health and AODA services of 85% of the total out-of-home population. This may allow the agencies to employ efficiencies resulting from economies of scale and may allow the case management vendors to negotiate reimbursement rates with service providers.

For these reasons, the Committee could direct DHFS to provide these services through its contracts with the case management vendors.

23. The estimated costs of providing needed mental health and AODA treatment services in this manner is \$1,996,200 GPR in 1997-98 and \$7,389,900 GPR in 1998-99. While the estimated costs of this option are approximately \$1.3 million GPR greater than the estimated costs of the administration's revised funding request, it could be argued that this funding would "buy" a higher quality of service.

The cost of providing these services through MA HMOs and through the lead agencies assumes that the services will be provided by a combination of mental health providers, including: (a) M.D. psychiatrists; (b) Ph.D. psychologists; and (c) masters-level professionals. If HMOs, in an attempt to increase profits, substitute lower-level providers, the services

purchased through the lead agencies could be of a higher quality than the services provided through the HMO model.

**ALTERNATIVES TO BILL**

1. Expand MA eligibility effective January 1, 1998, if permissible under federal law, to parents of children who have been placed in out-of-home care. Provide \$3,429,100 (\$1,410,000 GPR and \$2,019,100 FED) in 1997-98 and \$8,500,600 (\$3,517,300 GPR and \$4,983,300 FED) in 1998-99 in MA benefits funding to support the costs of this expansion. Finally, provide \$665,400 GPR in 1997-98 and \$2,463,300 GPR in 1998-99 to support the cost of providing services to the non-MA eligible adults in these families.

<u>Alternative 1</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	\$8,056,000	\$7,002,400	\$15,058,400

2. Provide \$1,996,200 GPR in 1997-98 and \$7,389,900 GPR in 1998-99 to support the costs of providing services to families of children who are placed in out-of-home care.

<u>Alternative 2</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	\$9,386,100

3. Maintain the level of funding provided in SB 77 for these services.

MO# AH# 1

JENSEN	<input checked="" type="checkbox"/>	N	A
OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

Prepared by: Amie T. Goldman

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS \_\_\_\_\_