

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL                       UPDATED  
 CORRECTED                       SUPPLEMENTAL

**LRB # - 3404/4**

**INTRODUCTION # AB 533**

**Admin. Rule #**

**Subject**

Neighborhood organization incubator grants and performance evaluation of AODA programs

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget  
  Yes  
  No

- Increase Existing Appropriation                       Increase Existing Revenues  
 Decrease Existing Appropriation                       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

- |  |  |  |
|--|--|--|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenues<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:<br><input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others _____<br><input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

**Fund Sources Affected**

- GPR  
  FED  
  PRO  
  PRS  
  SEG  
  SEG-S

**Affected Ch. 20 Appropriations**

s. 20.435(3)(ft) and (6)(a)

**Assumptions Used in Arriving at Fiscal Estimate:**

The bill has two provisions that affect the Department.

**Incubator Grant Program**

This provision directs the Department to award grants totaling \$100,000 each fiscal year to community-based public or private, nonprofit organizations to conduct the activities listed below. Funding for the Incubator Grant Program is provided in a newly created GPR appropriation.

- Provide information to neighborhood organizations about sources of public and private funding.
- Assist neighborhood organizations in obtaining funding and other assistance from public and private entities.
- Act as a liaison between the neighborhood organizations and the public and private funding sources.
- Provide appropriate training and professional development services to members of neighborhood organizations.
- Engage in outreach efforts to inform neighborhood organizations of the services available from the agency.
- Undertake other activities to facilitate the effectiveness and development of neighborhood organizations.

To administer the Incubator Grant Program, Department staff would need to develop an application and award process, review completed applications and conduct program monitoring and oversight activities. The grant will be administered through the Department's standard processes and procedures.

**Performance Standards for Distribution of AODA Funding**

This provision directs the Department to promote efficient use of funding for alcohol and drug abuse (AODA) intervention and treatment services by doing all of the following:

- Developing one or more methods to evaluate the effectiveness of AODA intervention and treatment services and develop performance standards regarding those services.
- Adopting policies to ensure that, to the extent possible under state and federal law, all funding for AODA intervention and treatment services administered is distributed based on the effectiveness of the services in meeting department performance standards for alcohol and other drug abuse services.
- Requiring every application for funding for AODA intervention or treatment services to include a plan for the evaluation of the effectiveness of the services in reducing alcohol and other drug abuse by recipients of services.

**Long-Range Fiscal Implications:**

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John Kiesow, 266-9622

Date

10/26/99

- Requiring every recipient of DHFS funding for AODA services to provide the information necessary for the Department to evaluate the effectiveness of the services provided.

As written, the bill requires performance standards and evaluations for providers of treatment and intervention services funded either with Community Aids funds distributed by the Department to counties or with direct categorical grants awarded by the Department. There are approximately 390 such providers in the state. (There are several hundred additional providers that provide treatment funded through the Medical Assistance program.) Because the Department distributes Community Aids and most direct grants on an annual basis, and the bill requires the Department to conduct the evaluations itself, it is projected that the Department would conduct 390 evaluations per year.

On average, it would take Department staff 160 hours to conduct each evaluation required under the bill. Staff would conduct one or two site visits to evaluate the program's operations, collect program and client data, analyze the resulting data, and write a final report. Based on these assumptions, it is estimated that the bill would generate 62,400 hours of additional workload for DHFS. The Department would require 30.0 FTE program and policy analyst 5 positions plus 3.0 FTE supervisory staff and 3.0 FTE support staff.

The annual cost for salary, fringe, supplies, and rent for these staff would be \$1,768,100. One time costs for computers and office equipment would total \$176,400. While treatment services provided by the evaluated programs are funded with a combination of GPR and federal funding, it is assumed that the cost of the evaluation staff would be charged to GPR. The Department receives sum certain federal grants for treatment services, and therefore it would have to reduce its grants to providers if federal funds were used for evaluations.

