

March 2, 2000 * Note: SB 294 is in the Senate, but AB 802 is in the Assembly. *

Senate Bill 294 (Shibilski/Waukau); **Assembly Bill 802** (Sykora/Shibilski)

Elderly Nutrition Funding

- amendment -

Summary of proposals

Both proposals provide additional funding for Elderly Nutrition programs. The Senate version provides \$1,075,000 GPR annually and the Assembly version provides \$1 M in 2000-01 only, with ½ coming from GPR (JFC's supplemental appropriation) and ½ from PR (tribal gaming revenue).

Staff Comments

Shibilski knows the Senate bill will result in an 8-8 vote, so the Assembly bill is a compromise version worked out with Gard. They believe the Assembly bill will pass 16-0. The elderly advocates want something to pass, so they'll take AB 802, even though they want SB 294.

Standing Committee Action

SB 294 passed Senate Human Services & Aging on a 5-0 vote.

AB 802 was referred directly to JFC.

Recommended JFC Action-

Passage of SB 294 (know it will be an 8-8 vote)

Passage of AB 802

Prepared by: Cindy



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March 2, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: 1999 Assembly Bill 802/Senate Bill 294: Elderly Nutrition Funding

Senate Bill 294 and Assembly Bill 802 would provide supplemental funds for the elderly nutrition program administered by the Department of Health and Family Services (DHFS). SB 294 would provide \$1,075,000 GPR annually and AB 802 would provide \$1,000,000 (all funds) in 2000-01 for the program. SB 294 was introduced on November 24, 1999, and referred to the Senate Committee on Human Services and Aging. On January 25, 2000, that Committee recommended the bill for passage by a vote of five to zero. On February 1, 2000, the bill was referred to the Joint Committee on Finance. AB 802 was introduced on February 24, 2000, and referred to the Joint Committee on Finance.

BACKGROUND

Elderly Nutrition Program. DHFS is currently budgeted \$5,463,700 GPR and \$9,766,100 FED annually to support congregate and home-delivered meals for the elderly. Federal funding is authorized under Title III of the Older Americans Act and available from the federal Administration on Aging. The funds are distributed to the state's six area agencies on aging which, in turn, distribute the funding to counties and tribes. Under federal law, the funding for these programs must be used for programs that provide at least one meal per day at least five or more days per week, except in rural areas where such frequency is not feasible.

DHFS uses a formula to distribute the funding to counties so that funding is targeted to those areas in the greatest economic or social need due to poverty, functional impairment, ethnic/minority status and geographic isolation. The formula uses the following factors to weight the distribution of funding: (a) the number of low-income elderly; (b) number of individuals over the age of 75; (c) elderly population that are members of an ethnic or racial minority; and (d) the number of elderly living in rural areas.

Eligible recipients must be 60 years of age or older. Non-elderly spouses and non-elderly disabled individuals may receive meals if the cost of the meals is covered by the individual's contribution. Funding may also be used for outreach, nutrition education and other related services. There are no financial eligibility criteria. However, an evaluation of the program found that, nationally, 80 to 90 percent of program participants have incomes below 200 percent of the federal poverty level. Voluntary contributions are accepted from program participants.

In addition to funding distributed by DHFS, agencies may receive reimbursement from the U.S. Department of Agriculture (USDA) for each meal served. In 1999, the USDA reimbursed agencies over \$3.0 million for meals provided to the elderly. The USDA estimates that its reimbursement rate for federal fiscal year 1999-00 will be \$0.5404 per meal. Counties also contribute funding to support the costs of providing meals. In 1998, counties provided approximately \$6.6 million for meals for the elderly.

Meals are provided to participants in congregate settings at over 600 meal sites across the state or delivered to homebound individuals. In 1998, approximately 2.9 million meals were provided to 83,754 individuals in congregate settings and approximately 2.6 million meals were delivered to 21,748 individuals in their home. According to the Wisconsin Association of Nutrition Directors, the average age of participants is 76 years of age for participants in congregate settings and 81 years of age for participants receiving home-delivered meals.

The attachment to this memorandum provides historical information on the number of persons served, the number of meals provided and available funding for the DHFS elderly nutrition program.

Tribal Gaming Revenue. Tribal gaming revenue provided to the state under the state-tribal gaming compact amendments is estimated to total \$21.5 million in 1999-00 and \$24.0 million in 2000-01. In addition, the tribes pay the state a combined total of \$350,000 annually for state regulatory costs as well as miscellaneous payments relating to vendor certification. Total tribal revenue, from all sources, is estimated at \$22.1 million in 1999-00 and \$24.5 million in 2000-01.

Under 1999 Act 9, the 1999-01 biennial budget act, \$22.4 million in 1999-00 and \$23.7 million in 2000-01 in tribal gaming revenue is allocated for a variety of purposes, including the state regulation and enforcement of tribal gaming. Based on the tribal gaming opening balance on June 30, 1999, the anticipated revenue in the 1999-01 biennium and the allocations under Act 9, the tribal gaming program revenue appropriation has an estimated balance of \$1,173,100 on June 30, 2001.

Eight of the 11 amended compact agreements contain government-to-government memoranda of understanding (MOU) relating to the use of the additional payments. The MOU all contain a provision that the Governor must undertake his best efforts, within the scope of his authority, to assure that monies paid to the state under the agreements are expended for specific

purposes. In most of the MOU, the specified purposes include: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located. Several of the MOU add a fifth purpose relating to either law enforcement or public safety initiatives on the reservations.

While the MOU would appear to require the Governor to undertake his best efforts to assure that monies paid to the state are expended for specific purposes, the Legislature is not bound by the purposes specified in the MOU. The allocations under Act 9 do not entirely conform to the purposes specified in the MOU. The Legislature, subject to the Governor's veto authority, may determine how this revenue will be utilized by the state.

SUMMARY OF BILLS

SB 294. SB 294 would provide \$1,075,000 GPR annually to DHFS to increase funding for the DHFS elderly nutrition program. Of these amounts, \$600,000 would be provided for home-delivered meals and \$475,000 would be provided for meals provided in congregate settings.

AB 802. AB 802 would provide \$1,000,000 (\$500,000 GPR and \$500,000 PR) in 2000-01 to increase funding for the DHFS elderly nutrition program. The PR funding would come from tribal gaming revenue transferred from the Department of Administration. The bill would also reduce the unreserved balance in the Joint Committee on Finance's program supplements appropriation by \$500,000 GPR in 2000-01 to offset the GPR provided for the elderly nutrition program. Of the amounts provided for elderly nutrition, \$450,000 PR would be provided for home-delivered meals and \$550,000 (\$500,000 GPR and \$50,000 PR) would be provided for meals served in congregate settings.

The bill would create two program revenue annual appropriations and would modify corresponding cross-references to reflect that tribal gaming revenue would be transferred to DHFS for two purposes within the same program, one for congregate meals, and the other for home-delivered meals. The bill could be amended to provide the PR funding in a single appropriation (while retaining the separate purposes) in order to simplify the Department's budget monitoring and administration of the program.

FISCAL EFFECT

SB 294. SB 294 would increase GPR expenditures by \$1,075,000 GPR in both 1999-00 and 2000-01. Because DHFS contracts with agencies on a calendar year basis, all of the funding provided in the first year (\$1,075,000) and half of the amount provided in 2000-01 (\$537,500) would be added to the calendar year 2000 allocations. After 2000, on an annual basis, the allocations would increase by \$1,075,000.

AB 802. AB 802 would increase expenditures from tribal gaming revenue by \$500,000 annually, beginning in 2000-01. The bill has no net GPR fiscal effect, since increased funding for the elderly nutrition program would be offset by a decrease in GPR budgeted in the Committee's program supplements appropriation.

The estimated program revenue balance in the tribal gaming receipts appropriation would be sufficient to fund the elderly nutrition programs under AB 802 in the 1999-01 biennium. The unreserved balance in the Committee's program supplements appropriation at the end of the 1999-01 biennium is currently estimated at \$924,900.

It is expected that, if either bill were enacted, DHFS would distribute any additional funding based on the formula used to deliver current funding and therefore, each county's allocation would increase in proportion to its current allocation. It is not expected that DHFS would specify how the increased funds would be used, other than the allocation between congregate and home-delivered meals. However, DHFS would encourage programs to use the funds to expand their services to those not currently being served by the program or to those who are not receiving sufficient services.

Prepared by: Rachel Carabell and Art Zimmerman
Attachment

ATTACHMENT

DHFS Elderly Nutrition Program

Persons Served

	<u>Congregate Meals</u>	<u>Home- Delivered Meals</u>	<u>Total</u>	<u>Annual Percent Change</u>
1994	88,861	23,165	112,026	---
1995	87,671	22,003	109,674	-2.1%
1996	84,524	21,283	105,807	-3.5
1997	83,381	21,690	105,071	-0.7
1998	83,754	21,748	105,502	0.4

Number of Meals Provided

	<u>Congregate Meals</u>	<u>Home- Delivered Meals</u>	<u>Total</u>	<u>Annual Percent Change</u>
1994	3,361,000	2,296,000	5,657,000	---
1995	3,279,000	2,362,000	5,641,000	-0.3%
1996	3,117,000	2,424,000	5,541,000	-1.8
1997	3,022,073	2,562,028	5,584,101	0.8
1998	2,929,959	2,585,790	5,515,749	-1.2

Available Funding

	<u>GPR</u>	<u>FED*</u>	<u>Total</u>	<u>Annual Percent Change</u>
1994	\$5,440,500	\$12,732,600	\$ 18,173,100	---
1995	5,463,700	12,736,000	18,199,700	0.1%
1996	5,463,700	12,565,200	18,028,900	-0.9
1997	5,463,700	12,730,900	18,194,600	0.9
1998	5,463,700	13,032,300	18,496,000	1.7
1999	5,463,700	12,865,900	18,329,600	-0.9
2000	5,463,700	13,427,400	18,891,100	3.1

*Includes federal funds agencies receive directly from the USDA.