

K

AGENCY: Environmental Improvement Fund

PAPER: #432

ISSUE: Residual Bonding Authority

RECOMMENDATION: Alternative 2

SUMMARY:

Anything is ok here, but it makes sense to formally withdraw this bonding authority (plus the FB-suggested correction).

BY: Barry

Cond - ~~1~~

okay w/ staff

if GOP won't give any bonding  
in previous 2 papers, maybe  
we should go we Alt. 3



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 4, 2001

Joint Committee on Finance

Paper #432

### Wisconsin Fund Residual Bonding Authority (Environmental Improvement Fund)

[LFB 2001-03 Budget Summary: Page 291, #4]

#### CURRENT LAW

The Wisconsin fund is the wastewater financial assistance predecessor to the clean water fund. The program operated from 1977 to 1990 to provide grants for the construction of municipal wastewater treatment projects. The state used general obligation bonding authority, with GPR debt service costs, to pay for the program. Although the program ended in 1990, the 1997-99 biennial budget act designated up to \$1,300,000 in residual bonding authority for a project in the Lake Tomahawk Sanitary District (\$1,000,000 of which was repaid through a US EPA grant) and the 1999-01 biennial budget act designated \$770,000 for a project in the Village of Hatley in Marathon County and \$1,100,000 for a project in the Village of Marathon.

#### GOVERNOR

Eliminate \$8,956,400 in residual general obligation bonding authority for the Wisconsin fund.

#### DISCUSSION POINTS

1. Elimination of the residual bonding authority would reflect the fact that the Wisconsin fund program ended in 1990, is no longer active and would not be used for new projects.
2. The Village of Hatley has been awarded a federal grant and will not need \$720,000 of the \$770,000 designated in the 1999-01 biennial budget act. The \$720,000 in general obligation

bonding authority could also be deleted, for a total deletion of \$9,676,400 in residual bonding authority.

3. If the \$9,676,400 in bonding authority was retained and issued, GPR debt service costs would be approximately \$770,000 annually for 20 years.

**ALTERNATIVES TO BASE**

1. Approve the Governor's recommendation to eliminate \$8,956,400 in residual general obligation bonding authority in the Wisconsin fund.

<u>Alternative 1</u>	<u>BR</u>
2001-03 BONDING (Change to Base)	- \$8,956,400
[Change to Bill]	\$0]

2. Adopt the Governor's recommendation as reestimated to eliminate an additional \$720,000 in residual general obligation bonding authority, for a total decrease of \$9,676,400.

<u>Alternative 2</u>	<u>BR</u>
2001-03 BONDING (Change to Base)	- \$9,676,400
[Change to Bill]	- \$720,000]

3. Maintain current law.

<u>Alternative 3</u>	<u>BR</u>
2001-03 BONDING (Change to Base)	\$0
[Change to Bill]	- \$8,956,400]

MO# 114.1

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

Bonderud

AYE 16 NO 0 ABS 0

AGENCY: Environmental Improvement Fund

PAPER: #433

ISSUE: Clean Water Fund - Unsewered Communities

RECOMMENDATION: Alternative *x 2*

SUMMARY:

Go with the gov here. More communities would be able to get low-cost loans for building wastewater treatment plants, but it wouldn't be expanded to the rapid growth areas (i.e. sprawl) of the 1990's. Overall, though its better to have these areas on sewer than not.

BY: Barry

*Everyone else thinks*

*Alt. 2.*

*Cond - 3*



## Legislative Fiscal Bureau

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May 4, 2001

Joint Committee on Finance

Paper #433

### Clean Water Fund -- Unsewered Communities (Environmental Improvement Fund)

[LFB 2001-03 Budget Summary: Page 291, #5.b.]

#### CURRENT LAW

Under the clean water fund program within the environmental improvement fund, wastewater treatment facility construction projects in unsewered communities receive a reduced interest rate loan only if two-thirds of the initial wastewater flow is from residences that were in existence prior to October 17, 1972. These projects are eligible for a loan at an interest rate of 70% of the market interest rate. Projects for unsewered communities that do not meet this criteria are eligible only for assistance at market rate interest or its equivalent.

#### GOVERNOR

Require that two-thirds of the initial wastewater flow for new wastewater collection systems be from residences that were in existence 10 years prior to the date DNR approved the facility plan in order for a municipality to be eligible for a reduced interest rate loan under the clean water fund program.

#### DISCUSSION POINTS

1. The October 17, 1972, date in the current two-thirds requirement is the date the original federal Water Quality Act was signed. DNR indicates that use of the date originally distinguished existing development from future development. Since the October 17, 1972, date has not changed, it now distinguishes older development from major development that has taken place since the early 1970s, or is projected to take place in the future.

2. The U.S. Environmental Protection Agency deleted the two-thirds requirement from federal regulations several years ago. DNR officials believe that Wisconsin is the only state that still uses the requirement. To be consistent with current federal regulations, the two-thirds requirement could be eliminated. However, federal regulations do not require Wisconsin to eliminate the requirement.

3. The current requirement means that if one-third or more of the initial wastewater flow for an unsewered project comes from houses built after October 17, 1972, the project does not receive a reduced interest rate loan. To date, all unsewered projects have met the two-thirds requirement. DNR officials indicate that five projects narrowly met the requirement. The approximately \$53.2 million in unsewered projects in the planning stages for financing in the 2001-03 biennium have large areas of pre-1972 development and would meet the current two-thirds requirement.

4. DNR estimates that unsewered projects would begin to fail the current two-thirds requirement in the 2003-05 biennium. The Department projects that in 2003-04, there will be \$22.8 million in costs for unsewered projects and that under current law, up to 50% of those costs would have to be financed at the market rate instead of 70% of the market rate. Eventually no unsewered project would pass the current requirement and all unsewered projects would be funded with market interest rate loans. Some of the communities seeking financing of unsewered projects would otherwise be eligible for hardship financial assistance under the clean water fund.

5. Under current law, the long-term demand for clean water fund low-interest loans would decrease because unsewered communities would become ineligible for low-interest financing.

6. Currently, public sanitary sewer mains, interceptors and systems which exclusively serve future development are ineligible under the program. To be eligible for low-interest rate financing, the reserve capacity included in a project is limited to the future capacity which will be needed to serve the region 10 years after the project becomes operational. Reserve capacity is extra wastewater system capacity not currently needed, but constructed to take future growth into consideration.

7. Under the bill, if one-third of the initial wastewater flow for an unsewered project comes from houses built during the 10 years before DNR approved the facility plan, (which means the community grew by over 50% during the 10 years), the project would not receive a reduced interest rate loan.

8. DNR officials indicate that the facility plan for a project is generally approved within five years before applying for clean water fund financial assistance. Under the bill, there may be unsewered projects with a facility plan approved in the mid- to late-1990s, and two-thirds of the homes in such communities would have to have been constructed before the mid- to late-1980s in order to meet the proposed two-thirds requirement. Thus, the change would allow development during the 1970s through later-1980s to be eligible for reduced interest rate wastewater financing, but would not generally extend eligibility to communities with rapid 1990s development.

9. The 2001-03 DNR and DOA environmental improvement fund biennial finance plan submitted in September, 2000, proposed requiring two-thirds of the initial flow to be from residences constructed before DNR approved the facility plan, instead of 10 years before under the bill. This change would have extended eligibility for reduced interest rate loans to development in the 1990s.

10. The administration indicates that the Governor's reason for requiring two-thirds of the initial flow to be from residences constructed 10 years before DNR approved the facility plan instead of forwarding the biennial finance plan recommendation is to allow "older development" to continue to be eligible for low-interest financing but not communities that have grown significantly in the last 10 years.

11. It could be argued that the provision should be approved so that unsewered "older development" would continue to be eligible for low-interest loans. The provision would continue to provide the incentive of a subsidized loan to encourage development of municipal wastewater service in unsewered communities and could improve water quality in those communities.

12. It could be argued that the provision should not be approved so that state funds would not be used to provide subsidized loans to provide municipal wastewater service to unsewered areas that were largely constructed after the early 1970s. Under this argument, communities with substantial development in the last thirty years would not receive state subsidy for the provision of wastewater service.

13. Alternatively, it could be argued that the provision should be expanded to apply to the period of time before DNR approved the facility plan instead of 10 years prior, so that major unsewered development that occurred more recently (the late-1980s and 1990s development) would receive an incentive to provide municipal wastewater service to residents.

#### **ALTERNATIVES TO BASE**

1. Approve the Governor's recommendation to require that two-thirds of the initial wastewater flow for new wastewater collection systems be from residences that were in existence 10 years prior to the date DNR approved the facility plan in order for a municipality to be eligible for a reduced interest rate loan under the clean water fund program.

2. Modify the Governor's recommendation to require that two-thirds of the initial wastewater flow for new wastewater collection systems be from residences that were in existence prior to the date DNR approved the facility plan (instead of 10 years prior) in order for a municipality to be eligible for a reduced interest rate loan under the clean water fund program.

3. Maintain current law.

Prepared by: Kendra Bonderud

MO# A112

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS 0



# ENVIRONMENTAL IMPROVEMENT FUND

## LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #                      Title  
3b & c                      Present Value Subsidy Limit  
5c                              Statutory Changes

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
2 GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 4, 2001

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Budget Issue Papers

Attached are 2001-03 budget issue papers, prepared by this office, on the following agencies:

- Department of Veterans Affairs -- Homes and Facilities for Veterans
- Department of Financial Institutions
- Department of Transportation -- Motor Vehicles
- Department of Transportation -- State Patrol
- Department of Transportation -- Other Divisions
- Shared Revenue and Tax Relief -- Direct Aid Payments
- Shared Revenue and Tax Relief -- Property Taxation
- Shared Revenue and Tax Relief -- Local Revenue Options
- Supreme Court
- Court of Appeals
- Circuit Courts
- Judicial Commission
- Office of the Governor
- Office of the Lieutenant Governor
- University of Wisconsin Hospital and Clinics Authority
- University of Wisconsin Hospital and Clinics Board
- Marquette Dental School

These agencies have been scheduled for executive action by the Joint Committee on Finance on Wednesday, May 9. The meeting will begin immediately following the Committee's 10:30 a.m. public hearing on the 2001-03 building program in Room 411 South, State Capitol.

BL/sas  
Attachments

# 2001-03 BUDGET PAPERS

May 9, 2001

Paper #

**Veterans Affairs -- Homes and Facilities for Veterans**

- 995 Standard Budget Adjustments - Night and Weekend Differential
- 996 Supplies and Services
- 997 Staffing at the Veterans Home at King

**Financial Institutions**

- 440 Technology Initiatives
- 441 Business Association Fees

**Transportation -- Motor Vehicles**

- 930 Computer Database Redesign
- 931 Automated Oversize/Overweight Permit Issuance System
- 932 Special License Plate Issuance Fees

**Transportation -- State Patrol**

- 935 DNR Payments for DOT Radio Services

**Transportation -- Other Divisions**

- 940 Safe-Ride Grant Program
- 941 Funding for Payments for Municipal Services

**Shared Revenue and Tax Relief -- Direct Aid Payments**

- 825 Shared Revenue Modifications and Expenditure Restraint Funding Level

**Shared Revenue and Tax Relief -- Property Taxation**

**Shared Revenue and Tax Relief -- Local Revenue Options**

Paper #

**Supreme Court**

860 Court Commissioner Judicial Education

**Court of Appeals**

375 Staff Attorneys

376 Minor Policy and Technical Changes -- GPR-Earned Reestimates

**Circuit Courts**

275 Court Interpreters

276 Minor Policy and Technical Changes -- GPR-Earned Reestimates

277 Minor Policy and Technical Changes -- Chapter 20 Schedule

**Judicial Commission**

**Governor**

455 Children's Cabinet Board

456 Rural Policy Advisor Position

**Lieutenant Governor**

**University of Wisconsin Hospital and Clinics Authority**

945 Bonding Authority

**University of Wisconsin Hospital and Clinics Board**

**Marquette Dental School**

## 2001-03 BUDGET PAPERS

### Cumulative List Thru May 9, 2001

Paper #

**Administration -- Information Technology**

**Adolescent Pregnancy Prevention and Pregnancy Services Board**

**Board of Commissioner of Public Lands**

230 Reimbursements for Certain Administrative Expenses

**Child Abuse and Neglect Prevention Board**

270 Primary Prevention Staff

271 "Celebrate Children" License Plate Revenue and Segregated Revenue Reestimate

272 Miscellaneous Budget Adjustments

**Circuit Courts**

275 Court Interpreters

276 Minor Policy and Technical Changes -- GPR-Earned Reestimates

277 Minor Policy and Technical Changes -- Chapter 20 Schedule

**Commerce -- Departmentwide and Economic Development**

280 Forest Product Marketing

281 International Liaison Funding

282 Administrative Position Reallocation

283 Economic Development Administration Consolidation

284 Community-Based Economic Development Program Conversion to New Economy for Wisconsin Program

285 Rural and Minority Business Economic Development Programs -- Repayments Appropriations

Paper #

**Commerce -- Building and Environmental Regulation**

- 300 Transfer Mobile Home Park Water and Sewer Service Regulation from the Public Service Commission to Commerce
- 301 Aviation Fuel Petroleum Inspection Fee Allowance
- 302 PECFA -- Revenue Obligation Authority
- 303 PECFA Staff
- 304 PECFA -- High-Cost Sites
- 305 PECFA -- Interest Cost Reimbursement
- 306 PECFA -- Farm Tank Eligibility
- 307 Groundwater Monitoring Near Onsite Wastewater Treatment Systems
- 308 Transfer Code Consultant Section to Administrative Services Division
- 309 Fire Dues Distribution

**Court of Appeals**

- 375 Staff Attorneys
- 376 Minor Policy and Technical Changes -- GPR-Earned Reestimates

**Electronic Government**

- 400 Creation of the Department of Electronic Government

**Employee Trust Funds**

- 410 Benefits Payment System Redesign
- 411 Participant Services Staffing Increases
- 412 Customer Call Center Enhancements
- 413 Technical Change -- Retired Employees Benefit Supplement Reestimate
- 414 Group Insurance Board Authority to Modify or Expand State Employee Group Health Insurance Coverage
- 415 Additional Resources for Act 11 Implementation Costs
- 416 Group Health Insurance Ombudsperson Position
- 417 Funding for Accumulated Sick Leave Conversion Credits for Certain Retired State Employees

**Employment Relations**

- 420 Advance Labor Management Training Costs
- 421 Funding of Shared Human Resources System

Paper #

**Employment Relations Commission**

- 425 Arbitration Award Affecting City of Milwaukee Police Officers
- 426 Staff Support for Collective Bargaining Training Activities

**Environmental Improvement Fund**

- 430 Clean Water Fund General Obligation and Revenue Bonding Authority, Present Value Subsidy Limit and Priority List Allocation
- 431 Environmental Improvement Fund Debt Service
- 432 Wisconsin Fund Residual Bonding Authority
- 433 Clean Water Fund - Unsewered Communities

**Financial Institutions**

- 440 Technology Initiatives
- 441 Business Association Fees

**Governor**

- 455 Children's Cabinet Board
- 456 Rural Policy Advisor Position

**Insurance**

- 540 Standard Budget Adjustments
- 541 Information Technology -- Programming Services
- 542 Medigap Helpline
- 543 Treatment of Certain Revenues
- 544 Authority to Set Fees by Rule

**Investment Board**

**Judicial Commission**

**Lieutenant Governor**

**Marquette Dental School**

Paper #

**Military Affairs -- Emergency Management**

- 610 Reimbursement of Certain County and Municipal Worker's Compensation and Liability  
Costs Due to Emergency Management Activities
- 611 Emergency Response Equipment Funding

**Personnel Commission**

**Public Service Commission -- Agencywide**

- 780 Electronic Filing of Documents
- 781 Stray Voltage Research Funding

**Regulation and Licensing**

- 790 Information Technology Initiatives
- 791 Examination Fee Vendor Payment Reestimate
- 792 Revised Agency Credential Fees
- 793 GPR-Earned Credited from Criminal Background Check Fees
- 794 Technical Change -- GPR-Earned Reestimate

**Revenue -- Lottery Administration**

- 810 Lottery Sales, Retailer Compensation, Vendor Fees Reestimates and Lottery and Gaming  
Tax Credit Reestimate
- 811 Repeal GPR Appropriations for Lottery Operations

**Secretary of State**

- 820 GPR-Earned Reestimate

**Shared Revenue and Tax Relief -- Direct Aid Payments**

- 825 Shared Revenue Modifications and Expenditure Restraint Funding Level

**Shared Revenue and Tax Relief -- Property Taxation**

**Shared Revenue and Tax Relief -- Local Revenue Options**



Paper #

**Supreme Court**

860 Court Commissioner Judicial Education

**Tobacco Settlement Securitization**

885 Discussion of Tobacco Settlement Securitization

**Tourism**

890 Kickapoo Valley Reserve Law Enforcement Funding

891 Expand Heritage Tourism Grant Program

892 DNR Tourism Support

**Transportation -- Motor Vehicles**

930 Computer Database Redesign

931 Automated Oversize/Overweight Permit Issuance System

932 Special License Plate Issuance Fees

**Transportation -- State Patrol**

935 DNR Payments for DOT Radio Services

**Transportation -- Other Divisions**

940 Safe-Ride Grant Program

941 Funding for Payments for Municipal Services

**University of Wisconsin Hospital and Clinics Authority**

945 Bonding Authority

**University of Wisconsin Hospital and Clinics Board**

**Veterans Affairs -- Homes and Facilities for Veterans**

995 Standard Budget Adjustments - Night and Weekend Differential

996 Supplies and Services

997 Staffing at the Veterans Home at King

Paper #

1005

**Wisconsin Housing and Economic Development Authority**  
**Wisconsin Development Reserve Fund**



## Legislative Fiscal Bureau

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*Modification*

May 9, 2001

Joint Committee on Finance

Paper #995

### **Standard Budget Adjustments -- Night and Weekend Differential (DVA -- Homes and Facilities for Veterans)**

[LFB 2001-03 Budget Summary: Page 693, #1(part)]

#### **CURRENT LAW**

In 2000-01, the Department of Veterans Affairs (DVA) is budgeted \$360,500 PR to fund higher salary costs for employees that work night and weekend shifts at the Home at King. This funding amount is adjusted biennially as a standard budget adjustment, "night and weekend differential."

#### **GOVERNOR**

Provide \$624,300 PR annually (\$508,100 PR for salaries and \$116,200 PR for fringe benefits) to fund night and weekend differential pay and to reflect higher contract rates.

#### **DISCUSSION POINTS**

1. Department of Administration (DOA) budget instructions require agencies to remove funds for overtime and premium pay on holidays, as well as night and weekend differential pay from the adjusted base, to calculate full funding of salary costs. The standard budget adjustment, "night and weekend differential" restores funding to reflect higher wages DVA pays to employees that work on night and weekend shifts.

2. DOA's budget instructions permit agencies to include funding approved for night and weekend differentials under the previous budget act (Act 9) and other legislation under this standard budget adjustment, as well as an adjustment for the across-the-board elements of the 1999-2001 compensation plan (a 5.6% increase). Also, an adjustment is allowed for premium pay on

holidays dictated by contract in 2000-01. Budget instructions specify that fringe benefits for this item be based on the variable fringe rate (21.2%).

3. The bill would provide \$508,100 PR for night and weekend differential for salaries, which exceeds the Act 9 amount of \$360,500 by \$147,600. This exceeds the 5.6% increase permitted under the DOA budget instructions. However, the additional increase reflects the restoration of holiday premium pay, which was not budgeted in the 1999-01 budget. Although it is appropriate to include the holiday premium under this adjustment, the variable fringe rate that was used for this adjustment was 22.9% rather than 21.2%. The appropriate amount for fringe would be \$107,700 rather than \$116,200, which is a difference of \$8,500.

4. Although the Veterans' Home at King is supported by program revenue, a major source of that program revenue is medical assistance (MA) funding, which is supported on a 41% GPR/59% FED basis. Approximately 85% of the residents at King are supported under MA. As a result, an additional \$1 of program revenue expenditure authority for the Veterans' Home increases GPR costs by approximately \$0.35 (\$0.41 x .85).

5. Approximately two-thirds of the Home's program revenue is derived from sources other than MA, such as member contributions and VA per diem payments, and these sources are projected to increase each year. However, these other sources will not fund all of the Governor's recommended increases for the Home. Consequently, at the margin, increases or decreases in the Home's expenditures will result in corresponding changes in MA payments to the Home. Although the Home has encountered some difficulties with federal limits on MA payments, the Governor's budget recommendation assumes that these difficulties can be resolved, and that the Home will be able to claim under MA any costs not covered by other sources.

**MODIFICATION**

Modify the Governor's recommendation by deleting \$8,500 PR annually to reflect the appropriate fringe rate to the adjustment for night and weekend differential pay. Its in DHFS by \$3,000 GPR and \$4,200 FED annually to reflect this change.

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

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

	GPR	FED	PR	TOTAL
Change to Bill)	- \$6,000	- \$8,400	- \$17,000	- \$31,400

| Megna

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



## Legislative Fiscal Bureau

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May 9, 2001

Joint Committee on Finance

Paper #996

### Supplies and Services (DVA -- Homes and Facilities for Veterans)

[LFB 2001-03 Budget Summary: Page 707, #2]

#### CURRENT LAW

In 2000-01, the Department of Veterans Affairs (DVA) is budgeted \$6,312,800 PR to fund supplies and services costs for the Veterans' Home at King.

#### GOVERNOR

Provide \$149,300 PR in 2001-02 and \$236,100 PR in 2002-03 to fund projected increases in the cost of supplies and services, including physician services, medical supplies, pharmaceuticals and food, at the King Home.

#### DISCUSSION POINTS

1. The administration calculated the funding increase in the bill by applying projected inflation rates in the Department of Administration's budget instructions to actual expenditures in fiscal year 1999-00 for three categories of services -- medical services, food and beverages, and medications and medical supplies. The amounts in the bill reflect the difference between projected expenditures in 2001-02 and 2002-03 and actual expenditures in 1999-00 for these three types of costs.

2. However, these funding increases do not account for the fact that actual expenditures in 1999-00 were less than the amount budgeted for supplies and services in that year. There is funding already budgeted in the agency's base to fund a portion of the projected inflation costs between 1999-00 and the 2001-03 biennium. It may be more appropriate to fund inflation increases by applying projected rates to all supplies and services expenditures and comparing those

projections to the base funding level. The table below shows this calculation.

**Projected Supplies and Service Costs  
Veterans' Home at King  
2001-03 Biennium**

	Actual	Projected Expenditures		
	Expenditures 1999-00	2000-01	2001-02	2002-03
Medical Services	\$633,420	\$651,789	\$673,289	\$699,893
Food and Beverages	1,109,124	1,135,743	1,166,966	1,200,234
Medications and Medical Supplies	870,398	891,723	914,462	939,152
Other	<u>3,375,197</u>	<u>3,457,889</u>	<u>3,546,065</u>	<u>3,641,809</u>
Total	\$5,988,139	\$6,137,144	\$6,300,801	\$6,481,090
Base Funding			\$6,312,800	\$6,312,800
Base Budget Less Projected Expenditures			\$11,999	-\$168,290

3. The table indicates that base funding may be sufficient to fund supplies and services expenditures in 2001-02, but projected expenditures may exceed base funding for supplies and services by \$168,300 PR in 2002-03. This amount is \$67,800 PR less than the amount that would be provided in the bill in 2002-03.

4. Although the Veterans' Home at King is supported by program revenue, a major source of that program revenue is medical assistance (MA) funding, which is supported on a 41% GPR/59% FED basis. Approximately 85% of the residents at King are supported under MA. As a result, an additional \$1 of program revenue expenditure authority for the Veterans' Home at King increases GPR costs by approximately \$0.35 ( $\$0.41 \times .85$ ).

5. Approximately two-thirds of the Home's program revenue is derived from sources other than MA, such as member contributions and VA per diem payments, and revenue from these sources are projected to increase each year. However, these other sources cannot fund all of the Governor's recommended increases for the Home. Consequently, at the margin, increases or decreases in the Home's expenditures will result in corresponding changes in MA payments to the Home. Although the Home has encountered some difficulties with federal limits on MA payments, the Governor's budget recommendations assume that these difficulties can be resolved, and that the Home will be able to claim under MA any costs not covered by other sources.

6. If the Committee reduces funding for the Home to reflect this reestimate of supplies and services costs for the Home in the 2001-03 biennium, MA funding should be reduced by \$52,300 GPR and \$74,600 FED in 2001-02 and \$23,900 GPR and \$33,700 FED in 2002-03.

**ALTERNATIVES**

1. Adopt the Governor's recommendation to provide \$149,300 PR in 2001-02 and \$236,100 in 2002-03 to fund projected increases in the cost of supplies and services at the Home.

2. Modify the Governor's recommendation by deleting \$149,300 PR in 2001-02 and \$67,800 PR in 2002-03 to reflect a reestimate of the costs for supplies and services. Reduce MA benefits funding in DHFS by \$52,300 GPR and \$74,600 FED in 2001-02 and \$23,900 GPR and \$33,700 FED in 2002-03 to reflect this change.

<u>Alternative 2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$76,200	- \$108,300	- \$217,100	- \$401,600

Prepared by: Richard Megna

MO# Alt 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

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

**AGENCY:** Veterans Affairs - Home and Facilities for Veterans

**Paper #:** 997

**ISSUE:** Staffing at the Veterans Home at King

**ALTERNATIVES:** A-2, B-1, C-1, D-1, E-~~2~~ E-1

*OK*

**SUMMARY:**

All of these changes appear reasonable and, with a few minor tweaks, this is pretty much what the governor proposed for staffing at King. LFB makes a pretty good case for this stuff, and it seems like the additional funding and positions will make a difference in the care of residents.

**BY:** Julie





## Legislative Fiscal Bureau

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May 9, 2001

Joint Committee on Finance

Paper #997

### Staffing at the Veterans Home at King (DVA -- Homes and Facilities for Veterans)

[LFB 2001-03 Budget Summary: Page 706 through 708, #1, 3, 5, 6 & 7]

#### CURRENT LAW

The base budget, as adjusted to include standard budget adjustments, for the Veterans Home at King is \$31,894,900 PR. The Veterans Home is authorized 694.74 full-time equivalent (FTE) positions and is budgeted \$535,600 PR to support limited-term employees (LTEs). The Veterans Home has 721 licensed skilled nursing care beds and 14 cottages that provide 28 domiciliary beds.

#### GOVERNOR

Provide the following to address staffing needs at the Veterans Home.

- a. *Overtime.* \$429,500 PR annually to support staff overtime costs resulting from vacancies in positions that provide care to the residents;
- b. *Program Assistants.* \$60,600 PR annually and 1.5 program assistant positions, beginning in 2001-02, to convert 3.0 half-time positions to full-time positions;
- c. *Activity Therapists.* \$58,700 PR in 2001-02 and \$68,800 in 2002-03 to fund 1.0 activity therapist and 0.5 activity therapist assistant, beginning in 2001-02, to support organized activities;
- d. *Pharmacy Technician.* \$29,600 PR in 2001-02 and \$30,400 in 2002-03 to fund 1.0 pharmacy technician, beginning in 2001-02; and
- e. *LTE Wage Increases.* \$50,200 PR annually to fund wage increases for LTEs.

## DISCUSSION POINTS

1. The Veterans Home consists of four buildings (Ainsworth, MacArthur, Olson and Stordock), which are separately licensed. Each building is surveyed separately and on a different date. Surveys must be conducted every nine to 15 months. The results of the last three surveys for each of these four buildings are presented in Table 1. The number of federal deficiencies is listed in the table, as well as a description of each citation. Federal deficiencies are categorized according to the level of harm and the proportion of residents who were, or could have been, affected. Federal deficiencies use a scale of 1 to 4 for gauging the level of harm, with 1 representing the least amount of harm and 4 representing the highest level of harm.

**TABLE 1**

**Nursing Home Survey Results  
Veterans Home at King  
1998, 1999 and 2000**

	<u>Ainsworth</u>	<u>MacArthur</u>	<u>Olson</u>	<u>Stordock</u>	<u>Total</u>
<b>2000 Survey</b>					
Deficiency #1 -- Type	None	Pharmacy	Pharmacy	None	2
-- Level of Harm		2	2		
-- Residents Affected		Few	Few		
<b>1999 Survey</b>					
Deficiency #1 -- Type	Incomplete Assessment	None	None	Incomplete Assessment	2
-- Level of Harm	2			2	
-- Residents Affected	Few			Some	
<b>1998 Survey</b>					
Deficiency #1 -- Type	Lack of activities	Lack of activities	Lack of social services	Lack of activities	6
-- Level of Harm	2	2		2	
-- Residents Affected	Some	Few		Few	
Deficiency #2 -- Type		Incomplete Assessment		Incomplete Care Plan	
-- Level of Harm		2		2	
-- Residents Affected		Few		Some	

2. Table 1 indicates that the 1998 surveys resulted in the greatest number of deficiencies (a total of six), with each of the facilities receiving a deficiency with respect to the amount of activities available to residents. 1999 Wisconsin Act 9 (the 1999-01 biennial budget act) provided funding for 2.0 additional therapy assistant positions. In 1999, two of the facilities (MacArthur and Olson) were not found to have any federal deficiencies, while the other two each received one citation for an incomplete assessment. Both citations were categorized as having

minimal harm or potential for actual harm and as affecting few residents. In 2000, two facilities (Ainsworth and Stordock) had no citations, while the other two each had one citation for pharmacy service deficiencies regarding: (a) making sure that residents who take drugs are not given too many doses or for too long of time; (b) use of drugs is carefully watched; or (c) stop or change drugs that cause unwanted effects. Each of the citations were rated as causing minimal harm or potential for actual harm and as affecting few residents.

3. Three of the facilities at King have a census of approximately 200 residents, while the fourth facility (MacArthur) has a census of approximately 120 residents. In 1999, only 11% of nursing homes in Wisconsin had a licensed bed capacity of 200 or more beds. In 1999, the average number of citations per nursing home in Wisconsin was 3.2. For homes with 200 or more beds, the average number was 5. The range for the number of citations varied from 0 to 44.

4. Part of the survey process includes a report from the nursing home on the number of nursing staff hours for a two-week period prior to the time of the state inspection. The survey includes a check concerning whether the reported hours meets the state's minimum required hours for staffing. As a group, the four facilities at King had a nurse staffing percentage equal to 103% of the state's minimum requirements in 1999 and 110% in 2000. In Wisconsin, for facilities with 200 or more beds, the average percentage of the minimum nursing staffing hours was 131%, with a range of 80% to 340%.

5. Table 2 lists the number of nurses and nurse's aides per resident for each of the four facilities at King and provides a comparison to the average in Wisconsin. While MacArthur had a slightly higher nursing staff ratio than the Wisconsin average, the other three facilities were below the statewide average.

**TABLE 2**

**Number of Nurses and Nurse Aides Per Resident**

	<u>Number of Residents</u>	<u>Number of Registered Nurses Per Resident</u>	<u>Number of Licensed Practical Nurses Per Resident</u>	<u>Number of Certified Nurse Aides Per Resident</u>	<u>Number of Nurses and Nurse Aides Per Resident</u>
Ainsworth	202	0.16	0.06	0.37	0.59
MacArthur	116	0.26	0.09	0.37	0.72
Olson	199	0.17	0.06	0.36	0.59
Stordock	200	0.13	0.06	0.31	0.49
Wisconsin - Average all Homes	92	0.15	0.09	0.46	0.70

6. Although three of the four facilities at King have a nursing staff ratio below the statewide average, the residents at King, in general, have lower acuity levels than the statewide average. Table 3 shows the relative distribution of patient days at King relative to statewide totals.

**TABLE 3****Relative Care Level at the Veterans Home at King**

	Relative Reimbursement Level Under MA	Percentage of Patient Days in Each Category	
		Veterans Home	Wisconsin
Developmentally Disabled 1 (DD1)	1.85	0.0%	0.4%
Developmentally Disabled 2 (DD2)	1.55	0.0	0.1
Intensive Skilled Nursing (ISN)	1.30	0.2	3.5
Developmentally Disabled 3 (DD3)	1.10	0.0	0.0
Skilled Nursing Care (SNF)	1.00	63.9	82.2
Intermediate Care 1 (ICF 1)	0.70	32.4	13.5
Intermediate Care 2 (ICF 2)	0.50	3.4	0.3
Intermediate Care 3 & 4	0.25	0.2	0.0
Average Case Mix Index (Wisconsin's MA)		0.89	0.97
Average Case Mix Index (Medicare)		0.65	0.83

7. The information in Table 3 indicates that the Veterans Home has a greater proportion of its patient days in lower care levels. Based on state MA reimbursement levels, the Veterans Home would have a case mix index of 0.89, which is 9% lower than the statewide case mix of 0.97. Since the SNF category contains a broad range of care levels and such a large proportion of residents are in this category, this comparison probably does not provide a full picture of the relative care level at King compared to the state.

A more accurate measure of care levels is provided by the Medicare payment system, which is based on 44 different categories of care. The case mix index under the Medicare system is also listed in Table 3. Based on this system, the Veterans Home would have a case mix index that is 22% lower than the statewide average. Thus, although the nursing staff ratio at King is only 83% (.58/.70) of the statewide average, the relative care level (based on Medicare index) of the residents at King is also lower by a slightly larger amount, 78% [(65/.83) of the statewide index].

8. Comparative statistics are also available on the retention rate of nursing staff at the state's nursing homes. Table 4 lists two measures of staff retention rates for full-time and part-time nurses and nurse aides. As Table 4 indicates that the Veterans Home has higher retention rates and lower turnover rates, especially for full-time staff, than the statewide average.

**TABLE 4**

**Nursing Staff Retention Rates  
Calendar Year 1999**

	<u>% of Staff Employed for at Least One Year</u>		<u>% of Total Staffing that are New Hires in Year</u>	
	<u>Veterans Home</u>	<u>Wisconsin</u>	<u>Veterans Home</u>	<u>Wisconsin</u>
Full-time Registered Nurses	88%	78%	16%	33%
Part-time Registered Nurses	88	74	44	38
Full-time Licensed Practical Nurses	100	80	0	32
Part-time Licensed Practical Nurses	94	76	31	40
Full-time Nurse Aides	92	68	11	69
Part-time Nurse Aides	77	60	64	79

9. On April 17, 2001, DVA submitted a s. 16.515 request for a one-time increase of \$974,100 in 2000-01 to fund a salary shortage at the Veterans Home. In its request, DVA listed three factors that have contributed to the funding shortfall: (a) increased minimum staffing requirements enacted in 1997 Act 237; (b) the statewide nursing shortage; and (c) salary contract increases for nursing staff wages. This request was approved by the Department of Administration and forwarded to the Joint Committee on Finance on April 24, 2001. To date, the Committee has not taken action on this request.

10. In 1999-00, the DVA also submitted a s 16.515 request on June 9, 2000 to fund a projected salary shortfall. The Committee approved a one-time increase of \$783,300 for 1999-00.

11. The full-funding standard budget adjustment adjusts base salary funding for wage increases through July, 2000. The wage contract also includes a wage adjustment in October, 2000. Additional expenditure authority for delayed wage increases in 2000-01 can be provided by DOA at the end of this fiscal year and need not be addressed as part of the 2001-03 biennial budget bill.

12. In calendar year 1999, the annual inspections found that, when all units at King are considered together, nursing staffing was at 103% of the minimum required by state law. The number of authorized positions at King is sufficient to meet minimum staffing requirements given vacation time and sick leave, but there is little room to accommodate any nursing vacancies.

13. In the current fiscal year, the Veterans Home has experienced an average staff vacancy rate of approximately 11%. DVA can respond to staff vacancies by funding overtime and using LTEs to perform work that would otherwise be performed by vacant, permanent positions. The salary costs of funding overtime are 50% greater than the costs of regular hours worked by the Veterans Home's staff, but lower fringe benefit costs are incurred for overtime hours (21% versus

41%). If DVA uses LTEs to perform this work, it is less expensive, because there is no wage premium and fringe benefit costs budgeted for LTEs is 7.65% of the salary funding, rather than 41% for permanent staff.

14. The annual base salary budget for overtime and LTEs is \$423,400 and \$535,600, respectively. The sum of these two items equals 4.4% of the amount of funding for base salaries.

#### **Overtime**

15. DOA budget instructions require all agencies with appropriations that fund over 50 full-time, permanent positions to reduce salary funding in those appropriations by 3% from the base permanent position salary line. Historically, the turnover reduction for the Veterans Home has been 2%, rather than 3% because it has been argued that the Veterans Home must maintain adequate staffing levels for needed care and to meet regulatory requirements. The Governor recommends that the 2% turnover reduction of \$429,500 annually be restored to provide the Veterans Home more funding to cover staffing needs created by vacancies.

16. As previously indicated, the Veterans Home's current nursing staffing level has very little room relative to the minimum staffing requirements. In 1999 and 2000, the surveys indicated that, over a two-week period, the Home at King was at 103% and 110%, respectively, of the minimum staffing requirement. An analysis of the current staffing level indicates that the permanent staff level of nurses and nursing assistants is only slightly above the required minimum when fully staffed. This calculation assumes no vacancies, but allows for vacation time and sick time.

17. It may be useful to list the various resources that are available to King for covering for staff vacancies, and to describe changes from the base budget regarding these resources. Funding for overtime and LTEs are two obvious resources that can be used to maintain care levels when positions become vacant. In addition, it is important to recognize any deficiencies or changes in other areas, such as holiday pay and weekend and night differentials, since any deficiencies or surpluses in those areas may affect the availability of overtime and LTE funding. Overtime, weekend and night differentials and holiday premiums are all budgeted as permanent salary funding. Finally, any increases in permanent positions for the Veterans Home would be expected to reduce overtime costs.

Table 5 provides a listing of these items, including the base salary savings from the assumed 2% turnover rate, and compares the amounts under the base budget to the amounts under the Governor's recommendations.

**TABLE 5**

**Annual Funding to Support Costs of Covering for Vacancies  
Salaries Only**

	<u>Base</u>	<u>Governor</u>	<u>Change</u>
<b>Salary Available from Turnover</b>			
Assume 2% turnover	\$429,500	\$429,500	\$0
<b>Major Items in Salary Line (except Base salary) and LTE Funds</b>			
Overtime	\$423,400	\$447,100	\$23,700
Turnover reduction	-429,500	0	429,500
Holiday premiums	0	147,600	147,600
Night and weekend differentials	360,500	360,500	0
LTEs	<u>535,600</u>	<u>585,800</u>	<u>50,200</u>
Subtotal	\$890,000	\$1,541,000	\$651,000
<b>Less Costs of Nonbase Salary Items</b>			
Holiday premiums	-\$147,600	-\$147,600	\$0
Night and weekend differentials	-360,500	-360,500	0
Half-time program assistants working full-time	<u>-60,000</u>	<u>0</u>	<u>-60,000</u>
Subtotal	-\$568,100	-\$508,100	\$60,000
<b>Amount Available for Overtime and LTEs</b>	\$751,400	\$1,462,400	\$711,000
<b>As a % of Base Salaries</b>	3.5%	6.8%	3.3%

18. Table 5 indicates that the base budget provides \$751,400 of funding for overtime and LTEs for filling vacancies after recognizing the need for funding holiday premiums, night and weekend differentials and the overtime for the three half-time programs assistants. The Governor's recommendations would increase this amount to \$1,462,400 due to: (a) restoring the \$429,500 turnover reduction; (b) providing \$147,600 for holiday pay premiums; (c) providing \$50,200 for LTE funding; and (d) providing \$60,000 annually for converting the 3.0 program assistant positions to full-time positions.

19. Given that care must be provided and that minimum staffing requirements are close to authorized nursing levels, there is a need to fund overtime and LTEs to fill vacancies. However, the Veterans Home does have funding for overtime and LTEs, and the Governor's recommendations in other areas provide increases in related items. For this reason, the Committee may wish to restore a smaller part of the turnover reduction, such as 1%, rather than restoring the full 2%, as recommended by the Governor.

### **Program Assistants**

20. The Governor's budget includes a request for \$60,000 PR annually to convert 3.0 part-time program assistants to full-time. The rationale for this request is that these 3.0 staff persons are already working full-time due to workload demand. If they are working full-time currently, the costs must be funded from amounts budgeted for overtime.

21. DVA indicates that the three part-time program assistants have been working full-time due to workload demands. Consequently, approving the Governor's recommendations would free up an equal amount of funding that DVA could use to support overtime costs resulting from position vacancies.

### **Activity Therapists**

22. In the 1998 inspection, all four facilities at King were found deficient in providing activities for its residents, especially low-functioning members. The 1999-01 biennial budget act provided 2.0 therapy assistant positions. In the 1999 and 2000 inspections, the Veterans Home did not receive any citations for a lack of activities at any of the facilities.

23. Given that activities were a past problem for the Veterans Home, this may be an appropriate area to add staff. DVA indicates that the Home has been using LTEs to meet activity needs, but it would improve continuity of care to provide this care with permanent, full-time staff. Further, although the Veterans Home was not cited for a lack of activities in the most recent survey, inspectors indicated that the Veterans Home's activities for lower-functioning residents was an area that could be improved. However, given that the Veterans Home has not been cited in the last two years, the Committee may wish to delete this position.

### **Pharmacy Technician**

24. In the most recent survey, two of the facilities at King were cited for pharmacy deficiencies in regard to: (a) making sure that residents who take drugs are not given too many doses or for too long; (b) use of drugs is carefully watched; or (c) stop or change drugs that cause unwanted effects. Each of the citations were rated as causing minimal harm or potential for actual harm and as affecting few residents.

25. Part of the function of pharmacists is to monitor and review prescriptions. An addition of a pharmacist technician would be a relevant staffing change to address the pharmacy deficiencies.

26. The number of prescriptions filled at King increased from 145,700 in 1998-99 to 154,300 in 1999-00, which is an increase of 6%. The Veterans Home currently employs 1.0 pharmacy supervisor, 3.0 pharmacists and 4.0 pharmacy technicians. Consequently, an increase of 1.0 pharmacist position at the Home would increase staffing for this function by approximately 12.5%.



## **LTE Funding**

27. DVA indicates that the increase of \$50,200 annually for LTEs is needed because recent labor contracts have increased average wage rates by 8.7%. The \$50,200 increase consists of \$46,600 for wages and \$3,600 for fringe benefits. The \$46,600 is equal to 8.7% of the base budget of \$535,600 for LTE salaries.

28. Contract increases for regular employees are not binding on LTE wages. The Veterans Home is not required by contract to provide the same wage increases to LTE staff. An alternative increase for LTE funding could be the 5.6% increase that is used in the standard budget adjustments for overtime and night and weekend differentials.

29. The use of LTEs is a more cost-effective way to fill vacancies than the use of overtime. Overtime requires a premium pay of time and a half plus a fringe rate of 21%. In contrast, the time and a half pay premium does not apply to LTEs and the fringe rate is 7.65% for LTEs.

30. The Governor recommends \$585,800 PR annually for LTE salaries in 2001-03. The Veterans Home expended \$536,600 PR in 1998-99 and \$620,400 in 1999-00 to fund LTE salaries.

## **Medical Assistance (MA) Effect**

31. Although the Veterans' Home at King is supported by program revenue, a major source of that program revenue is medical assistance (MA) funding, which is supported on a 41% GPR/59% FED basis. Approximately 85% of the residents at King are supported under MA. As a result, an additional \$1 of program expenditure authority for the Veterans Home increases GPR costs by approximately \$0.35 ( $\$0.41 \times .85$ ).

32. Approximately two-thirds of the Veterans Home's program revenue is derived from sources other than MA, such as member contributions and VA per diem payments, and these sources are projected to increase each year. However, other sources will not fund all of the Governor's recommended increases for the Veterans Home. Consequently, at the margin, changes increases or decreases in the Veterans Home's expenditures will result in corresponding changes in MA payments to the Veterans Home. Although the Veterans Home has encountered some difficulties with federal limits on MA payments, the Governor's budget recommendation assumes that these difficulties can be resolved, and that the Veterans Home will be able to claim under MA any costs not covered by other sources.

## **ALTERNATIVES**

### **A. Overtime**

1. Approve the Governor's recommendation to provide \$429,500 PR annually for overtime by eliminating the 2% turnover reduction.

2. Modify the Governor's recommendation by reducing funding for overtime by \$246,300 PR annually, which would provide a 1% turnover reduction for the Veterans Home. Reduce MA benefits funding in DHFS by \$86,400 GPR and \$123,000 FED in 2001-02 and \$86,900 GPR and \$122,500 FED in 2002-03.

<u>Alternative A2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$173,300	- \$245,500	- \$492,600	- \$911,400

**B. Program Assistants**

1. Approve the Governor's recommendation to provide \$60,600 annually and 1.5 program assistant positions, beginning in 2001-02, to convert 3.0 half-time positions to full-time positions.

2. Delete the Governor's recommendation. Reduce MA benefits funding in DHFS by \$21,200 GPR and \$30,300 FED in 2001-02 and \$21,400 GPR and \$30,100 FED in 2002-03 to reflect this change.

<u>Alternative B2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$42,600	- \$60,400	- \$121,200	- \$224,200
2002-03 POSITIONS (Change to Bill)			- 1.50	- 1.50

**C. Activity Therapists**

1. Approve the Governor's recommendation to provide \$58,700 in 2001-02 and \$68,800 in 2002-03 to fund 1.0 activity therapist and 0.5 activity therapist assistant, beginning in 2001-02, to support organized activities.

2. Modify the Governor's recommendation by reducing PR expenditure authority by \$18,700 in 2001-02 and \$22,900 to delete the 0.5 activity therapy assistant position. Reduce MA benefits funding in DHFS by \$6,600 GPR and \$9,300 FED in 2001-02 and \$8,100 GPR and \$11,400 FED in 2002-03 to reflect this change.

<u>Alternative C2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$14,700	- \$20,700	- \$41,600	- \$77,000
2002-03 POSITIONS (Change to Bill)	0.00	0.00	- 0.50	- 0.50

3. Modify the Governor's recommendation by deleting \$42,800 PR in 2001-02 and \$55,200 in 2002-03 and delete 1.0 activity therapist position. Reduce MA benefits funding in DHFS by \$15,000 GPR and \$21,400 FED in 2001-02 and \$19,500 GPR and \$27,400 FED in 2002-03 to reflect this change.

<u>Alternative C3</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$34,500	- \$48,800	- \$98,000	- \$181,300
2002-03 POSITIONS (Change to Bill)	0.00	0.00	- 1.00	- 1.00

4. Delete the Governor's recommendation. In addition, reduce MA benefits funding in DHFS by \$20,600 GPR and \$29,300 FED in 2001-02 and \$24,300 GPR and \$34,200 FED in 2002-03 to reflect this change.

<u>Alternative C4</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$44,900	- \$63,500	- \$127,500	- \$235,900
2002-03 POSITIONS (Change to Bill)	0.00	0.00	- 1.50	- 1.50

#### **D. Pharmacy Technician**

1. Approve the Governor's recommendation to provide \$29,600 PR in 2001-02 and \$30,400 PR in 2002-03 to fund 1.0 PR pharmacy technician, beginning in 2001-02.

2. Delete the Governor's recommendation. Reduce MA benefits funding by \$10,400 GPR and \$14,800 FED in 2001-02 and \$10,700 GPR and \$15,100 FED in 2002-03 to reflect this change.

<u>Alternative D2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$21,100	- \$29,900	- \$60,000	- \$111,000
2002-03 POSITIONS (Change to Bill)	0.00	0.00	- 1.00	- 1.00

#### **E. LTE Wage Increases**

1. Approve the Governor's recommendation to provide \$50,200 PR annually to fund wage increases for LTEs.

2. Modify the Governor's recommendation by deleting \$17,900 annually to apply an increase of 5.6% to base funding rather than 8.7%. Reduce MA benefits funding in DHFS by \$6,300 GPR and \$8,900 FED annually to reflect this change.

<u>Alternative E2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$12,600	- \$17,800	- \$35,800	- \$66,200

3. Delete the Governor's recommendation. Reduce MA benefits funding in DHFS by \$17,600 GPR and \$25,100 FED in 2001-02 and by \$17,700 GPR and \$25,000 FED in 2002-03 to reflect this change.

<u>Alternative E2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$35,300	- \$50,100	- \$100,400	- \$185,800

Prepared by: Richard Megna

MO# A-2, B-1, C-1, D-1, E-1

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS 0

VETERANS AFFAIRS -- HOMES AND FACILITIES FOR VETERANS

Outdoor Activity Coordinator Position

Motion:

Move to provide \$33,500 PR in 2001-02 and \$36,100 PR in 2002-03 to support 1.0 activity therapist assistant position, beginning in 2001-02, to coordinate outdoor activities for residents at the Veterans Home at King. Increase medical assistance (MA) benefits funding in the Department of Health and Family Services by \$11,700 GPR and \$16,800 FED in 2001-02 and \$12,700 GPR and \$18,000 FED in 2002-03 to fund increased costs for the Veterans Home at King.

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Note:

Based on DVA's 2001-03 biennial budget request, the Governor's budget bill would provide 1.5 PR additional positions, beginning in 2001-02, to support organized activities for residents at the Veterans Home at King. This motion would provide 1.0 PR additional position to support outdoor activities for residents at the Veterans Home at King.

Although the Veterans Home at King is supported by program revenue, a major source of that program revenue is medical assistance, which is funded on a 41% GPR/59% FED basis. Since approximately 85% of the residents at King are supported by MA, an additional \$1 of PR expenditure authority for the Veterans Home increases MA costs by approximately \$0.85 (\$0.35 GPR and \$0.50 FED).

[Change to Bill: \$69,600 PR, \$24,400 GPR and \$34,800 FED]

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS

# VETERANS AFFAIRS

## Homes and Facilities for Veterans

### LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
4	Commandant
8	Program Revenue Reestimates
9	Municipal Services Billing Correction

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

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

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