

1993-94 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

➤ 93hrJC-Fi\_Misc\_pt40

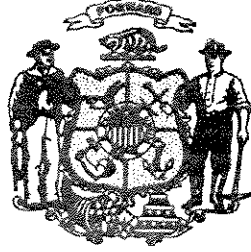
➤ Record of Comm. Proceedings ... RCP

➤ \*\*

# State of Wisconsin

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## JOINT COMMITTEE ON FINANCE

July 15, 1993

TO: Mr. James R. Klauser, Secretary  
Department of Administration

FROM: Senator Joe Leean  
Representative Barbara J. Linton  
Co-Chair, Joint Committee on Finance

We have reviewed the request from the Department of Administration dated June 24, 1993, under ss. 16.505(2) and 16.515 pertaining to the Department of Health and Social Services.

Please be advised that we have found no objections to this and accordingly, it has been approved effective July 16, 1993.

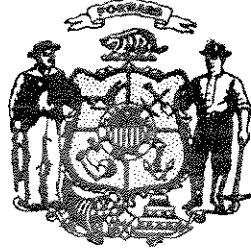
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cc: Roger Grossman

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## JOINT COMMITTEE ON FINANCE

June 24, 1993

TO: JOINT COMMITTEE ON FINANCE MEMBERS

FROM: Senator Joe Leean  
Representative Barbara J. Linton  
Co-Chair, Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated June 24, 1993, under ss. 16.515/16.505(2) of the statutes.

Please review these items and notify Senator Leean's office not later than Tuesday, July 13, 1993, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BJL:ns

Attachments

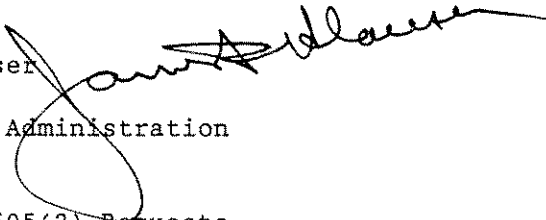
**CORRESPONDENCE/MEMORANDUM**

STATE OF WISCONSIN  
Department of Administration

Date: June 24, 1993

To: Honorable Joseph Leraan, Co-Chair  
Honorable Barbara J. Linton, Co-Chair

From: James R. Klauser  
Secretary  
Department of Administration



Subject: s. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1991-92</u>		<u>1992-93</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
D.H.S.S. 20.435(2)(gk)	Institutional Opns. & Chgs.			\$ 2,863,100**	

\*\* This request also increases the reimbursement cap under s.49.45(6b)(a) by \$636,100 to \$114,285,900 in FY92 and by \$13,236,600 to \$121,198,300 in FY93.

As provided in s. 16.515, this request will be approved on July 16, 1993 unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Roger Grossman at 266-1072, or the analyst who approved the request in the Division of State Executive Budget and Planning, if you have any additional questions.

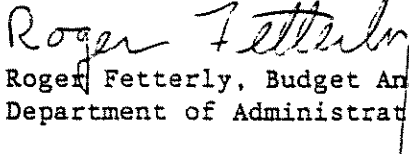
Attachments:

**CORRESPONDENCE/MEMORANDUM**

**STATE OF WISCONSIN  
Department of Administration**

*Date:* June 21, 1993

*To:* James R. Klauser, Secretary  
Department of Administration

*From:*   
Roger Fetterly, Budget Analyst  
Department of Administration

*Subject:* S. 16.515 Request from the Department of Health and Social Services

REQUEST

The Department of Health and Social Services (DHSS) is requesting an increase in expenditure authority for allowable supplements under s. 20.865 for salary and fringe in the amount of \$2,863,100 for FY93 for the Centers for the Developmentally Disabled (DD Centers) operations (numeric appropriation 228, s. 20.235 (2)(gk), Institution Operation and Charges). This request also includes an increase to the reimbursement cap under s. 49.45(6b)(a) by \$636,100 in FY 92 and \$13,236,600 in FY93.

BACKGROUND

The Division of Care and Treatment Facilities (DCTF) has responsibility for the operation of the three DD Centers (Central, Northern and Southern). The Centers have an annual operating budget of \$109.8 million and 2,387 FTE's to provide care and treatment for a population of 1,497 residents.

At the end of each fiscal year DHSS submits a s. 16.515 request to make final adjustments in expenditure authority for pay plan and other supplements and also make adjustments to the reimbursement cap as required under s. 49.45(6b)(a).

ANALYSIS

The following summarizes the request for the DD Center:

	<u>FY92</u>	<u>FY93</u>
a. Supplements under s. 20.865		
Compensation adjustments		\$ (8,100)
Fringe adjustments		3,088,300
Other non-salary savings		<u>(217,100)</u>
TOTAL		\$ 2,863,100
b. Reimbursement Cap Increase:	\$636,100	\$13,236,600

Supplements under s. 20.865

The \$2,863,100 supplement requested represents the net amount needed after \$796,400 budgeted in unallotted reserve and \$225,200 in salary and other non-salary savings are subtracted from the \$3,884,700 identified as the fringe supplement needed under the DOA methodology.

Reimbursement Cap Increase for FY92

The statutory reimbursement cap for FY92, after authorized adjustments, is currently \$113,649,800. DHSS requests that the cap be increased by \$636,100 to \$114,285,900 to allow the department to receive additional Medicaid (MA) reimbursements for FY92. This reimbursement results from a recalculation of the MA upper limit which will be deposited in the general fund as GPR-earned.

Reimbursement Cap Increase for FY93

The statutory reimbursement cap for FY93 after authorized adjustments, is currently \$107,961,700. DHSS requests that the cap be increased by \$13,236,600 to provide the authorized reimbursement level for the following expenditures:

	Authorized in Current Cap	Total reimbursement Cap Needed	Cap Adjustment Required
B-2 Level 226 <sup>1</sup>	\$2,182,500	\$2,271,300	\$88,800
B-2 Level 227 <sup>2</sup>	828,800	863,800	37,000
B-2 Level 228 <sup>3</sup>	96,713,900	97,056,500	342,600
Compensation Adj. <sup>4</sup>	2,748,500	4,727,700	1,979,300
Fringe Adj. <sup>4</sup>	796,400	4,535,700	3,739,300
Property Insurance <sup>4</sup>	69,400	55,900	(13,500)
Liability Insurance <sup>4</sup>	236,300	157,800	(78,500)
Worker's Compensation <sup>4</sup>	3,815,800	2,939,400	(876,400)
Municipal Services <sup>4</sup>	570,100	477,700	(92,400)
Interest Depreciation <sup>5</sup>		8,110,500	8,110,500
TOTAL	\$107,961,700	\$121,198,300	\$13,236,600

Notes:

1. Transfer to fuel and utilities from within (2)(gk), but from outside of the cap.
2. Transfer to repair and maintenance from within (2)(gk), but from outside of the cap.
3. Transfer to general program operations to cover increased drug costs from within (2)(gk), but from outside of the cap.
4. Transferred from unallotted reserves to reduce the overall cap increase.
5. This increase in expenditures is an allowable cost under Medicaid and requires the approval of the Committee under s. 16.515. The revenue received will be deposited in the general fund as GPR-earned.

Summary of appropriation s. 20.435(2)(gk), Institutional Operations and Charges:

The following is a fund condition statement for FY93 for appropriation s. 20.435(2)(gk), including additional expenditures recommended in this request. Sufficient program revenue is available to fund the requested increase in expenditures.

Revenue:	FY93
Prior Year Carryover	(\$865,600)
Revenue Year-to-date, 4/30/93	\$80,909,900
Revenue Projected to 6/30/93	\$30,769,400
Total Revenue	\$110,813,700
Less Expenditures:	
Expenditures Year-to-date, 4/30/93	\$85,397,800
Projected Expenditures through 6/30/93	\$22,052,800
Requested 16.515 supplement	\$2,863,100
Total Expenditures	\$110,313,700
Program Revenue Balance, 6/30/93	\$500,000
Expenditure Authority:	
Chapter 20	\$105,192,600
NWC trans to WMHI s.16.517 approved July 91	(\$97,100)
CWC s. 13.10 approved December 91	\$2,270,100
Encumbrance carryover FY92	\$692,500
Encumbrance carryover FY93	(\$607,500)
Total	\$107,450,600
Additional expenditure Authority Requested	(\$2,863,100)

Summary

This request addresses a number of fiscal year-end supplements which affect the current level of expenditure authority for DD Centers. Under s. 49.45(6b)(a), increases for supplements from s. 20.865 to s. 20.435(2)(gk) require Joint Committee on Finance approval under s. 16.515 to adjust the reimbursement cap.

RECOMMENDATION

1. Approve an increase in expenditure authority of \$2,863,100 PR in FY93 in appropriation s. 20.435(2)(gk) from supplements authorized under s. 20.865.
2. Approve an increase of \$636,100 for FY92 and \$13,236,600 for FY93 in the reimbursement cap established under s. 49.45(6b).

Tommy G. Thompson  
Governor  
Gerald Whitburn  
Secretary



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1 West Wilson Street  
Post Office Box 7850  
Madison, WI 53707-7850  
Telephone (608) 266-9622

## State of Wisconsin Department of Health and Social Services

DATE: June 3, 1993

TO: Richard Chandler  
State Budget Office

JUN - 4 1993

FROM: Richard W. Lorang  
Deputy Secretary

SUBJECT: s.16.515 Request for s.20.435 (2)(gk) Institutional Operations and Charges - Developmentally Disabled Center Operations

The Department requests increased expenditure authority for allowable supplements under s.20.865 in the amount of \$2,863,100 for FY 93 for the Developmentally Disabled Center Operations, appropriation 228, s.20.435 (2)(gk) Institution Operations and Charges. The Department also requests to increase the reimbursement cap for the Centers according to 1991 Wisconsin Act 39, s.49.45 (6b)(a), for FY 93 to \$121,198,300. Further, the Department requests an increase of \$636,100 in the reimbursement cap for FY 92.

### SUPPLEMENTS

An increase in supplements for FY 93 under s.20.865 is requested for the following:

Compensation Adjustments	\$ (8,100)
Fringe Adjustments	3,088,300
Other Non-salary savings	<u>( 217,100 )</u>
TOTAL	\$2,863,100

### REIMBURSEMENT CAP FOR FY 93

The reimbursement cap in FY 93 is currently \$107,961,700, which includes \$105,788,700 from 1991 Wisconsin Act 39, and previous s.16.515 actions approved which transferred \$97,100 in FY 93 to Winnebago Mental Health Institute (WMHI) from Northern Wisconsin Center (NWC), and provided \$2,270,100 in FY 92 for Central Wisconsin Center (CWC). Following is a summary of the adjustments requested to increase the cap to \$121,198,300:



	<u>Assumed in Current Cap</u>	<u>Revised Cap</u>	<u>Adjustment Required</u>
B-2 Level 226	\$ 2,182,500	\$2,271,300	\$ 88,800
B-2 Level 227	828,800	865,800	37,000
B-2 Level 228	96,713,900	97,056,500	342,600*
Compensation Adj	2,748,500	4,727,700	1,979,200
Fringe Adj	796,400	4,535,700	3,739,300
Property Insurance	69,400	55,900	(13,500)
Liability Insurance	236,300	157,800	(78,500)
Worker's Compensation	3,815,800	2,939,400	(876,400)
Municipal Services	570,100	477,700	(92,400)
Interest/Depreciation		8,110,500	8,110,500
<b>TOTAL</b>	<b>\$107,961,700</b>	<b>\$121,198,300</b>	<b>\$13,236,600</b>

\* Transfer within 20.435(2)(gk) institutional medical for increased drug cost and for therapy services at Southern Wisconsin Center.

Under s.49.45(6b)(b) of 1991 Wisconsin Act 39, reimbursement to the Centers for the Developmentally Disabled is to be reduced for each placement made under the CIP IA program. The CIP IA program provides the option of community care to residents of the three state centers for the developmentally disabled. This reduction varies by center: \$95.01 per day for CWC; \$83.58 per day for NWC; and \$82.40 per day for SWC.

In anticipation of these required reductions, the Centers have held positions vacant throughout the fiscal year. Salary and fringe savings reduced the amount of pay plan supplement needed by \$2,638,300. Non-salary savings reduced the amount of pay plan supplement needed by \$217,100. The Department's request to increase the statutory cap enables the Centers to make the required reductions.

#### REIMBURSEMENT CAP FOR FY 92

The reimbursement cap for FY 92, after authorized adjustments, is currently \$113,649,800. The Department requests that the cap be increased by \$636,100 to \$114,285,900. This will allow the Department to receive Medicaid reimbursement for FY 92. This reimbursement will be deposited in the general fund as GPR-earned. A recalculation of the Medicare upper-limit allows the Department to claim the additional funds.

If you have any questions, please call me at 266-7684.

cc. Sherwood Siegel, OPB  
 Don Pahnke, DCTF  
 Donna Dunkle, OPB  
 Gary West, BFS

	UNALLOTTED RESERVE	NON-SALARY TRANSFER	INCREASE OVER BUDGETED AMOUNT	DIFFERENCE	SUPPLEMENT
Salary	\$2,748,500		\$2,740,400	\$8,100	\$8,100
Fringe	\$796,400		\$3,884,700	(\$3,088,300)	(\$3,088,300)
Property	\$17,300		\$3,800	\$13,500	
Liability	\$41,000		\$0	\$41,000	
Worker's Compensation	\$1,862,100		\$985,700	\$876,400	\$217,100
Municipal Services	\$141,800		\$49,400	\$92,400	
Length of Service	\$0		\$0	\$0	
Non-Salary Budget		(\$806,200)		(\$806,200)	
<b>TOTAL</b>	<b>\$5,607,100</b>	<b>(\$806,200)</b>	<b>\$7,664,000</b>	<b>(\$2,863,100)</b>	<b>(\$2,863,100)</b>

CURRENT CAP

s.49.45(6b)(a)	\$105,788,700
30 day report 16.515 transfer	(\$97,100)

CWC FY 92 s.16.515	\$2,270,100
	-----
	\$107,961,700

	Assumed in CAP	Revised CAP	CAP ADJUSTMENT
B-2 226	\$2,182,500	\$2,271,300	\$88,800
B-2 227	\$828,800	\$865,800	\$37,000
B-2 228 (less unallotted reserve)	\$96,713,900	\$99,694,800	\$2,980,900
Compensation Adjustment*	\$2,748,500	\$2,740,400	(\$8,100)
Fringe Adjustment*	\$796,400	\$3,884,700	\$3,088,300
Property Insurance	\$69,400	\$55,900	(\$13,500)
Liability Insurance	\$236,300	\$157,800	(\$78,500)
Worker's Compensation	\$3,815,800	\$2,939,400	(\$876,400)
Municipal Services	\$570,100	\$477,700	(\$92,400)
Interest/Depreciation	\$0	\$8,110,500	\$8,110,500
	-----	-----	-----
	\$107,961,700	\$121,198,300	\$13,236,600

REVENUE

Prior Year Cash Carryover	(\$865,600)
Revenue YTD - 4/30/93	\$80,909,900
Revenue Projected to 6/30/93	\$30,769,400
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TOTAL REVENUE	\$110,813,700

LESS EXPENDITURES

Expenditures YTD - 4/30/93	\$85,397,800
Expend Projected to 6/30/93	\$22,052,800
s.20.865 supplement	\$2,863,100
-----	
TOTAL EXPENDITURES	\$110,313,700

CASH BALANCE \$500,000

EXPENDITURE AUTHORITY

B-2 226	\$2,131,400
B-2 227	\$850,000
B-2 228	\$102,211,200
WMHI s.16.515	(\$97,100)
CWC s.16.515	\$2,270,100
Encumbrance c/o FY 92 228	\$692,500
Encumbrance c/o FY 93	(\$607,500)
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	\$107,450,600

SUPPLEMENT s.16.515 (\$2,863,100)

Revised CAP	\$121,198,300
Interest/Overhead	(\$8,110,500)
CIP FY 93	(\$2,774,100)
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Total Expenditure \$110,313,700

06/02/93