

Committee Name:
Joint Committee – Finance
(JC–Fi)

Appointments

99hr_JC–Fi_Appt_pt00

Committee Hearings

99hr_JC–Fi_CH_pt00

Committee Reports

99hr_JC–Fi_CR_pt00

Clearinghouse Rules

99hr_JC–Fi_CRule_99–

Executive Sessions

99hr_JC–Fi_ES_pt00

Hearing Records

99hr_ab0000

99hr_sb0000

Misc.

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Record of Committee Proceedings

99hr_JC–Fi_RCP_pt00

S. 13.10 REQUESTS

1999

JC-Fi

DHFS



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Lekan, Secretary

November 23, 1999

The Honorable Brian Burke
Joint Committee on Finance, Co-Chair
Room 316 South Capitol
Madison, WI 53702

The Honorable John Gard
Joint Committee on Finance, Co-Chair
Room 315 North Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department requests the transfer of \$21,495,300 from the FY 2001 Joint Committee on Finance supplemental appropriation under 20.865 (4)(a) to the Department. The Department requests transfer of \$16,489,600 to appropriation 20.435 (3)(cx), numeric 315, for child welfare services the Department provides in Milwaukee County, and \$5,005,700 to appropriation 20.435 (7)(b), numeric 705, for community aids.

Background

The Governor's 1999-2001 budget for Milwaukee Child Welfare assumed that the Department would claim federal Medicaid (MA) funds, rather than federal Title IV-E foster care funds, for case management services for children in out-of-home care in the child welfare system. The MA funds were budgeted to substitute for federal IV-E funds in both the Milwaukee Child Welfare and community aids programs.

In April 1998 the Department submitted an MA state plan amendment to the federal government to enable the Department to claim MA federal reimbursement for case management services for children in the child welfare system. The federal government had approved similar requests in other states. The Department expected to capture more federal funds under the MA claiming approach because the reimbursement methodology is more favorable under MA than the federal IV-E foster care program. As a result, less GPR is needed if MA reimbursement is utilized.


Since April 1998, the Department has responded to numerous questions and concerns raised by the federal government and provided a substantial amount of additional material

in support of this request. In April 1999 the Director of the federal Health Care Financing Administration's (HCFA) Center for Medicaid and State Operations notified the Department in a letter that it was unlikely that the Department's request would be approved. In late summer 1999 federal HCFA officials notified the Department by phone that after a thorough review of the Department's request, the federal government concluded that it would not permit MA reimbursement in situations where an alternative federal funding source (such as federal IV-E funds) is available. HCFA officials said they intend to issue a letter in the near future to all states notifying them that MA funding cannot be claimed for activities which are reimbursable under Title IV-E.

Although the funds requested from the JFC appropriation are for FY 2001, the Department is requesting the funds be released now because CY 2000 contracts for Milwaukee child welfare services and community aids contracts with the counties, rely on FY 2001 appropriations for half or more of their funding to cover the July – December, 2000 period. Funding needs to be released at this time to provide the counties and Milwaukee child welfare program the certainty of their CY 2000 funding level so that they can plan their service levels appropriately. This request meets the criterion of an emergency request under s. 13.101 (3)(a) because, without the transfer to the Department of funds in the Committee's supplemental appropriation, sufficient funds would not be available to support these contracts.

I will represent the Department on this issue. Thank you for your consideration of the Department's request.

Sincerely,



Joe Leean
Secretary



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

November 23, 1999

The Honorable Brian Burke
Senate Co-Chair, Joint Committee on Finance
Room 316 S, State Capitol
Madison, WI 53702

The Honorable John Gard
Assembly Co-Chair, Joint Committee on Finance
Room 315 N, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Health and Family Services requests that the Committee, acting under s. 13.10, transfer GPR funds between appropriations to correct technical errors in 1999 Wisconsin Act 9, the 1999-01 Biennial Budget. This request has no net impact on GPR funding. The first four items apply to the Division of Care and Treatment Facilities (DCTF) and the fifth item applies to the Division of Public Health (DPH). The Department requests that the following funds be transferred:

1. \$62,100 in FY 01 from s. 20.435(2)(b) to s. 20.435(2)(bm). Re-estimates of funding for Sand Ridge Treatment Center were placed in the appropriation which funds Wisconsin Resource Center. This transfer moves the funding intended for Sand Ridge to the appropriation for Sand Ridge.
2. \$183,000 in FY 00 and \$170,500 in FY 01 from s. 20.435(2)(a) to s. 20.435(2)(f) and \$27,200 in FY 00 and \$21,800 in FY 01 from s. 20.435(2)(b) to s. 20.435(2)(f). GPR fuel and utility costs for DCTF institutions are budgeted in a specific fuel and utilities appropriation. Fuel and utility costs were re-estimated downwards in the Legislature's deliberations on the biennial budget. Funding for re-estimates of these costs were incorrectly deducted from other appropriations. This transfer accounts for the re-estimates in the appropriate appropriation, the fuel and utilities appropriation.
3. \$83,200 in FY 00 and \$83,200 in FY 01 from s. 20.435(2)(aa) to s. 20.435(f). The GPR fuel and utilities appropriation contains funding for the City of Mauston sewer assessment. The sewer assessment was re-estimated downwards in the Legislature's deliberations on the biennial budget. The funding for the re-estimate of these costs was incorrectly deducted

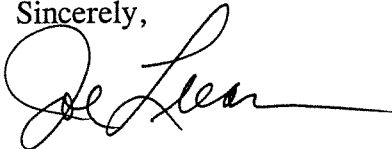
from another appropriation. This transfer moves the re-estimate to the fuel and utilities appropriation.

4. \$197,400 in FY 01 from s. 20.435(5)(eg) to s. 20.435(5)(cb). As part of the biennial budget, the Legislature approved the transfer of \$197,400 from the Pregnancy Counseling program to the Brighter Futures program. Due to a technical error, the funding was taken out of the Women's Health Services appropriation rather than the Pregnancy Counseling appropriation. This transfer corrects that error.
5. \$95,000 in each year from s. 20.435(3)(bc) to s. 20.435(7)(bc). 1999 Wisconsin Act 9 created a new appropriation, Grants for Children's Community Programs, in the Division of Children and Family Services (DCFS). Funds were transferred to this appropriation from an appropriation in the Division of Supportive Living (DSL). Due to a technical error, \$95,000 that was to have remained in DSL was transferred to DCFS. This transfer corrects that error.

This request meets the criterion of s. 13.101(4). Specifically, "legislative intent will be more effectively carried out because of such transfers," because this request transfers funding so that it is consistent with legislative decisions during the biennial budget.

Executive Assistant John Kiesow will represent the Department on this item. Attached is a schedule providing details of the transfers.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Leean", written in a cursive style.

Joe Leean
Secretary

Attachment

Technical Changes to 1999 Wisconsin Act 9, 1999-2001 Biennial Budget

1. Transfer funding provided for Sand Ridge Treatment Center to correct appropriation.

	Appropriation (2)(b) FY 01	Appropriation (2) (bm) FY 01
LTE reduction	47,000	(47,000)
Food	20,500	(20,500)
Variable Non-Food	3,400	(3,400)
AODA	(8,800)	8,800
Total	62,100	(62,100)

2. Transfer changes in fuel and utilities funding at DCTF institutions to correct appropriation

	Appropriation (2)(a) [201] FY 00	Appropriation (2)(f) [206] FY 00	Appropriation (2)(f) [206] FY 01
Fuel and Utilities	183,000	(183,000)	(170,500)
	Appropriation (2)(b)		
Fuel and Utilities	27,200	27,200	(21,800)

3. Transfer changes made to Mauston Sewer Assessment to correct appropriation.

	Appropriation (2)(aa) [210] FY 00	Appropriation (2) (f) [206] FY 00	Appropriation (2) (f) [206] FY 01
Sewer Assessment	83,200	(83,200)	(83,200)

4. Correct transfer of funds from Pregnancy Outreach to Brighter Futures

	Appropriation (5) (cb) [570] FY 01	Appropriation (5)(eg) [511] FY 01
Brighter Futures	197,400	(197,400)

5. Correct transfer of funds from the Division of Community Services to the Division of Children and Family Services

	Appropriation (3)(bc) FY 00	Appropriation (7) (bc) FY 00	Appropriation (7) (bc) FY 01
Community Grant Program	(95,000)	95,000	95,000



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

November 23, 1999

The Honorable Brian Burke
Senate Co-Chair, Joint Committee on Finance
Room 316 S, State Capitol
Madison, WI 53702

The Honorable John Gard
Assembly Co-Chair, Joint Committee on Finance
Room 315 N, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Health and Family Services requests that the Committee, acting under s. 13.10, transfer \$233,000 from s. 20.865(4)(a) to s. 20.435(2)(a) for the purchase of an 800 megahertz radio body alarm system to be used at Mendota Mental Health Institute. The Department is requesting an increase of \$87,000 in expenditure authority in s. 20.435(2)(gk) under s. 16.515 to use this amount of program revenue funds for this purpose as well.

Background and Request

1999 Wisconsin Act 9 section 9131(3e) allows the Joint Committee on Finance to supplement the Department's funds with funds from the Committee's appropriation in order to purchase or lease a body alarm system for Mendota Mental Health Institute (MMHI). These alarms are necessary to protect the safety of staff and patients at MMHI. MMHI provides treatment to some populations, including forensic patients and juvenile offenders at the Mendota Juvenile Treatment Center (MJTC), whose behavior may pose a threat to staff and patients at the Institute.

The radio system currently in use at MMHI is ineffective. The low band system by which they operate is obsolete and does not function correctly because of the numerous "dead spots" in the system, which make it impossible for the radios to communicate with the base station. In fact, MMHI is one of the last institutions in the state to move to the new high band radio system. The Committee recognized the need for a new system during the 1999-2001 Biennial Budget process and appropriated \$233,000 GPR, to be used in conjunction with \$87,000 PR, to allow the Department to purchase new alarms. This new system will be more dependable because it will function at a higher frequency (800 megahertz). Of the amount requested, \$155,000 will be used to install the backbone system, including a base station, antenna, and equipment enclosure. The remaining \$165,000 will be used to purchase portable radios/body alarms to be carried by the staff at MMHI. This amount will purchase enough alarms to equip staff throughout the institution.

During the biennial budget process, the Committee placed the funding for the radio system in its appropriation in order to ensure that the Department specifically considered a number of factors:

1. The Committee wanted to ensure that the Department would avail itself of the best available prices on this equipment.
2. The Committee wanted the Department to assess the cost effectiveness of leasing the equipment.

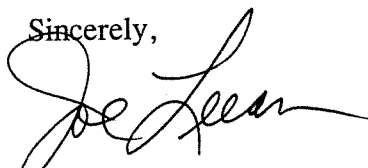
Price of the Equipment: The Department of Corrections has a contract with a vendor for radio alarms of the type which the Department proposes to purchase. The Department is able to utilize that contract, which reduces the cost per item through volume purchase. The requested funding reflects these reduced prices.

Leasing v. Owning: The Department also explored the option of leasing, rather than purchasing, the system. However, it was determined that leasing would actually be more expensive than outright purchase. For example, under a three-year tax-exempt lease at 6.3% interest the equipment would cost \$340,300, while purchasing the equipment outright would cost \$320,000. A five-year tax-exempt lease would cost the state \$384,400. In addition, funding for the alarms was provided only in the first year of the biennium, so it would be necessary to request additional funding in FY 01 if the alarms were to be leased. Further, at the end of the lease period, the Department would still have to continue a lease since the Department would not own the leased equipment. Because of this, the Department has concluded that it is preferable to purchase the radio alarms. At the other state institutions that have this system, the equipment was purchased by the state.

The Department also evaluated the option of leasing space on the City of Madison's backbone system rather than installing this equipment on site at MMHI. However, as a result of the distance between the Madison tower and the MMHI campus, it was determined that the coverage gaps in the radio system would not be resolved through this approach. It would be possible to address this issue by installing additional cabling and equipment at the MMHI campus, but this would significantly increase the cost of using the Madison backbone. Consequently, the Department concluded that the option of leasing space on the Madison backbone was not an efficient or effective alternative.

The Department is prepared to move forward immediately with the purchase and installation of the new system upon JFC approval so that this safety equipment is in place as quickly as possible. Tom Alt, Administrator for the Division of Care and Treatment Facilities, will represent the Department on this request.

Sincerely,



Joe Leean
Secretary



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

November 26, 1999

The Honorable Brian Burke
Senate Co-Chair, Joint Committee on Finance
Room 316 S, State Capitol
Madison, WI 53702

The Honorable John Gard
Assembly Co-Chair, Joint Committee on Finance
Room 315 N, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

The Department of Health and Family Services requests that the Joint Committee on Finance, acting under s.13.10, transfer \$1 million GPR from the Committee's supplemental GPR appropriation to the Department in FY 00 to award a grant(s) to the successor(s) of the Rainbow Clinic in Milwaukee. 1999 Wisconsin Act 9 section 9123 (9k) directs the Department to request the \$1 million from the Committee to provide a grant to a community health center that is located in a 1st class city that emphasizes the health care needs of minority group members, high-risk pregnant women, infants, children and the elderly. Legislative intent is that the grant would be paid to the successor of the Rainbow Clinic. The Department is required to submit a report that details the amount of the proposed grant and the services to be provided under the grant by the community health center that receives the funds.

The Department is in the process of preparing this report. However, it appears that not all of the active cases from Rainbow have been transferred to a single clinic. Several clinics are treating individuals who previously went to the Rainbow Clinic for health care. Since there is no single successor to Rainbow, the Department may propose to allocate the grant funds based on the distribution of cases to each clinic. The Department is working to verify caseload information and will submit a more detailed plan prior to the Committee's s.13.10 session in December.

At present I simply wish to inform the Committee of our intent to make the statutorily required request. I shall be submitting a formal report as soon as the Department has the appropriate information.

Sincerely,

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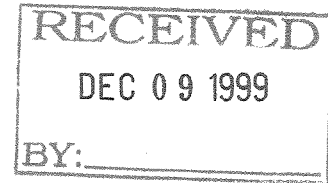
Joe Leean
Secretary



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

December 8, 1999



The Honorable Brian Burke
Senate Co-Chair, Joint Committee on Finance
Room 316 S, State Capitol
Madison, WI 53702

The Honorable John Gard
Assembly Co-Chair, Joint Committee on Finance
Room 315 N, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

On December 1, 1999, the Department of Health and Family Services received a letter from you regarding the Department's request for the Joint Committee on Finance to transfer \$1,000,000 GPR to the Department at its December 21 meeting under s. 13.10 of the statutes. In that letter, you directed the Department to follow the procedures outlined under s. 9123(9k) of 1999 Wisconsin Act 9 as it related to the \$1,000,000 GPR grant to the successor of Rainbow Clinic in Milwaukee.

This letter is to inform you that the Department is withdrawing its s. 13.10 request for the grant and will proceed as directed by the Co-Chairs. The Department will, under separate cover, submit a plan to the Committee for 14-day passive review for the transfer of the \$1,000,000 GPR to the Department.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Leean". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Joe Leean
Secretary

cc: JFC Members
Bob Lang, LFB
Bob Wood, Governor's Office
George Lightbourn, DOA
Sue Jablonsky, DOA