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13.10 Meeting December 19, 2000 Agenda Item IV

Issue: Department of Workforce Development, DVR Client Services and General Program Operations

Comments:

Alternative 1 takes \$500,000 from DOC reserves & transfers it to DVR for client services to get 1,000 people in Category 1 off the waiting list, as well as money to hire 13 additional DVR counselors and 2 DVR supervisors. These are not new positions. They are currently vacant and last session they used the salary money from these positions to fund bigger salary increases for current staff. DWD will do this fix and then re-evaluate the program and waiting lists in 2 months to see if there is more they can do in this fiscal year.

I met with Sec. Reinert last week. She said that this is the best they can do with what they have. She said that even if we gave them \$8 million, they couldn't use it because they don't have the infrastructure in place (enough counselors, office space, computers, phone lines, etc.) to serve everybody that needs to be served. So this money will allow them to draw down the remaining Federal matching dollars available, get 1,000 people off the waiting list and then look at it again in 2 months to see where they're at & if they can do anything more this fiscal year.

Alternative 4 takes an additional \$500,000 from the corrections reserves and puts it in reserve for DVR. That way, when they re-evaluate the program in 2 months, if they determine they can handle additional caseloads, they'd have the funding available at that time to start working on moving more people off the waiting lists. Since you were in the paper saying the original request was too little, too late, it would make sense to support this additional funding.

Do not support alt. 2 or 3. Both these alternatives take the full \$500,000 to fund client services and don't provide funding to fill the vacant counselor positions. The new counselor positions will allow them to serve the additional clients effectively. According to LFB, if these vacancies are not filled, the caseload levels could exceed state and federal standards.

Staff Recommendation: Alternatives 1 and 4

Prepared by: Cindy



Legislative Fiscal Bureau

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December 19, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Workforce Development: Section 13.10 Request for \$500,000 GPR in Supplemental Funding for the Division of Vocational Rehabilitation Client Services and General Program Operations Appropriations -- Agenda Item IV

The Department of Workforce Development (DWD) requests supplemental funding of \$426,000 GPR for the Division of Vocational Rehabilitation (DVR) purchased services for clients appropriation [20.445(5)(bm)] and \$74,000 GPR for the DVR general program operations appropriation [20.445(5)(a)] in 2000-01.

BACKGROUND

Under current law, DVR is required to advise and assist any disabled individual who applies to DVR for vocational rehabilitation services. Disabled individuals apply for services and staff counselors arrange evaluations to determine eligibility and subsequent rehabilitation services for those deemed eligible. After an individual completes the employment plan and is employed for 90 days, he or she is determined to be rehabilitated and the case file is closed. The primary source of funds for DVR rehabilitation services is federal Title I-B funds. Each year the federal government allocates a certain amount of these funds to each state. A match of 21.3% of state funds to 78.7% federal funds is required to receive federal monies.

ANALYSIS

Disabled individuals apply for services at a DVR field office (typically at a DWD job center) and staff counselors arrange medical, psychological and vocational evaluations to determine eligibility. For those deemed eligible, the field staff develop individual rehabilitation plans, provide guidance and counseling, and in some cases, job placement services. Other services that are provided can include medical treatment, transportation, training and education at technical schools, and occupational licenses, tools, equipment and supplies. The individual rehabilitation programs are designed to assist the person to become capable to compete in the labor market, practice a profession, be self-employed, raise a family and make a home, and participate in sheltered employment or other gainful work. DVR counselors purchase required services and materials for individual clients from local vendors.

DVR also provides for certain rehabilitation services that are needed for individual rehabilitation plans through contracts with other government agencies. Counselors develop plans for services for individual clients and the plans are reviewed to determine client needs. In certain cases, DVR contracts with governmental units to provide ongoing, new or expanded services based on client needs. For example, DVR could contract for interpreter or job training services offered by a technical college. The governmental units can contract with private, nonprofit organizations to provide these services. Typically, the DVR client is given a purchase order for the services and the agency is reimbursed for services provided.

As noted, the primary source of funds for DVR rehabilitation services is federal Title I-B funds. Each year the federal government allocates a certain amount of funds to each state, and a match of 21.3% of state funds to 78.7% federal funds is required to receive federal monies. A state must provide the required amount of matching funds or it will not receive its total allotment for that year. This finding is used to provide services to disabled individuals and to cover administrative expenses. The total amount of federal Title I-B funds allocated to Wisconsin is \$48,640,100 for federal fiscal year 2000-01.

State matching funds are provided through DVR program revenue, GPR appropriations and third-party/cooperative agreements. The 1999-01 budget (1999 Wisconsin Act 9) appropriated DVR \$10,411,500 GPR and \$387,000 PR in state fiscal year 2000-01 to match federal Title I-B funds. In addition, \$350,000 PR annually in Native American gaming compact monies is provided as state matching funds for vocational rehabilitation services for Native Americans.

Federal regulations authorize states to use third-party/cooperative agreements to provide matching funds for federal Title I-B monies. Generally, third-party/cooperative agreements involve an agreement between DVR and another governmental agency. However, DVR has begun contracting with a few nongovernmental organizations. Under the agreement, the agency or organization typically agrees to provide a rehabilitation service and the 21.3% in matching funds required to capture the federal funds. As a result, the services that a vocational rehabilitation counselor might otherwise purchase for a client with state GPR funds would be provided through

an agreement with a third-party agency or organization. Based on the current amounts appropriated for GPR and PR state matching funds, \$2,015,900 in third-party/cooperative agreement funds would be used to provide a match for federal rehabilitation services funds.

The increasing use of third-party matching funds has proven to be controversial. The GPR matching funds that are appropriated to DVR for client services are typically distributed to vocational rehabilitation counselors in the Division's district offices. The counselors use this money to purchase services and materials for individual clients. A decrease in base level GPR funding in the 1995-97 and 1997-99 biennial budgets reduced the amount of funds available for individual counselor budgets. Instead, matching funds from third-party contracts were substituted. The provision of some services through contracts with governmental agencies rather than individual purchases can be workable. However, a number of advocates and officials believe there are problems with the current situation.

A criticism of the use of third-party contracts is that the services that are purchased through the contracts do not always match the needs of individual clients. Also, many of the contracted services are not directed at severely disabled individuals. For example, a contract for interpreter services will not benefit people with orthopedic impairments. In some cases, the services may match individual needs but be provided at a location some distance from the client. In these instances, the transportation costs can further reduce counselor budgets. On the other hand, counselors can often avoid these problems by purchasing individual services and materials with the GPR funding. In addition, it is generally more expensive to provide rehabilitation services through third-party contracts. A 1998 analysis by DVR staff determined that it cost \$5,100 per rehabilitation when some third-party services were used while the cost per rehabilitation was \$2,800 when no third-party services were used.

However, DVR first determines the local service need for persons with disabilities. If a service need exists, the Division then determines the most appropriate funding mechanism for meeting that need. When a third-party contract lends itself to meeting the service need, the Division pursues that option. Advocates indicate that third-party agreements can provide new ways to serve people with the most significant disabilities. These agreements can also be used to create more effective services for specific disability groups with very high unemployment rates.

In April, 2000, DVR reported that state funds would be insufficient to fund vocational rehabilitation services to clients for the remainder of state fiscal year 1999-00. The Department developed an estimate of state fiscal year expenditures for 1999-00 using current expenditures, encumbrances and projected future expenditures and determined that additional state funding was required or a budget shortfall would occur. DVR indicated that the budget shortfall was due to increased referrals for services. In addition, a change in departmental business finance practices, initiated on May 1, 2000, in response to the budgetary situation and regarding the encumbrance and expenditures of state and federal match transactions, increased the draw on GPR funds to a level that would have exceeded expenditure authority. The projected shortfall would have caused a suspension of financial transactions before the close of the fiscal year.

In order to address the projected shortfall, the Department applied \$1.1 million in federal indirect cost reallocation funds as a match for \$4.2 million in federal Title I-B vocational rehabilitation funds. DWD receives federal indirect cost reallocation funds as payment for administering certain federal programs. The Department also used \$3.2 million in Social Security Administration reimbursements for social security disability insurance (SSDI) or supplemental security income (SSI) clients to pay for vocational rehabilitation services. These payments are made from the Social Security Administration to DVR for SSDI or SSI clients who are rehabilitated and cover the costs of services provided. A total of \$1.5 million in GPR funding for client services was transferred from 2000-01 to 1999-00 in case additional funds were required. However, this funding was not needed and was transferred back to DVR's 2000-01 client services appropriation in August 2000.

Federal law requires that, prior to the start of each federal fiscal year, DWD must determine the amount of funding available for vocational rehabilitation services and estimate the cost of: (1) providing services to all current clients; (2) assessing the eligibility of all new applicants; (3) providing rehabilitation services to the new applicants determined to be eligible to receive services; and (4) administering the vocational rehabilitation program. Rehabilitation services can only be limited by the severity of the disability, not the type of disability or availability of funding. When funding is not sufficient to provide services to everyone who is eligible, DVR is required to use federal order of selection criteria to create service categories (order of selection) based on the severity of the disability. Services must be provided to the most significantly disabled individuals first.

Prior to December, 1994, DVR provided services to all eligible persons with a disability, regardless of the severity of the disability. However, in December, 1994, DVR implemented an order of selection for the provision of vocational rehabilitation services. DVR established seven order of selection categories based on the severity of the disability and the need for multiple services over an extended period of time. The last category was suspended in December, 1994. These persons have one to three non-severe limitations and may or may not require multiple services over time.

In June, 2000, DVR projected demand for fiscal year 2000-01 for rehabilitation services funding based on the existing and estimated future caseload and estimated costs for services. Based on the projections, the Secretary of DWD announced that on August 21, 2000, all DVR order of selection categories would be closed. Individuals who were receiving services under a DVR approved plan for employment as of that date were not affected by the closure. However, clients not receiving services under an approved plan on that date cannot receive services and are placed on a waiting list. These people can only be served when order of selection categories are opened.

DVR has recently implemented a new order of selection that consists of three categories, rather than the previous eight categories. Category 1 is equivalent to the old category A for persons with the most severe disabilities. Category 2 is equivalent to the old categories B and C, for persons with severe disabilities. Category 3 is for all other persons eligible for DVR services. As

of November 27, 2000, there were 4,632 persons on the order of selection waiting list as follows: 1,365 in Category 1; 2,316 in Category 2; and 951 in Category 3. In addition, there were 1,146 individuals whose eligibility and category were being determined. It should be noted, however, that over the past few months the waiting list for each category increased each week. The waiting list for Category 1 has been growing by about 45 individuals per week, Category 2 by about 50 per week and Category 3 by about 10 individuals per week.

DWD is requesting a supplement of \$426,000 GPR in additional rehabilitation services funding in 2000-01. This amount would provide a match for \$1,574,000 in federal Title I-B rehabilitation funding. In addition, a supplement of \$74,000 GPR is requested to increase funding for 13.0 DVR counselor and 2.0 DVR supervisor positions. This amount would match \$273,400 in federal funds. The positions are currently vacant.

The additional \$426,000 GPR in client services funding would reduce the Division's reliance on third-party/cooperative agreements to provide matching funds for federal Title I-B funds. DVR estimates that the percentage of total state and federal funding in 2000-01 represented by third-party/cooperative agreements would decrease from about 26% to 19% if the request is approved. This would provide the Division with more flexibility to match services with client needs, individually and geographically. With the additional GPR funding, DVR indicates that it would begin to provide rehabilitation services for 1,000 of the most severely disabled individuals currently on the waiting list for Category 1. However, the entire category would not be reopened; services would be provided to clients in chronological order based on application dates for rehabilitation services. This is in accordance with DVR's state plan which has been approved by the federal Rehabilitation Services Administration (RSA). The Division has limited the number of new clients that would initially be served to 1,000 because, based on current caseload and estimated service costs, it is fairly certain the requested supplemental funding (\$426,000) would be sufficient to provide services to those new clients along with the existing caseload. In addition, existing third-party/cooperative agreements would not have to be modified. As the Division gains experience and information concerning service costs it is possible that the supplemental funding would allow the Division to serve more than 1,000 new clients from Category 1. The Division has indicated that it would add new clients in this circumstance.

The additional \$74,000 GPR and \$273,400 in federal match would be used to supplement the Division's salary and fringe benefit and related supplies and services funding and allow DVR to expedite its hiring process to fill the vacant positions. The positions would be allocated to vocational rehabilitation districts to meet demand created by new clients. Although filling vacant positions would permit the Division to provide more counselors for new clients, it could be argued that the existence of order of selection waiting lists makes the provision of funding for case services for individuals on the waiting list a higher priority. As a result, the Committee may wish to require that the \$74,000 GPR also be used for services for clients. This could allow DVR to provide services to more than 1,000 individuals in Category 1. Alternatively, this funding could be deleted since the \$426,000 GPR is all that DWD requested for purchasing services for clients. It should be noted, however, that DVR indicates that if it does not fill the vacant positions to meet demand

created by new clients, in some cases counselor caseload levels could exceed state and federal standards. If the \$74,000 is provided for case services it could result in modification of existing third-party contracts.

DWD requests that the Joint Committee on Finance identify a source of GPR funding for the requested supplements for DVR. One source of funding is the Committee's supplemental appropriation under s. 20.865(4)(a). However, no supplemental funding in the Committee's appropriation has been reserved for DVR rehabilitation services. Funding, therefore, could be provided from the unreserved portion of the Committee's supplemental appropriation or from funds reserved for other purposes. To date, the Committee has a total of \$40,700 GPR in unreserved supplemental funding for the remainder of the 1999-01 biennium. The Committee should note, however, that there is currently \$15,585,800 GPR placed in reserve in the Committee's appropriation for Department of Corrections' prison contract bed funding. Corrections has indicated that it does not currently expect to request release of any of these funds in 2000-01 for the purpose of additional contract beds.

The Department has had only a few months experience in operating with all order of selection categories closed. However, DWD will receive monthly data on expenditures and the number of clients who complete plans. In addition, counselors are completing a review of active cases and estimated costs through the remainder of state fiscal year 2000-01. As noted, the Department indicates that it will use additional information in two months to re-evaluate whether funding and counselor resources would allow it to serve more new cases. In conjunction with this review, the Committee may wish to reserve additional funds that would be available to DVR to provide rehabilitation services to more new clients in 2000-01 than could be served with the requested supplemental funding. An additional \$500,000 GPR in Corrections' prison contract beds funding could be reserved for DVR. After completing its review in two months, DWD could request transfer of some or all of this amount to provide rehabilitation services to additional individuals or to completely open Category 1 of the order of selection.

ALTERNATIVES

1. Transfer supplemental funding of \$426,000 GPR in 2000-01 from the Joint Committee on Finance's appropriation under s. 20.865(4)(a) to the Department of Workforce Development, Division of Vocational Rehabilitation's purchased services for clients appropriation under s. 20.445(5)(bm) for rehabilitation services. Transfer supplemental funding of \$74,000 GPR in 2000-01 from the Committee's appropriation to DVR's general program operations appropriation under s. 20.445(5)(a) to supplement salary, fringe benefit and supplies and services funding for vacant counselor and supervisor positions. Transfer funding from the amounts reserved for the Department of Corrections for prison contract beds in 2000-01.

2. Transfer supplemental funding of \$500,000 GPR in 2000-01 from the Joint Committee on Finance's appropriation under s. 20.865(4)(a) to the Department of Workforce

Development, Division of Vocational Rehabilitation's purchased services for clients appropriation under s. 20.445(5)(bm) for rehabilitation services. Transfer funding from the amounts reserved for the Department of Corrections for prison contract beds in 2000-01.

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3. Transfer supplemental funding of \$426,000 GPR in 2000-01 from the Joint Committee on Finance's appropriation under s. 20.865(4)(a) to the Department of Workforce Development, Division of Vocational Rehabilitation's purchased services for clients appropriation under s. 20.445(5)(bm) for rehabilitation services. Transfer funding from the amounts reserved for the Department of Corrections for prison contract beds in 2000-01.

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④ Specify that \$500,000 GPR currently in reserve in the Committee's supplemental appropriation for Corrections' prison contract beds would, instead, be reserved for DVR to be released to provide funding for rehabilitation services for additional new clients.

5. Deny the request.

Prepared by: Ron Shanovich

MO# Alt 124

1	BURKE	<input checked="" type="radio"/>	N	A
	DECKER	<input checked="" type="radio"/>	N	A
2	JAUCH	<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
	COWLES	<input checked="" type="radio"/>	N	A
	DARLING	<input checked="" type="radio"/>	N	A
	GARD	<input checked="" type="radio"/>	N	A
	PORTER <i>Huebsch</i>	<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
	HUBER	<input checked="" type="radio"/>	N	A
	RILEY	<input checked="" type="radio"/>	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT

Vocational Rehabilitation--Report on Projected Revenues and Expenses

Motion:

Move to require the Department of Workforce Development to submit a quarterly report to the Joint Committee on Finance, beginning in March, 2001, that includes projected revenues, expenses and caseload for the Division of Vocational Rehabilitation and an estimate of when vocational rehabilitation services can be opened to new participants.

Note:

This motion would require the Department of Workforce Development to submit a quarterly report to the Committee that included certain financial information. This reflects a recommendation included by the Legislative Audit Bureau in its October, 2000, audit of the Division of Vocational Rehabilitation.

MO# 300

BURKE	(Y)	N	A
DECKER	(Y)	N	A
JAUCH	(Y)	N	A
MOORE 1	(Y)	N	A
SHIBILSKI	(Y)	N	A
PLACHE	(Y)	N	A
COWLES	(Y)	N	A
DARLING	(Y)	N	A
GARD 2	(Y)	N	A
PORTER <i>Muehler</i>	(Y)	N	A
KAUFERT	(Y)	N	A
ALBERS	(Y)	N	A
DUFF	(Y)	N	A
WARD	(Y)	N	A
HUBER	(Y)	N	A
RILEY	(Y)	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT

Vocational Rehabilitation--Report on Policies and Procedures

Motion:

Move to require the Department of Workforce Development to submit a report to the Joint Committee on Finance by March 1, 2001, on the development, implementation, and assessment of vocational rehabilitation policies and procedures that will better ensure that services are consistently provided to Division of Vocational Rehabilitation clients on a statewide basis and that all vocational rehabilitation service funds are spent appropriately.

Note:

This motion would require the Department of Workforce Development (DWD) to submit, by March 1, 2001, a report on the development, implementation, and assessment of vocational rehabilitation policies and procedures that relate to service delivery. In its October, 2000, audit of the Division of Vocational Rehabilitation (DVR), the Legislative Audit Bureau recommended that such a report be submitted to the Legislative Audit Committee.

MO# 305

BURKE	(Y)	N	A
DECKER	(Y)	N	A
JAUCH	(Y)	N	A
MOORE /	(Y)	N	A
SHIBILSKI	(Y)	N	A
PLACHE	(Y)	N	A
COWLES	(Y)	N	A
DARLING	(Y)	N	A
GARD 2	(Y)	N	A
PORTER <i>Krebsch</i>	(Y)	N	A
KAUFERT	(Y)	N	A
ALBERS	(Y)	N	A
DUFF	(Y)	N	A
WARD	(Y)	N	A
HUBER	(Y)	N	A
RILEY	(Y)	N	A

IV. Department of Workforce Development – Jennifer Reinert, Secretary

The department requests a supplement of \$426,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's purchased services for clients appropriation under s. 20.445(5)(bm) and a supplement of \$74,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's general program operations appropriation under s. 20.445(5)(a) to allow the Division of Vocational Rehabilitation to reopen the orders of selection for the most severely disabled individuals.

Governor's Recommendation

Modify the request. Provide the \$500,000 supplement the department is requesting, but provide it only to the purchased services for clients appropriation under s. 20.445(5)(bm).



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
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Date: December 15, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration *George Lightbourn*

Subject: Section 13.10 Request from the Department of Workforce Development for the department's Division of Vocational Rehabilitation.

Request

The department requests a supplement of \$426,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's purchased services for clients appropriation under s. 20.445(5)(bm) and a supplement of \$74,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's general program operations appropriation under s. 20.445(5)(a) to allow the Division of Vocational Rehabilitation to reopen the orders of selection for the most severely disabled individuals.

Background

The Division of Vocational Rehabilitation (DVR) in the Department of Workforce Development (DWD) is supported by a combination of federal funds (78.7%) and state match (21.3%). In FY00, Wisconsin's federal allotment was \$47,576,300 PRF. As a result, to fully capture the federal funds, the total state match required in FY00 was \$12,876,400 all funds. To meet the FY00 match requirement, the state provided (a) \$10,533,200 GPR; (b) \$350,000 PRS from Native American Gaming funds; (c) \$262,300 PR from programs such as the supervised business enterprise; and (d) \$1,730,900 PR from third party agreements. The state's GPR match is split between paying DVR staff costs (49.6%) and paying for services provided to DVR clients (50.3%).

Authority to expend funds to provide services rests largely with local DVR offices. When an individual approaches DVR for services, a DVR counselor first determines whether the individual is eligible for vocational rehabilitation services. If the individual is eligible to receive services from DVR, the client is then placed into one of three order-of-selection (OOS) categories: (a) Category 1, for individuals

with the most severe disabilities; (b) Category 2, for individuals with severe disabilities; and (c) Category 3, for all other individuals eligible for DVR services. Over the past three fiscal years, the number of clients in Categories 1 & 2 has significantly increased. DVR has said that the increase is due to relocating DVR offices to Job Centers and a redesign of DVR's service delivery methods. Since clients in these categories are usually more expensive to serve, it put pressure on DVR's funding distribution. The state has relied heavily on third party agreements with entities such as the University of Wisconsin System to provide services to disabled individuals. Under a third party agreement, the non-DVR organization provides the service and uses its own resources to match the federal grant. Third party agreements, however, typically target less severely disabled individuals. It is much more difficult to enter third party contracts to serve the most severely disabled and provide services such as orthopedic devices. As a result, DVR is required to rely more on GPR match to serve these individuals.

While the level of funding usually met the needs of DVR in the past, it failed to do so in FY00. Due to a combination of factors (including an increase in the number of clients with the most severe disabilities), the division and the department did not recognize that the funding distribution did not meet the needs of DVR's client population until the expenditure of DVR's FY00 total GPR allotment was imminent. To help DVR meet the needs of its clients in FY00, DWD used its Social Security 999 funds and federal indirect cost reimbursement funds to supplement the division's GPR.

Once it was certain that it would be able to serve the clients that were already in the program, the department examined to what extent DVR would be able to serve new clients. Since the division's funding distribution in FY01 was essentially identical to the distribution in FY00, the department determined that the current funding distribution would not be able to fully meet the needs of a client population that contained more severely disabled individuals. Between FY97 and FY99, the number of clients in the two most severely disabled categories rose from 18,859 to 23,016. As a result, in August 2000 the department made the decision to close all of the OOS categories until the department was certain that it could serve all of DVR's clients under the current funding allocation.

When the department closed the OOS categories to new clients, it established a waiting list for individuals who want to enter the program when it reopens. As of November 27, there were 4,632 individuals on the waiting list. Of this total, 1,365 were in the most severely disabled category, Category 1. DWD's request for \$426,000 GPR in DVR's case services appropriation would allow the department to begin serving at least 1,000 of the 1,365 Category 1 individuals on the waiting list.

In addition, DWD is requesting \$74,000 GPR for DVR's general program operation appropriation. In July 2000, DVR counselors received the second of two significant pay raises that were intended to reduce the gap between the salaries of

DVR counselors and vocation rehabilitation counselors in other Midwest states. Following the June 1999 increase where 195 counselors received an average pay increase of \$2,443, the July 2000 pay increase forced DVR to maintain a high vacancy rate to pay the salary increases. As of November 2000, DVR had a vacancy rate of 12.2%.

Analysis

This request focuses on whether the current vocational rehabilitation funding distribution in Wisconsin is the most effective way to use state and federal resources. Approving this request will not result in Wisconsin receiving more federal funding. More GPR will allow DVR to reduce its reliance on third party match funds, thereby allowing it to allocate the funds more flexibly to serve clients.

When the decision was made to reduce the amount of GPR in DVR and replace the GPR match with revenue from third party contracts, revenue from third party contracts made up approximately 7% of the state's match to provide services to DVR clients. This allowed other units of government in Wisconsin that provide services to DVR clients a means to leverage their expenditures to capture federal funds while reducing the amount of state funds necessary to capture the federal allotment. While the increase in third party contracts helped use vocational rehabilitation resources around the state more efficiently, it limited the number of severely disabled clients DVR could serve. In addition, as federal funds increased without a parallel increase in GPR match, the state needed to rely more heavily on third party match.

In FY98, when the final reduction in GPR match was implemented, third party contracts provided 17.9% of the state's match for case services. Third party contracts as a percentage of total case services have steadily risen, however, and third party contracts are projected to represent 25% of all case services in FY01.

The major argument in support of increasing GPR match is that third party contracts primarily help the less severely disabled (e.g., interpretive services for hearing impaired individuals). However, in recent years, DVR has seen an increase in the number of severely disabled clients that the division serves. Since these individuals are less likely to benefit from third party contracts, providing GPR to replace third party funds would allow DVR to better serve more of the severely disabled clients.

In addition, according to DVR, clients who receive services through third party contracts cost more per rehabilitation than clients who receive services funded with GPR match. This may be due to the fact that third party contractors use funds received through contracts with DVR to cover some administrative costs

associated with serving DVR clients.

Based on our analysis, it appears that the goal of DVR to selectively serve new OOS 1 would be significantly delayed without additional GPR. Increasing the proportion of federal funds that are captured by GPR match would address this concern. Well-managed third party contracts should continue to play a role in vocational rehabilitation in Wisconsin, but the demographics of the DVR client population are changing. The fact that DVR is now serving more severely disabled individuals suggests that if the state's distribution of match does not change in FY01 to reduce reliance on third party contracts, there will not be sufficient funding to serve the vocational rehabilitation needs of Wisconsin's most severely disabled individuals.

Regarding the funding requested to offset salary increase, allocating an additional \$74,000 GPR to DVR's general program operation appropriation would capture an additional \$273,400 PRF that could be used for counselor salaries. At the average entry level wage in June 1999 (\$28,104) and using the FY01 fringe rate (.3660), DVR would be able to fill approximately 18.0 FTE of its 48.0 FTE vacant positions. This would reduce its overall vacancy rate from 12.2% to 7.7%. While DVR obviously has an unusually high vacancy rate, it could be argued that funding client services should, at this time, be the priority and the supplement should be used just for direct services. If serving new clients in OOS 1 is a priority, providing additional GPR appears to be necessary.

Recommendation

Modify the request. Provide the \$500,000 supplement the department is requesting, but provide it only to the purchased services for clients appropriation under s. 20.445(5)(bm).

Prepared by: Josh Hummert
608-264-8259

Tommy G. Thompson
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

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November 29, 2000

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

The Honorable John Gard, Co-Chair
Joint Committee on Finance
315 North, State Capitol
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Dear Senator Burke and Representative Gard:

Request Summary

The Department of Workforce Development (DWD) requests that the Joint Committee on Finance consider at its regular second quarter meeting under s.13.10 whether additional funding could be identified for the Division of Vocational Rehabilitation. DWD requests and recommends that a total of \$500,000 in additional GPR be provided [\$426,000 for DVR purchased services for clients under s.20.445 (5) (bm); and \$74,000 for general program operations under s.20.445 (5) (a)].

DWD requests that the \$426,000 for the services to clients be approved as an ongoing increase to base funding. The \$74,000 is requested on a one-time basis to allow expedited hiring of about 15 vocational counselors and supervisors (using existing vacancies).

Approval of this request will allow us in January to begin to "activate" at least 1,000 cases currently on DVR's waiting list for persons with the most significant disabilities so that they would receive vocational services sooner than would otherwise be possible. At the same time, it would position DVR to serve additional consumers, depending on program expenditures experienced during the remainder of the year, and ultimately, on the program level approved in the biennial budget. In two months, DWD will again formally review whether actual expenditure experience would permit serving additional people on the waiting list. Current law permits DWD to use GPR allotted in this state fiscal year to cover case services provided through September 30, 2001.

Rationale

The Department believes this is a level of additional GPR resources that is, at this point in time, both fiscally and programmatically prudent. Let me explain our thinking.

First, additional match to federal aid will be needed, whether from GPR or third-party agreements. The FFY 2000-01 award to Wisconsin will increase 1.9% or \$905,486, and some current third-party agreements will end before the end of the federal fiscal year.

The \$500,000 GPR requested could be used as match to federal aid, providing \$2,347,400 in total resources—without affecting current third-party contracts or increasing reliance on them. As indicated in our biennial budget request, the Department shares the goal of reducing “third-party” matching funds to 15% of case-services match resources. At the same time, implementing changes abruptly could be difficult in the short term. This request is consistent with the goal of reducing reliance on third-party match sources but it would not require any significant changes in current third-party arrangements.

Given a fixed amount of federal funding to last until October 1, 2001, the Department believes that this level of additional GPR would not unduly accelerate the use of the federal aid into SFY 2000-01. Use of larger amounts of GPR at this time would require either that it be used to replace match funds currently being provided by third-party contracts, or that consideration be given to funding some expenses at 100% state cost.

A second consideration in recommending this level of funding is a desire to reduce the budgetary unpredictability given the federal rules governing priority for DVR services. Based on our experience in SFY 1999-00, many of you are familiar with the fact that if resources are not immediately available to serve all eligible applicants in need of DVR services, federal law requires that first priority be given to the most significantly disabled. To facilitate this prioritization, eligible applicants are evaluated and assigned an “Order-of-selection” (OOS) category based on the significance of their disabilities. In August, Wisconsin closed all OOS categories, meaning that new applicants are still accepted and evaluated but placed on a waiting list for their particular category rather than receiving services.

In its federally required vocational-service plan for the current year, DVR has implemented a simplification of its OOS categories to be more consistent with federal reporting categories and acknowledge the imprecision inherent in its previous definitions of OOS categories A through G. Currently, persons eligible for DVR services are being assigned to one of three categories: **Category 1**, equivalent to the old category A, is for persons with the most severe disabilities; **Category 2**, equivalent to the old categories B and C, is for persons with severe disabilities; and **Category 3** is for all other persons eligible for DVR services. As of November 27, there were a total of 4,632 persons on the waiting list: 1,365 in Category 1; 2,316 in Category 2; and 951 in Category 3. In addition, there were 1,146 applicants whose eligibility and category were in the process of being determined.

Given the individual nature of the plans for employment developed for DVR consumers, it remains difficult to predict the cost of DVR case services with precision, as well as the timing of when those costs will occur. However, the uncertainty in the cost of beginning service to a chosen number of people currently on the waiting list is actually less than that associated with predicting the costs to be incurred by our more than 16,000 active DVR consumers (who began their individual plans for employment before the August closure of all OOS categories). By early December we expect two types of additional information about that:

- 1) Actual November data on expenditures and the number of consumers that have completed their plans; and
- 2) The results of a counselor-based review of their active case files and their estimated costs through the remainder of the state fiscal year.

The above two sources of updated information are important because we have had only two months of experience operating with all OOS categories closed. After first assuring we can continue uninterrupted quality services to current consumers, we feel that beginning services to 1,000 persons on the Category 1 waiting is the next logical step. There are two reasons for this.

First, while cases from Categories 1 may be relatively high-cost, it is assumed that cases activated from the waiting list would, on average, incur relatively few costs for three months while their individual plans for employment are developed. Second, the plan to **initially** serve only a **portion** of the number of persons on the waiting list in this category, limits budgetary unpredictability by allowing the Department to control the **rate** at which we begin serving new consumers. This plan is based on the experience of other states and a clarification that federal policy does not require a State to make an "either/or" choice to completely open a category or leave it closed. Under this scenario, OOS Category 1 would not technically be "reopened." DVR could begin services for the 1,000 persons on the waiting list, in the order they were placed on it, even while other persons newly assessed as appropriate for Category 1 would be placed at the bottom of the waiting list. DVR would not have to begin serving the entire waiting list until or unless a decision was made that some additional number of consumers could be served with available resources.

Actually reopening Category 1 would entail two challenges: First beginning service to a large "bubble" of all persons on the waiting list, and second, providing services to an unpredictable number of new Category 1 applicants. We share the goal of returning to this normal order of business, but are recommending a measured approach: In two months we will re-evaluate whether funding and counselor resources available will allow us to serve more than 1,000 cases, or to reopen Category 1. Depending on the level of resources provided in the biennial budget, we are hopeful that we will be able to open Categories 1 and 2.

Consistency with s.13.101 Criteria

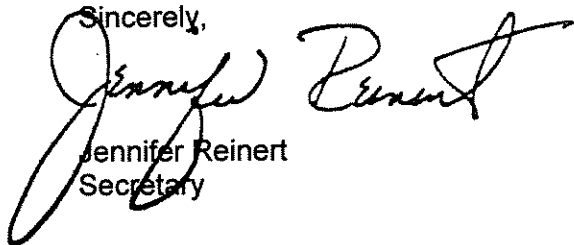
This letter is intended to address all criteria enumerated under s 13.101 (3) and (4) (depending on whether the additional funding would be provided from the Committee's appropriation or from a reallocation from another appropriation):

- 1) An emergency exists if the Committee agrees with the Department that it is critical to match all available federal aid, ensure uninterrupted service to current DVR clients, and begin to help additional persons with disabilities who want to join the workforce. Precedent exists for the Committee to approve supplementary funding for DVR. One such request was approved in September 1998.
- 2) No other funds are available for this purpose. The Department's only discretionary funding source was expended to assist DVR through the last fiscal year, and its other GPR appropriations are almost entirely earmarked to provide the match or required state expenditures for other federally funded programs.
- 3) The purposes for which additional funding is requested are DVR's core mission, which has been authorized by the Legislature.

Senator Brian Burke
Representative John Gard
November 29, 2000
Page four

I thank the Committee's for its consideration of this request. Tom Dixon, Administrator of the Division of Vocational Rehabilitation, Eric Baker, Administrator of the Division of Administrative Services, and I will represent the Department at the s.13.10 meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Reinert". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Jennifer Reinert
Secretary

McGinnis, Cindy

From: Linda Vegoe [vege@vbe.com]

Sent: Monday, December 18, 2000 10:57 AM

To: Sen.Burke@legis.state.wi.us; Sen.Decker@legis.state.wi.us;
Sen.Jauch@legis.state.wi.us; Sen.Shibilski@legis.state.wi.us;
Sen.Moore@legis.state.wi.us; Sen.Plache@legis.state.wi.us;
Sen.Cowles@legis.state.wi.us; Sen.Darling@legis.state.wi.us

Subject: 13.10 on DVR



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I am writing as Chair of the Wisconsin Rehabilitation Council to encourage you to vote in favor of the 13.10 request for emergency funding for DVR.

Our Council supports this move. It is reasoned and responsible. It will not open the doors to everyone, but it will open the doors to 1000 people. It will restore hope for individuals with disabilities and the agencies that depend on DVR funding to pay their staff.

DWD and DVR got into this crisis by attempting to hide a serious budget problem. Our council sincerely believes that both agencies have learned that, while waiting lists are unpopular, the alternative is disastrous.

Please vote in favor of this \$500,000 investment in potential taxpayers and in the not for profit business community that serves those with the most significant disabilities.

Linda Vegoe, WRC Chairperson

13.10 Meeting
December 19, 2000
Agenda Item V

Issue: Health and Family Services -- Well Woman Program

Comments:

Demand for the preventive health screenings provided by this initiative is higher than predicted, or at least budgeted. Without additional funding, the program will run out of money by Feb., 2001.

Early detection of conditions like breast cancer not only saves lives, it also saves money. This is a good investment in healthier lives for women, and in stronger state finances in the long run.

The money already is budgeted for a related cancer program in DHFS, this simply puts money that otherwise would lapse to good use.

While there are valid concerns about the program's lack of hard data and monitoring tools, these problems should not stop women from getting life-saving assistance. The place to fix these problems is in the next budget.

Staff Recommendations: Alternative 1 transfers \$635,600 GPR from the cancer treatment to the women's health services program.

Do not support:

Alternative 2 would deny the request but allow the funds to carry over for the cancer treatment program.

Alternative 3 would deny the request and lapse the amount from the program.

Prepared by: Bob



Legislative Fiscal Bureau

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

December 19, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health and Family Services: Section 13.10 Request for Funding Transfer to Support the Wisconsin Well Woman Program -- Agenda Item V

The Department of Health and Family Services (DHFS) requests the one-time transfer of \$635,600 GPR in 2000-01 from the DHFS appropriation that supports cancer treatment, training, follow-up, control and prevention activities to the DHFS appropriation that supports women's health services to meet increasing demand for services provided under the Wisconsin well woman program (WWWP).

BACKGROUND

The WWWP provides preventive health screenings, diagnostic tests and patient education services to low-income, uninsured or underinsured women in order to improve access to these services and thereby reduce preventable death and disability from breast and cervical cancer, heart disease, stroke, diabetes, osteoporosis, depression and domestic violence to this population. Clients receive services from over 1,000 participating providers statewide, including hospitals, clinics, individual health care providers, public health departments, community health centers, family planning clinics, tribal health clinics and other facilities and providers that offer the screening and diagnostic services covered under the program.

Program Eligibility. The program provides services to women who are 18 years of age or older, but has a primary target of women ages 40 to 65. The priority for the mammography component of the program is to screen women who are 50 to 65 years of age. Enrollees may not have household income that exceeds 250 percent of the federal poverty level (FPL). Currently, 250% of the FPL is \$20,875 per year for an individual and \$28,125 per year for an individual in a two-person household.

In addition to meeting age and income requirements, program enrollees must also have no health insurance, have insurance that does not pay for health screenings or have insurance that does not fully cover the costs of an annual screening. Women enrolled in the medical assistance or BadgerCare program are not eligible to enroll in the WWWP because both of these programs cover all of the services that are covered under the WWWP. Women enroll in the program through county or tribal well woman coordinating agencies, or, in some cases, through their participating health care provider.

Payments to Providers. DHFS contracts with its fiscal agent, Electronic Data Systems, Inc., to reimburse health care providers for the services they provide to program enrollees. Providers receive reimbursement at the rate that Medicare would have paid for the same service.

Program Administration. Three separate DHFS appropriations provide funding for the WWWP. First, DHFS uses federal funds the state receives from the Centers for Disease Control and Prevention under the national breast and cervical cancer early detection program (NBCCEDP) to support all services provided under the WWWP that can be funded from that source. These funds can be used to support services related to breast and cervical cancer screenings for women ages 40 through 64. In federal fiscal year 2000-01, DHFS has budgeted approximately \$1,087,800 to support screening services from this source.

Second, breast cancer screenings that are provided to women between the ages of 18 and 40 are funded from a separate GPR appropriation that supports cancer prevention, control, treatment and training activities. DHFS may expend up to \$422,600 GPR annually from this appropriation to support breast cancer screening. This appropriation also supports other statutorily designated activities. For example, DHFS is directed to distribute a grant of up to \$115,200 to the City of Milwaukee Public Health Department to perform breast cancer screening activities with the use of a mobile mammography van from this appropriation. DHFS requests the transfer of funds to supplement funding for the WWWP from this appropriation.

Finally, DHFS pays for all other services provided under the WWWP that cannot be funded from the two other appropriations from the GPR appropriation for women's health services. In 2000-01, \$1,254,700 GPR is available for expenditure from this appropriation, of which DHFS has allocated \$787,300 GPR for screening services provided under the WWWP. DHFS has allocated the rest of this funding to support: (a) case management services that, beginning in calendar year 2001, will be part of the performance-based contracts DHFS makes with counties for the provision of certain public health services (\$300,000 GPR); (b) a grant to the City of Milwaukee to provide recruitment, follow-up, enrollment and patient education activities for WWWP (\$131,400 GPR); (c) a women's health conference (\$25,000 GPR); and (d) support for epidemiology services provided by the University of Wisconsin (\$11,000 GPR). Based on 2000-01 expenditures to date, DHFS projects that funding budgeted in this appropriation for the WWWP will be completely expended by the end of February, 2001.

Reasons to Support or Oppose Request. Committee members could offer several arguments to support or oppose the DHFS request. The following points would support the DHFS request.

First, by providing screenings, diagnostic tests and referral services, the WWWP enables women who need treatment for conditions found as a result of these services to seek treatment earlier than they otherwise would had these diagnostic tests not been performed. Many low-income women do not have the means, or choose not, to pay for these types of preventive services. The chances of success for treatment of diseases and conditions that are diagnosed in the early stages are much greater than treatment for diseases and conditions that are diagnosed in their advanced stages. Further, the costs of providing treatment for conditions that are diagnosed in the early stages are, in general, less than the costs of treating advanced stages of these diseases and conditions.

Second, the Department's request offers an opportunity to meet increased demand for program services by transferring funds, on a one-time basis, that are already budgeted for a separate, but related, program that will not otherwise be expended. Although this funding is budgeted in separate DHFS appropriations, both appropriations currently support the WWWP.

Third, because funding budgeted for the program is expected to be fully expended early in calendar year 2001, DHFS would be required to notify providers that services will no longer be reimbursed unless additional funding is budgeted for the program. This type of program disruption would inconvenience both program enrollees and providers.

However, there are reasons why the Committee may wish to deny the DHFS request. First, the program is not an entitlement program. 1999 Wisconsin Act 9, the 1999-01 biennial budget act, provides DHFS a sum certain amount to fund women's health services. DHFS is budgeted \$1,225,000 GPR in 1999-00 and \$1,027,600 GPR in 2001 to support three activities: (a) health screening for low-income women; (b) a women's health campaign, including distributing funds to applying individuals, institutions and organizations to conduct projects to enhance activities of communities in establishing and maintaining a comprehensive women's health program; and (c) administering an osteoporosis prevention and education program. DHFS has used the funding budgeted in the women's health appropriation to establish an integrated, claims-based program, using other funding sources, rather than to provide sum certain grants for other entities to provide these services. Current statutes do not direct DHFS to administer a program under which all women who meet eligibility requirements determined by DHFS may receive screening services.

Second, although the DHFS Secretary indicates that the request meets the emergency criterion required under s. 13.101 (3)(a) of the statute, the Department's s. 2001-03 biennial budget request does not include a request for additional funding for WWWP. In response, DHFS indicates that program costs have increased so rapidly that it has been difficult to project future program costs and that sufficient cost information was not available until very recently. Further, without program summary reports, DHFS has not had the necessary tools to monitor and control program costs. As previously indicated, DHFS will decide how to reduce future program costs early in calendar year 2001.

If the Committee wishes to deny the DHFS request to transfer funding to increase support for the WWWP in 2000-01, the carryover funds budgeted in the cancer prevention and treatment program would continue to be available in the 2001-03 biennium for case management services available under that program. However, DHFS has indicated that these funds that were carried over from previous years are not needed to support case management services in the current year. For this reason, the Committee could direct the DOA Secretary to place \$635,600 GPR from the cancer treatment and prevention appropriation in unallotted reserve to lapse at the end of the 2000-01 fiscal year to reflect that this funding is not necessary to support services in the 1999-01 biennium.

DHFS staff have indicated that program costs will, in the future, not exceed the amount budgeted by the Legislature for the program. Funding for this program, together with statutory changes to reflect the manner in which DHFS administers the program, could be addressed by the Committee as part of its 2001-03 biennial budget deliberations.

ALTERNATIVES

1. Approve the DHFS request to transfer \$635,600 GPR from the cancer treatment and prevention appropriation under s. 20.435(5)(cc) to the women's health services appropriation under s. 20.435 (5)(cb) in 2000-01 to increase funding for the WWWP on a one-time basis in 2000-01.

Bad

2. Deny the request.

3. Deny the request. In addition, direct the DOA Secretary to place \$635,600 GPR from the cancer treatment and prevention appropriation under s. 20.435 (5)(cc) in unallotted reserve and lapse that amount from the appropriation at the end of the 2000-01 fiscal year.

Prepared by: Charles Morgan

MO# A 1 + 1

BURKE 1	(Y)	N	A
DECKER	(Y)	N	A
JAUCH	(Y)	N	A
MOORE	(Y)	N	A
SHIBILSKI	(Y)	N	A
PLACHE	(Y)	N	A
COWLES	(Y)	N	A
DARLING	(Y)	N	A
GARD 2	(Y)	N	A
PORTER <i>Huebsch</i>	(Y)	N	A
KAUFERT	(Y)	N	A
ALBERS	(Y)	N	A
DUFF	(Y)	N	A
WARD	(Y)	N	A
HUBER	(Y)	N	A
RILEY	(Y)	N	A

AYE 16 NO 0 ABS

ANALYSIS

This analysis: (a) provides an estimate of the amount of GPR that would need to be budgeted in the women's health services appropriation to support WWWP in the 2000-01 fiscal year, based on program spending to date; and (b) presents several arguments that could be made to support or oppose the DHFS request.

Program Funding. DHFS does not receive or maintain regular, summarized information on the program that would show, on a monthly or annual basis, the number of women who received services, the types of services enrollees received or the results of the screenings provided under the program. Although DHFS is budgeted funding to contract with EDS to process claims, no funding is budgeted to pay EDS to compile program summary reports. The program does not require providers to submit information other than the information they submit on individual claims for reimbursement.

DHFS does maintain monthly information on the amount DHFS paid to EDS to fund claims submitted by providers for services to WWWP enrollees. Through November, 2000, DHFS had paid EDS approximately \$723,100 from the women's health appropriation to reimburse providers under the program. If program expenditures continue at the current rate through the end of the 2000-01 fiscal year, total benefits costs would be approximately \$1,735,400 ($\$723,100 \times 12/5$). However, of these total program costs, \$210,900 will be supported with funds budgeted in the cancer prevention and control GPR appropriation. Consequently, based on a straight-line projection using 2000-01 fiscal year spending to date, it is estimated that \$1,524,500 would need to be budgeted in the women's health appropriation to support WWWP services that cannot be reimbursed under the federal or state GPR cancer control appropriation. By subtracting the amount of funding currently budgeted in the women's health appropriation for the WWP (\$787,300) from the projected total costs that would be incurred, it is estimated that approximately \$737,200 GPR would be needed to fully fund projected program costs through the 2000-01 fiscal year, based on current program eligibility, scope of services and provider reimbursement rates.

In preparing its request, DHFS staff used a similar methodology based on average weekly, rather than monthly, program expenditures in 2000-01. However, using either methodology, it is clear that DHFS will not be able to continue the program through the 2000-01 fiscal year unless the Committee approves the DHFS request to transfer funding from the cancer control appropriation to the women's health appropriation. Further, even if the Committee approves the DHFS request, it is likely that DHFS will need to take measures to limit program costs in the current year to avoid a shortfall in the appropriation and to limit program costs in future fiscal years. The Department has several options to limit future program costs, including: (a) reducing the maximum income women may have to enroll in the program; (b) limiting participation to a narrower age range; (c) reducing the scope of services covered under the program; (d) reducing the frequency with which women are screened; and (e) reducing provider payment rates. DHFS can make these changes administratively because these program features are not established in statute.

HEALTH AND FAMILY SERVICES

Wisconsin Well Woman Program
Agenda Item V

Motion:

Move to direct the Department of Health and Family Services to require all providers that participate in the WWWP to, beginning April 1, 2001, submit to DHFS, on a quarterly basis: (1) the number of persons for whom the provider submitted claims for services under the program; and (2) a listing of all procedures for which the provider submitted claims under the program, during the previous quarter.

Note:

This motion would require WWWP providers to submit quarterly information on the number of women to whom they provided services and the types of services they provided to enrollees during the previous quarter.

MO# 435

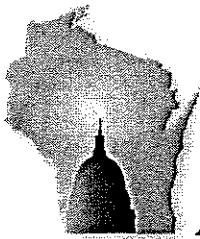
BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
DARLING	Y	N	A
GARD ²	Y	N	A
PORTER ^{Huebsch}	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

V. Department of Health and Family Services – John Kiesow, Executive Assistant

The department requests the transfer of \$635,600 GPR in fiscal year 2000-01 from the department's cancer treatment, training, follow-up, control and prevention appropriation under s. 20.435(5)(cc) to the women's health services appropriation under s. 20.435(5)(cb) to continue to support screening services in the Wisconsin Well-Woman program in which demand has been greater than anticipated.

Governor's Recommendation

Modify the request to approve the transfer of \$597,300 to reflect a reestimate of need.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: December 15, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Health and Family Services for the Wisconsin Well-Woman Program.

Request

The department requests the transfer of \$635,600 GPR in fiscal year 2000-01 from the department's cancer treatment, training, follow-up, control and prevention appropriation under s. 20.435(5)(cc) to the women's health services appropriation under s. 20.435(5)(cb) to continue to support screening services in the Wisconsin Well-Woman program in which demand has been greater than anticipated.

Background

The Wisconsin Well-Woman program provides health screening services, referrals, follow-up and patient education services to low-income, uninsured or underinsured women. Services include screenings and exams to detect breast and cervical cancer, depression, diabetes, heart disease, osteoporosis, high blood pressure and domestic violence. Local coordinators in county agencies make women aware of these services and refer them to participating providers who conduct the exams. They then provide case management services to ensure that the women receive test results and are notified of rescreening dates. Women who are over 18 with incomes below 250% of the federal poverty level and who have no insurance or who have insurance that does not cover screening services are eligible.

Services are provided at tribal health clinics, family planning clinics, federally qualified health care centers, public and private hospitals, city and county health departments and mammography facilities. The provider signs a contract with the Department of Health and Family Services (DHFS) and must provide a 25% match. Their claims are submitted to and processed by Electronic Data Systems on behalf of DHFS. The program is funded at \$1 million GPR in FY01.

The program has experienced significant growth over the last year. In FY00, between 10,000 and 13,000 women participated in the program. In FY01, 13,000 women have received services so far with an expected additional 10,000 to be served through the end of the fiscal year. The department has taken steps to try and contain costs by targeting older women or referring women to other programs but it would like to continue to satisfy demand for these services this fiscal year by transferring available funds from the cancer control program. Because the number of clients and expenditures have been so volatile, DHFS did not request new funds in the next biennium. If demand for the program continues at its present rate, staff will consider options to limit program participation to stay within budgeted amounts.

The cancer control and prevention program provides grants to entities for projects that educate the public about cancer prevention strategies and for breast cancer screening. Of the \$1.2 million GPR provided for this program, \$422,600 is provided for breast cancer screening. Although the program started in FY97, implementation was very slow. The appropriation language for this program explicitly permits DHFS to carry over unspent funds for the breast cancer screening program. Due to the slow program implementation, \$461,000 was carried forward into FY98. The total carryover grew to \$921,300 in FY99. Now that the program is implemented, DHFS is able to spend its full allocation. However, the program language includes specific dollar amounts to be allocated, and, as a result, the excess funds cannot be used to fund more services.

The excess funds in the cancer control appropriation would be used to support the increased costs of screening in the Well-Woman program.

Analysis

Within the Well-Woman program appropriation, \$620,200 was budgeted for screening services. As of the end of November, \$420,800 has been spent on screening services. At the current rate of expenditures, the appropriation would be out of funds in February, 2001. Screening costs were estimated to be \$51,700 per month. However, actual expenditures are \$84,200 per month.

DHFS has reestimated screening costs based on actual costs. These costs were very difficult to determine because the costs are extremely variable from week to week. For example, expenditures for the first week of this fiscal year were \$522 compared to \$45,300 for the first week of November. As a result, the department evaluated four different scenarios such as averaging the low and high expenditure weeks. DHFS ended up averaging the various costing methods which resulted in an average cost of \$25,700 per week. However, the actual amount of the request does not strictly adhere to the use of this per week figure. They assumed that the amount available from the cancer control appropriation was \$900,000 and that of

those funds, \$264,400 would be used to fund costs of case management services which had been provided in the Well-Woman program but for which funding was unavailable due to an accounting error. The balance of \$635,600 is the request.

A number of adjustments need to be made. First, the amount of carryover funding is \$921,300. Second, the amount to be used for the case management services includes \$54,000 which is actually a FY00 cost and should be removed. Finally, the actual amount of the accounting error is \$210,900. Making these adjustments results in an amount available of \$710,400 in the cancer control appropriation.

Using the Department's estimate of \$25,700 per week for 31 weeks results in additional screening costs of \$796,700. Adding this to current expenditures results in a total for screening of \$1,217,500. Deducting base funding available for screening results in a need of \$597,300.

Recommendation

Modify the request to approve the transfer of \$597,300 to reflect a reestimate of need.

Prepared by: Susan Jablonsky
267-9546



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

November 29, 2000

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 \$635,600 from s. 20.435(5)(cc)[503] to s. 20.435(5)(cb)[570] in FY 01 to allow the Department to continue to provide health screening services to low-income women under the Wisconsin Well-Women Program. The Well-Women Program targets low-income, underinsured or uninsured women for screenings, diagnostic tests, referrals and follow-ups related to a variety of health conditions. Demand for this program has been high and the Department projects that funding for the health screenings will be exhausted by the end of February 2001. The Department proposes to transfer surplus funds from s. 20.435(5)(cc), Cancer Treatment and Prevention, on a one-time basis to cover this projected shortfall and enable the program to continue operating without disruption or curtailment of services.

The Wisconsin Well-Women Program provides health screening to low-income women for heart disease, osteoporosis, diabetes, hypertension and other conditions. Over the last year, the Department has seen a significant increase in the number of women who have utilized this program. During FY 01, approximately 13,000 women have already received assistance from this program and another 10,000 women are expected to apply for services before the end of the fiscal year. The Department has taken steps to control expenditures by targeting older women and referring some women to other programs for services. However, current projections indicate that an additional \$635,600 will be required to be able to continue the program through FY 01 and fully meet the projected demand.

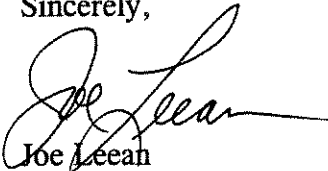
The Department proposes to transfer unexpired funds from another part of the Women's Health Initiative, case management services under the Cancer Treatment and Prevention program, to meet this need. The Department is projected to spend the full statutory amount in case management services in FY 01. Statutory language for this appropriation limits the amount of

funds which can be allocated to specific areas within the program. As a result, the unspent funding from past years cannot be spent in FY 01 in the current appropriation. There is, however, no requirement that unspent funds in most of the specific program areas be lapsed. Due to a slower than anticipated start-up of this program in 1997, budgeted funds in the first few years of the program were not fully expended. As a result, over the last several years a surplus of approximately \$650,000 has accumulated in s.20.435 (5) (cc). The Department believes it would be appropriate to use these funds for Well-Women health screening on a one-time basis to prevent the curtailment of screening services.

This request meets the criterion of being an "unforeseen emergency" under s.13.101 (3)(a). Although the Well-Women program is not an entitlement, there is a demand for the services this program provides which current funding cannot meet. This program plays a vital role in prevention and treatment of serious health conditions and gives health care assistance to low-income women who do not qualify for other programs. The increase in demand could not have been foreseen in the spring of 1999 when the 1999-01 biennial budget funding levels were being finalized.

The Department requests that the Joint Committee act favorably on this request to prevent the disruption of health screening services for low-income women. John Kiesow will represent the Department on this request.

Sincerely,



Joe Leean
Secretary

13.10 Meeting
December 19, 2000
Agenda Item VI

Issue: Corrections: Expanded Recruitment Efforts

Comments:

Denies the request. While there may be a need for expanded recruitment efforts, the vast majority of the new positions the Department indicates it needs to recruit for were created in the last budget. DOC should have been aware of the need for a coordinated recruitment effort in advance of December of 2000. This issue may be more appropriately addressed in the context of the 2001-03 biennial budget. In the meantime, Corrections could continue to conduct recruitment efforts using currently available resources.

Re: Stanley

The paper does reference Stanley in the context that DOC is requesting dollars for expanded recruitment efforts to hire correctional officers at new correctional institutions, including the Stanley Correctional Facility, *if* the facility is leased. Some JFC members may view this as an opportunity to offer Stanley motions. Such motions are non-germane since the leasing of Stanley is only a *possibility, not a certainty*. (I spoke with Jere Bauer about this. He should back you up).

Staff Recommendation: Alternative 5 (*2nd choice: alternative 4*)

Prepared by: Deb



Legislative Fiscal Bureau

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

December 19, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Corrections: Expanded Recruitment Efforts --Agenda Item VI

The Department of Corrections requests the transfer of \$282,900 GPR in 2000-01 from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for expanded employee recruitment efforts.

BACKGROUND

The Department of Corrections' Bureau of Personnel and Human Resources (BPHR) has a budget of \$2,633,200 (\$2,449,200 GPR and \$50,400 PR) and 52.75 positions (51.75 GPR and 1.0 PR) in 2000-01. The Bureau is responsible for all centralized personnel, payroll, affirmative action, equal employment and employment relations activities for the Department of Corrections. The Department has approximately 9,700 full-time equivalent positions. Of the Bureau's budget, \$143,400 (\$139,400 GPR and \$4,000 PR) is allocated to supplies and services costs, with the remainder primarily allocated to staff costs. In addition to BPHR staff, correctional facilities and the Division of Community Corrections also have personnel and human relations staff who hire employees based on lists provided by BPHR, discipline staff and address other institution-specific personnel matters.

At the December 21, 1999, s. 13.10 meeting, the Committee adopted a motion to provide \$103,500 GPR in 1999-00 and \$447,100 GPR in 2000-01 and 9.0 GPR positions to: (a) address issues of correctional institution crowding and long-range planning; and (b) staff correctional institutions. Corrections utilized 2.0 of these positions to develop and implement a centralized, coordinated, statewide employee recruitment effort. The Committee also authorized an additional 2.5 GPR human resources positions and associated funding at the September 14, 2000, s. 13.10 meeting in conjunction with the Department's request related to the Milwaukee Secure Detention Facility.

ANALYSIS

The Department of Corrections requests the transfer of \$282,900 GPR in 2000-01 from the unallotted balance in the corrections contracts and agreements appropriation to the Department's general program operations appropriation for expanded employee recruitment efforts. While not specified in the request, the Department has indicated that it is requesting the funding on a one-time basis. According to Corrections, by the end of 2000-01, the Department will need to hire approximately 1,000 correctional officers to: (a) fill positions at new correctional institutions (Redgranite Correctional Institution, which is opening in January, 2001, Milwaukee Secure Detention Facility, which is opening in August, 2001 and the Stanley Correctional Facility, if the facility is leased); and (b) replace current positions which become vacant due to turnover.

Recent statistics from Corrections indicate that for the approximately 120 individuals in the October, 2000, correctional officer preservice training classes, 680 applications were received. Of those applications, 82% were rejected for various reasons (failure to return supplemental information, failure to report for the interview, failure to pass the criminal background investigation or reference check, failure to pass or report for the medical/fitness test, failure to pass the examination or interview and not being eligible to be certified for the position). Based on a historic application success rate of 15% (15% of all applicants for correctional officer positions are hired and complete training), Corrections indicates that over 6,600 applicants statewide would be necessary to hire 1,000 officers. The Department further indicates that low unemployment rates have made hiring more difficult.

According to Corrections, prior to March, 2000, the Department did not have a departmentwide recruitment effort, but rather relied on job announcements in the state job bulletin, advertisements in local papers and exams conducted at the Department of Employment Relations (DER) exam centers. Since March, 2000, Corrections has: (a) begun to continuously recruit for correctional officers; (b) started on-site examinations at correctional facilities, as opposed to centralized DER exams; (c) shortened the hiring process by two weeks; (d) implemented a toll-free number for employment application materials; (e) conducted open houses and tours at correctional facilities; (f) produced a recruitment video which is aired on a biweekly basis in southeastern Wisconsin; (g) increased radio and print job announcement advertising; (h) increased the Department's involvement at career fairs; (i) developed partnerships with the Department of Workforce Development, colleges, universities and various community agencies to expand the visibility of career opportunities in Corrections; (j) developed promotional materials to distribute to the public (for example, a magazine, brochures and pens); and (k) begun posting Corrections' job opportunities on public and private sector web sites. These efforts have been focused on two correctional institutions in southeastern Wisconsin which have historically had high correctional officer vacancy rates (Racine Correctional Institution and the Racine Youthful Offender Correctional Facility). The Department indicates that these two facilities are currently fully staffed with officers.

Corrections' s. 13.10 request is designed to further expand the current recruitment effort and to give assistance to institutional and regional human resource directors in filling positions. While

the request focuses primarily on correctional officer positions, the Department indicates that recruitment efforts would also assist in the hiring of other institutional positions and in hiring regional probation and parole positions. The Department's request would provide funding for the production of informational and promotional materials about the Department, support statewide and regional recruitment advertising campaigns, fund the creation of 31 job fair displays (one for each correctional facility and probation and parole region) and support the training and travel expenses of the Department's recruitment staff. Specifically, the requested funding would be used as identified in the following table.

**Employee Recruitment s. 13.10 Request
2000-01**

Recruitment Magazine (New)	\$25,000
Job Fairs/Career Fairs	32,500
Recruitment Brochures	5,000
Recruitment Videos	15,500
Job Connection Print Advertisements	10,000
Statewide Radio Advertisements	28,800
Recruitment Billboards (5 counties)	60,000
Job Fair Display Kits (31 kits)	65,100
Recruitment Promotional Items	25,000
Training, Seminars and Conferences	9,000
Travel Expenses	<u>7,000</u>
 Total	 \$282,900

The Department would support the costs associated with the request by transferring \$282,900 GPR in 2000-01 from the unallotted balance in the corrections contracts and agreements appropriation to the Department's general program operations appropriation. At the December, 1999, s. 13.10 meeting, a motion was adopted that required the Co-chairs of the Joint Committee on Finance to certify the release of funding for Corrections Corporation of America's Tutwiler, Mississippi facility. That motion required that the final release of \$1,986,800 GPR in 1999-00 and \$15,697,900 GPR in 2000-01 related to the Tutwiler facility was dependent on Corrections' assessment that the facility meets the Department's specifications and is ready to admit Wisconsin prisoners. On May 31, 2000, the Co-chairs certified Corrections' request to release of \$1,092,400 GPR in 1999-00 and \$8,247,500 GPR in 2000-01 for out-of-state contract beds. Since Corrections did not request release of all of the available funding, \$894,400 GPR in 1999-00 and \$7,450,400 GPR in 2000-01 remains in unallotted reserve in the appropriation. Under the Department's other s. 13.10 requests before the Committee, an additional \$1,925,200 GPR is requested to be transferred from unallotted reserve. Therefore, sufficient funding would remain in unallotted reserve to support all three requests. Corrections indicates that the remaining funding in unallotted reserve would not be utilized for additional contract beds in 2000-01.

The Department has identified recruitment and staff training activities that would require an additional \$282,900 over a six-month period. The Department's request is intended to allow

Corrections to provide a concerted statewide recruitment effort during the remainder of 2000-01. If the Committee wishes, however, the Department's request could be narrowed to those items which would most directly relate to a statewide recruitment effort (recruitment billboards, job fair display kits, the recruitment magazine and statewide radio announcements). Under this alternative, the Department request could be reduced to \$178,900 GPR

The Committee should note that the amount of funding requested is not specifically linked to hiring the estimated number of positions. If less funding is provided, the Department's expanded recruitment effort would need to be reduced and/or refocused, but would still exceed funding that had previously been dedicated for such efforts. The amount of funding requested for the next six months is a substantial increase over the current annual budget (197.2%). If half the amount of requested funding were provided (\$141,500 GPR), the supplies and services budget for BPHR would increase by 98.7%; if \$70,800 GPR were provided, the budget would increase by 49.4%. Transfer of funding from the salary line is not an alternative because of an anticipated shortfall in salaries in 2000-01 for the Department's adult programs.

On September 15, 2000, the Department submitted its 2001-03 biennial budget to the Department of Administration. Included in the request, Corrections is seeking \$338,300 GPR in 2001-02 and \$418,100 GPR in 2002-03 for expanded employee recruitment. The budget request would generally provide funding in the 2001-03 biennium for the same activities for which the Department is currently requesting funding for 2000-01.

Given that the vast majority of the new positions that Corrections indicates it needs to recruit for in 2000-01 (except the possible Stanley facility) were created in 1999 Act 9, it could be argued that the Department should have been aware of the need for a coordinated recruitment effort in advance of the December, 2000, s. 13.10 meeting. While the Department now views this request as an emergency, the issue may be more appropriately addressed in the context of the 2001-03 biennial budget. If the request is not approved, Corrections would continue to conduct recruitment efforts using currently available resources.

ALTERNATIVES

1. Approve the Department's request to transfer \$282,900 GPR in 2000-01 on a one-time basis from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for expanded employee recruitment efforts.

2. Transfer \$178,900 GPR in 2000-01 on a one-time basis from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for expanded employee recruitment efforts. This alternative would provide funding associated with recruitment billboards, job fair display kits, a recruitment magazine and statewide radio announcements.

3. Transfer \$141,500 GPR in 2000-01 on a one-time basis from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for expanded employee recruitment efforts.

4. Transfer \$70,800 GPR in 2000-01 on a one-time basis from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for expanded employee recruitment efforts.

*2nd
choice*

5. Deny the request.

*1st
choice*

Prepared by: Jere Bauer

MO# A1+3

BURKE 1	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
MOORE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
PLACHE	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
DARLING	<input checked="" type="checkbox"/>	N	A
GARD 2	<input checked="" type="checkbox"/>	N	A
PORTER <i>Huebsch</i>	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
DUFF	<input checked="" type="checkbox"/>	N	A
WARD	<input checked="" type="checkbox"/>	N	A
HUBER	<input checked="" type="checkbox"/>	N	A
RILEY	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS _____

CORRECTIONS

Expanded Recruitment Efforts
[Agenda Item VI—Substitute Alternative]

Motion:

Move to transfer \$222,900 GPR on a one-time basis from the unallotted balance in the corrections contracts and agreements appropriation (s. 20.410(1)(ab)) to the Department's general program operations appropriation (s. 20.410(1)(a)) for employee recruitment efforts.

Note:

The motion would approve the Department's request for increased funding for employee recruitment efforts (\$282,900 GPR in 2000-01), except that funding for a billboard campaign (\$60,000 GPR) would not be provided.

*Burke and
Kaw funding @ level
in A-1 + 3, but no \$ for
billboards*

MO# 352 + amend

BURKE ²	Y	N	A
DECKER ¹	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI ^{set}	Y	N	A
SHIBILSKI ^{set} PLACHE	Y	N	A
COWLES	Y	N	A
DARLING	Y	N	A
GARD	Y	N	A
PORTER ^{Hutch}	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

VI. Department of Corrections – Jon Litscher, Secretary

The department requests the transfer of \$282,900 GPR in fiscal year 2000-01 from the department's corrections contracts and agreements appropriation under s. 20.410(1)(ab) to the general program operations appropriation under s. 20.410(1)(a) to fund enhanced recruitment efforts.

Governor's Recommendation

Modify the request. Approve the transfer of \$142,500 GPR in fiscal year 2000-01 from the department's corrections contracts and agreements appropriation under s. 20.410(1)(ab) to the general program operations appropriation under s. 20.410(1)(a).



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: December 15, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Corrections for Recruitment Costs.

Request

The department requests the transfer of \$282,900 GPR in fiscal year 2000-01 from the department's corrections contracts and agreements appropriation under s. 20.410(1)(ab) to the general program operations appropriation under s. 20.410(1)(a) to fund enhanced recruitment efforts.

Background

The Department of Corrections (DOC) has experienced substantial growth in inmate population and new facilities, which has led to an increase in the need for corrections staff, particularly correctional officers.

In March 2000 DOC implemented a centralized statewide recruitment effort, focusing on the applicant pool for officers. As a result, DOC has taken several steps to address recruitment needs, including the following:

- Hiring two full-time recruiters
- Offering on-site exams rather than DER-centered exams to allow for continuous recruitment of officers;
- Shortening the internal hiring process by approximately two weeks;
- Activating a toll-free job line which speeds the delivery of application materials;
- Utilizing additional opportunities to provide institution open houses and informational tours;

- Producing a Correctional Officer video aired biweekly in southeastern Wisconsin;
- Increasing radio and print advertising;
- Increasing the department's presence at career fairs and public speaking presentations;
- Developing partnerships with the Department of Workforce Development and community agencies (e.g., Urban League, Milwaukee's Northwest Side Community Development Center);
- Developing new promotion materials to distribute to the public and
- Posting department career opportunities on the internet (e.g., Monster.com, psychwatch.com, Operation Transition – Army Career and Alumni Program, Job Connection).

DOC indicates that applications for correctional officers have increased by 167% since January 1999, resulting in a 47% increase in officer hires during that time. The department anticipates the need to expand its current efforts to meet the need for additional staff that must be hired in the next 20 months.

Analysis

The requested one-time funding is intended to supplement the department's current recruitment efforts. The department indicates the funding would be allocated to an increased number of job and career fairs, brochures, print and radio ads, billboards, web-based job announcements, videos and multi-media advertisements. DOC is currently unable to reallocate additional resources internally due to projected fiscal year 2000-01 GPR deficits in the department. DOC submitted a biennial budget request for on-going funding of \$338,300 GPR in fiscal year 2001-02 and \$418,100 GPR in fiscal year 2002-03 to fund recruitment activities.

DOC cites the need to recruit and train 713 FTE correctional officers by the end of fiscal year 2000-01 for Redgranite Correctional Institution (Redgranite), the Milwaukee Secure Detention Facility (MSD) and the Stanley Correctional facility (Stanley) as justification for this request. Based on a historical 15% applicant success rate, the department anticipates the need to recruit 6,700 applicants to fill these 713 positions, as well as 285 vacancies expected to occur during the remainder of fiscal year 2000-01.

While DOC, like other state agencies, has a continuing need to recruit qualified personnel, the funding level requested could be reduced based on the following factors. DOC has already had success recruiting in the Milwaukee area through Job Connection television and print ads, career fairs, the DOC web-site, employment job boards and several newspapers and radio stations in southeastern Wisconsin. Second, the budget process would be a more appropriate forum to request this funding, and the department has submitted a request explicitly for recruitment funds. Finally, DOC's recruiting needs for the remainder of fiscal year 2000-01 are minimal. Recruiting for the 183 FTE officers at Redgranite is already completed for the January 2001 opening of the facility. The Stanley facility has not yet been approved, and is not likely to be operational in fiscal year 2000-01. The Milwaukee Secure Detention Facility is scheduled to open in August 2001, and is the only facility scheduled to open in the next 12 months.

Recommendation

Modify the request. Approve the transfer of \$142,500 GPR in fiscal year 2000-01 from the department's corrections contracts and agreements appropriation under s. 20.410(1)(ab) to the general program operations appropriation under s. 20.410(1)(a).

Prepared by: Jana D. Steinmetz
266-2213

Mailing Address

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Tommy G. Thompson
Governor

Jon E. Litscher
Secretary

State of Wisconsin
Department of Corrections

DATE: November 29, 2000

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

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

FROM: Jon E. Litscher, Secretary *Jon E. Litscher/cm*

SUBJECT: §13.10 Request – Enhanced Recruitment Efforts

Request

The Department of Corrections (DOC) requests the transfer of \$282,900 GPR in FY01 from appropriation §20.410(1)(ab), Corrections contracts and agreements, to the Department's appropriation under §20.410(1)(a), General program operations, to fund enhanced recruitment efforts. Funding for this request would be provided from funds currently in unallotted reserve in the DOC contract beds appropriation for out-of-state contract beds.

Background

The Department is experiencing explosive growth relating to newly expanded or constructed facilities. To meet the needs of expansions and the opening of new facilities, the department projects the need to hire approximately 1,366 correctional officers over the next 19-20 months. In light of this challenge, the Department began implementing a centralized statewide recruitment effort in March 2000. While the Department is faced with hiring challenges for a number of classifications (i.e., health care, food service, teachers, office support, etc.), the initial focus of the expanded recruitment efforts is on increasing the applicant pool for correctional officers.

Since March 2000, the Department has taken a number of steps to address recruitment needs including:

- implementing a continuous recruitment process for Correctional Officers by eliminating DER-centered exams in favor of on-site exams;
- streamlining hiring by shortening the internal hiring process by approximately 2 weeks;
- activating a toll-free job line which speeds the delivery of application materials;
- utilizing additional opportunities to provide institution open houses and informational tours;
- producing a Correctional Officer video aired biweekly in southeastern Wisconsin;
- increasing radio/print advertising;
- increasing DOC's presence at career fairs and public speaking presentations;
- developing partnerships with the Department of Workforce Development and community agencies (e.g., Urban League, Milwaukee's Northwest Side Community Development Center);
- developing new promotion materials to distribute to the public and
- posting DOC career opportunities onto the world-wide web (e.g., Monster.com, psychwatch.com, Operation Transition—Army Career and Alumni Program, Job Connection).

The preliminary data indicates that DOC's recruitment efforts have been successful. Applications for correctional officers have increased 167% resulting in a 47% increase in correctional officer hires during the last year. To meet the operational needs of the department, it is evident that recruitment efforts will need to be expanded beyond what has been done to date.

Analysis

Before the end of this fiscal year, the department must recruit and train over 700 correctional officers for Redgranite, the Milwaukee Secure Detention Facility, and the Stanley facility, if approved.

Table 1: Projected New Correctional Officers By End of FY 01

<u>Location</u>	<u>FTE</u>
Redgranite	183
Milwaukee Secure Detention Facility	268
Stanley	262
Total	713

The Department's correctional officer recruitment efforts are hampered by a long-standing historical applicant success rate of only 15%. Thus, although the department must successfully hire and train 713 correctional officers, the department will need over 4,700 applicants to fill the 713 openings. In addition, the department has a 6% turnover rate that will require an additional 285 correctional officers during the remainder of FY01, which will increase the number of applicants needed by over 1,900.

Table 2: Correctional Officer Applications Required by the end of FY01

<u>Location</u>	<u>Applications Required</u>
Redgranite, Milwaukee Secure Detention, Stanley	4,753
Correctional Officer Vacancies	1,900
Total	6,653

The Department has never been provided funds for recruitment activities, but has also never had to recruit, train, and hire at the current rate. Historically, each division has reallocated limited funds for the placement of print advertisements and a limited number of job fairs (as resources allowed). The requested funds will supplement, not replace the current activities being funded from division base resources. The Department is unable to reallocate additional supplies and services funding internally because of projected deficits within the department related to increasing health care costs.

The funding requested will be utilized for substantial, new recruitment efforts to generate the large number of correctional officer applicants needed in this low unemployment environment. This fiscal year, centralized recruitment has already incurred costs of approximately \$120,500. The Department requests an additional \$282,900 in FY01 to allow for the recruitment of approximately 6,700 correctional officer applicants. Funding will be allocated for items such as an increased number of job fairs, brochures, billboards, web-based job announcements, videos, multi-media advertisements, etc.

Summary

DOC requests the transfer of \$282,900 GPR in FY01 from appropriation §20.410(1)(ab), Corrections contracts and agreements, to the Department's appropriation under §20.410(1)(a), General program operations, to fund enhanced recruitment efforts for the Department.

cc: Robert Lang, Legislative Fiscal Bureau
George Lightbourn, Department of Administration

Prepared by: Cathy Halpin, Bureau of Budget and Facilities Management
267-0934

McGinnis, Cindy

From: Lisa Meyer [lmeyer@chorus.net]

Sent: Tuesday, December 19, 2000 8:59 AM

To: Burke, Sen. Brian; Gard, Rep. John; Decker, Sen. Russ; Jauch, Sen. Robert; Moore, Sen. Gwen; Shibilski, Sen. Kevin; Plache, Sen. Kim; Cowles, Sen. Bob; Darling, Sen. Alberta; Porter, Rep. Cloyd; Kaufert, Rep. Dean; Albers, Rep. Sheryl; Duff, Rep. Marc; Ward, Rep. David; Huber, Rep. Greg; Riley, Rep. Antonio; Beil, Marty

Subject: 13.10 Request

Dear Joint Finance Committee Members:

On 1/19/01 the Joint Finance Committee will be dealing with a 13.10 request from the Department of Corrections related to funds for enhanced recruitment efforts (agenda item #6).

As you are well aware, recruitment over the next 20 months will be critical to not only the opening of our institutions but also to bringing our inmates home.

The Wisconsin State Employees Union and its affiliated Local Unions have been partnering with the Department of Corrections with recruitment activities and efforts. Providing qualified personnel is absolutely essential in the security and operations of our institutions.

On behalf of almost 5000 institutional correctional personnel, we would strongly encourage you to approve this 13.10 request and let the Department move forward with their recruitment efforts. Even with the additional funds, this will not be an easy task.

If you have any questions or concerns, please contact me.

Sincerely,

Martin Beil
Executive Director
AFSCME Council 24