

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
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JOINT COMMITTEE ON FINANCE

March 12, 1999

Secretary Mark Bugher
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated February 15, 1999, pursuant to s. 46.46(2), Stats., pertaining to the Department of Health and Family Services' plan for the use of \$1,432,100 in federal income augmentation funds.

The Committee will meet formally to discuss the request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary Joe Leean, Department of Health and Family Services
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration



Legislative Fiscal Bureau

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

March 9, 1999

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Income Augmentation Request

On February 24, 1999, the Department of Administration (DOA) submitted a request under s. 46.46 of the statutes for approval of a Department of Health and Family Services (DHFS) plan to expend federal income augmentation funds totaling \$1,209,700 for various DHFS activities. Under the plan, \$222,400 would lapse to the general fund in 1998-99.

The 14-day passive approval process for such requests was established in 1997 Wisconsin Act 86. This is the first plan submitted to the Committee under this provision. The Committee Co-Chairs indicated that members should notify the Co-Chairs by March 11, 1999 if a member wishes to meet on this issue. This request will be approved on March 15, 1999, unless the Co-Chairs notify DOA that it wishes to meet on this matter.

Background

Provisions regarding income augmentation funds were initially enacted in 1997 Wisconsin Act 27 (the 1997-99 biennial budget act). Act 27 specified that DHFS could use these funds to support costs that are exclusively related to the operational costs of augmenting federal income and created a federal income augmentation appropriation in the DHFS Division of Management and Technology. Act 27 also specified that if DHFS proposed to use any income augmentation funds for any purpose other than to support costs exclusively related to augmenting federal income, it had to submit a plan to the Secretary of DOA for approval. DHFS could not implement the plan without the approval of the DOA Secretary.

As passed by the Legislature, Enrolled Assembly Bill 100 (which was enacted as Act 27) would have required the DOA Secretary to submit the DHFS plan as approved by DOA, to the Joint

Committee on Finance for approval under a 14-day passive approval process. This provision was vetoed by the Governor. 1997 Wisconsin Act 86 restored the provision which was vetoed by the Governor. Consequently, effective April 28, 1998, DHFS may not expend income augmentation funds for any purpose other than to support operational costs exclusively related to augmenting federal income without the approval of the DOA Secretary and the approval of the Committee under a 14-day passive approval process. Any funds not approved by DOA or the Committee or used to the support costs exclusively related to augmenting federal income can either be carried forward by DHFS or lapsed to the general fund.

Income augmentation funds are unanticipated federal funds received under Titles IV-E (foster care), XIX (Medicaid) and XVIII (Medicare) of the federal Social Security Act as reimbursement for costs that were initially paid with state or local revenue. However, no more than 50% of the unanticipated federal funds received under Title IV-E for foster care are considered income augmentation funds. Under current law, at least 50% of any unanticipated federal funds received under Title IV-E as a result of costs claimed by counties must be distributed to counties through community aids. These funds must be used by counties for projects to assist children and families and 50% of these funds must be used to support programs for children at risk of abuse or neglect to prevent the need for child abuse and neglect intervention services. Further, these funds may not be used to supplant any other funds expended by a county for services and projects to assist children and families. The remainder of any unanticipated federal funds received under Title IV-E is deposited in the federal income augmentation appropriation in the DHFS Division of Management and Technology.

Income augmentation funds received to date, have been available due to retroactive claims submitted by DHFS. DHFS was able to submit retroactive claims for certain past expenditures which have been identified as reimbursable under Title IV-E, Medicaid or Medicare, however, the state did not know or was unable to claim reimbursement for these expenditures at the time the expenditure was incurred. To date, the income augmentation funds received by DHFS have almost exclusively been received as a result of excess Title IV-E funds received by the state.

Expenditure Plan

The plan submitted by DHFS included expenditures for 1998-99 and the 1999-01 biennium. However, DOA is requesting the Committee to approve \$1,209,700 in expenditure authority for 1998-99 only. The administration's plan for expenditure of income augmentation funds in the 1999-01 biennium is included in the Governor's budget bill. Based on the plan submitted, an additional \$222,400 would lapse to the general fund.

For the period July, 1997 through March, 1998, DHFS collected unanticipated federal funds under Title IV-E, MA and Medicare totaling \$18,933,900. The following table identifies how this unanticipated federal revenue would be distributed under the DOA plan.

Proposed Allocation of Unanticipated Federal Revenue

	<u>Title IV-E/ Medicaid</u>	<u>Medicare</u>	<u>Total</u>
Total federal revenue claimed as a result of income augmentation activities	\$18,565,800	\$368,100	\$18,933,900
Less Maximus fee -10% of collections	1,856,600	36,800	1,893,400
Less Title IV-E commitment to the basic county allocation	<u>5,632,000</u>		<u>5,632,000</u>
Subtotal	\$11,077,200	\$331,300	\$11,408,500
Less incentive funds distributed to counties	5,547,500		5,547,500
Less 1999-01 items included in the Governor's budget bill	4,261,700		4,261,700
Less costs exclusively related to augmenting federal income	<u>125,000</u>	<u>42,200</u>	<u>167,200</u>
Subtotal	\$1,143,000	\$289,100	\$1,432,100
Less items not exclusively related to augmenting federal income			
Wisconsin Resource Center -- offset 2% lapse requirement	\$400,000		\$400,000
Special needs adoption	300,600		300,600
Mental health institutes cash deficit		\$180,200	180,200
Fiscal management system and payroll processing	150,000		150,000
DCTF administrative overhead		108,900	108,900
Women's health conference	<u>70,000</u>		<u>70,000</u>
Subtotal	<u>\$920,600</u>	<u>\$289,100</u>	<u>\$1,209,700</u>
Uncommitted Funds to Lapse to General Fund	\$222,400	\$0	\$222,400

Maximus Fee. Unanticipated federal revenues are available to the state as a result of income augmentation activities conducted by Maximus, Inc., a private firm under contract with DHFS to conduct income augmentation activities. Under the terms of this contract, Maximus receives 10% of all collections received as a result of its income augmentation activities.

Community Aids Commitment. After accounting for the Maximus fee, DHFS must credit any unanticipated Title IV-E foster care funds received as reimbursement for counties' foster care costs in the community aids appropriation, up to the amounts included in the statutory community aids basic county allocation. Of the unanticipated federal revenue collected under Title IV-E from July, 1997 through March, 1998, DHFS distributed \$5,632,000 to fulfill the statutory commitment of Title IV-E funds for the basic county allocation. This funding does not represent an increase in the basic county allocation, rather it is used to support the existing commitment.

Title IV-E Incentive Funds. Under current law, if, on December 31 of any year, there remains any unspent or unencumbered funds in the community aids basic county allocation that exceed the amount received under Title IV-E and distributed to counties, DHFS must carry forward the excess funds and distribute at least 50% to counties, other than Milwaukee County, for services and projects to assist children and families. (In Milwaukee County, DHFS, rather than the County,

administers child welfare services.) DHFS distributed \$6.75 million in both calendar years 1998 and 1999 under this provision. Of the unanticipated federal Title IV-E funds collected between July, 1997 and March, 1998, DHFS would distribute \$5,547,500 in calendar year 2000 for services and projects to assist children and families.

1999-01 Biennial Budget Items. Of income augmentation funds collected, \$4,261,700 would be used to support costs included in the Governor's 1999-01 biennial budget. The Committee is not being requested to approve these items at this time. These items would be reviewed and approved by the Committee as part of its 1999-01 biennial budget deliberations.

Costs Exclusively Related to Augmenting Federal Income. Under current law, DHFS has the authority to expend federal income augmentation funds to support costs exclusively related to augmenting federal income. Under the plan approved by DOA, \$125,000 of the Title IV-E and Medicaid funds and \$42,200 of the Medicare funds would be used to support administrative costs to augment federal income. These costs include salaries for limited term employees, federal claims processing costs, rent, telephone, fax machine and copier costs, and miscellaneous supplies and services.

Items Not Exclusively Related to Augmenting Federal Income. Expenditure of income augmentation funds for costs not exclusively related to augmenting federal income are subject to the Committee's approval. Under the plan before the Committee, the following items would be funded.

Wisconsin Resource Center -- offset 2% lapse requirement. Under the DOA plan, \$400,000 would be provided to offset a portion of the Act 27 requirement that DHFS lapse 2% of its state operations costs. Under Act 27, DHFS was provided discretion in allocating the required 2% GPR reductions among DHFS programs. DHFS required the Resource Center to absorb a total of \$979,400 in reductions. In February, 1998, the Committee approved the use of income augmentation funds to support expenditures for the Resource Center totaling \$579,200 that would otherwise be supported by GPR. Under the plan that is currently before the Committee, DOA would provide \$400,000 in income augmentation funds to support the Resource Center so that, together with the plan approved by the Committee in February, 1998, the Resource Center would not be required to absorb any budget reductions in 1998-99 as a result of the Act 27 GPR state operations reduction requirement.

Special Needs Adoption. Funds would be provided for adoption services to address 300 additional children expected to be legally freed for adoption by July, 1999, as a result of enactment of the 1997 federal Adoption and Safe Families Act. Funds would be used to support costs for: (a) 8.0 student interns from the University of Wisconsin; (b) 8.0 project positions to provide special needs adoption services; (c) contract with a private entity to provide adoption services for 45 cases; and (d) create 2.0 project supervisor positions. Funding for adoption services would be provided for nine months in 1998-99. The Governor's budget bill includes a provision which would address the anticipated increase in the number of children with special needs legally free for adoption.

Mental Health Institutes Cash Deficit. A total of \$180,200 would be used to reduce the accrued deficit for the Mental Health Institutes. A July, 1998, report by the Legislative Audit Bureau indicated that the estimated unsupported negative cash balance totaled \$7.7 million as of June 30, 1998.

Fiscal Management System and Payroll Processing. A total of \$150,000 would be provided to implement changes to the DHFS fiscal management and payroll processing systems that are required by DOA.

Division of Care and Treatment Facilities -- Administrative Overhead. A total of \$108,900 would be provided for DHFS infrastructure and personnel costs attributable to the DCTF institutions. These funds would be used to match any other available federal funds.

Women's Health Conference. A total of \$70,000 would be provided to fund costs associated with a statewide women's health conference held in April, 1999.

Under the plan submitted for Committee review, \$222,400 in income augmentation funds would lapse to the general fund at the end of 1998-99.

If the Committee does not notify DOA that it wishes to meet on this matter, income augmentation revenues will be expended as specified in the plan. If the Committee notifies DOA that it wishes to meet on this matter, the Committee could modify the amounts included in the plan or propose using these funds for any other purpose, including lapsing any amount, up to the amount subject to the Committee's review, to the general fund.

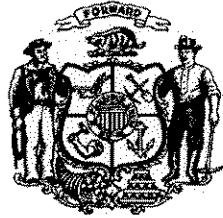
As previously noted, this plan will be approved on March 15, 1999 unless the Co-Chairs notify DOA that the Committee wishes to meet to discuss the plan.

BL/sas

THE STATE OF WISCONSIN

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BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: February 24, 1999

Re: s. 46.46(2), Stats. Request

Attached is a copy of a request from the Department of Administration, submitted February 24, 1999, pursuant to s. 46.46(2), Stats., pertaining to the Department of Health and Family Services' plan for the use of federal Income Augmentation funds. The plan will fund activities totaling \$14,672,200.

If the Co-Chairs of the Committee do not notify the Secretary of Administration within 14 working days after the date of submittal of the plan that the committee has scheduled a meeting to review the plan, the department may implement the plan.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, March 11, 1999**, if you have any concerns about the request or if you would like to meet formally to consider it.

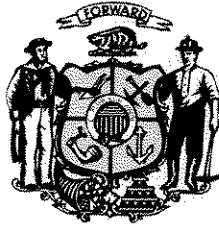
Also, please contact us if you need further information.

Attachment

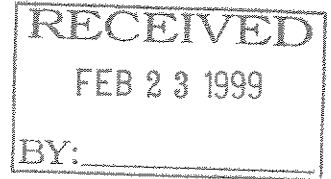
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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



February 15, 1999

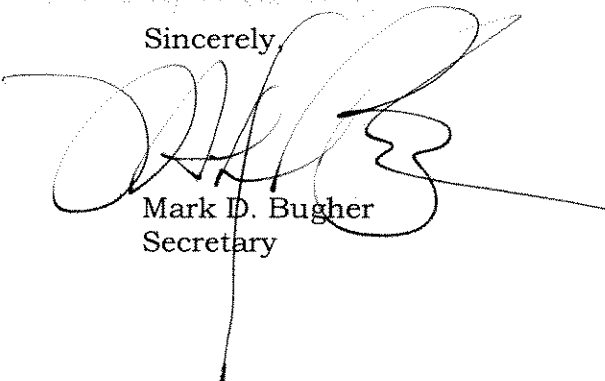
The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room 316 South, State Capitol
Madison, WI 53702

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

Dear Senator Burke and Representative Gard:

Pursuant to s. 46.46(2) I am submitting the Department of Health and Family Services' plan for the use of federal Income Augmentation funds. I have approved a plan that will fund activities totaling \$14,672,200.

Sincerely,



Mark D. Bugher
Secretary

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

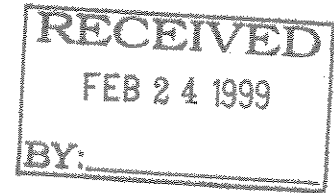
Date: February 15, 1999

To: Mark D. Bugher, Secretary
Department of Administration

From: Gretchen A. Fossum, Budget Analyst
Division of Executive Budget and Finance

SA7

Subject: Department of Health and Family Plan for Income Augmentation Funds



REQUEST

The Department of Health and Family Services (DHFS) requests approval of the Department of Administration (DOA) of a plan to expend \$18,933,900 in federal Income Augmentation funds (\$14,672,200 in FY99, \$1,966,700 in FY00 and \$2,295,000 in FY01).

BACKGROUND

DHFS hired MAXIMUS, Inc. as a consultant to increase claims for reimbursement under Medical Assistance (MA), Medicare and Title IV-E. For the period July 1997 through March 1998 the department has received federal Title IV-E and MA reimbursement of \$18,565,800. In addition, the DHFS has received \$368,100 in federal Medicare funding. S. 46.46(2) requires DHFS to submit a plan to DOA for the expenditure of the federal funds and if the plan is approved by the Secretary of DOA, the Secretary must submit the plan to the Joint Committee on Finance for its 14 day review.

ANALYSIS AND RECOMMENDATIONS

As part of the contract MAXIMUS is to receive 10% of the increased claims (\$1,893,400). The department must also set aside funding for the Community Aids base (\$5,632,000) and distribute 50% of the increased Title IV-E funding to counties, excluding Milwaukee County (\$5,547,500). The department's plan contains \$4,261,700 for items contained in its 1999-01 budget request. These items will be handled separately in the Governor's 1999-01 Executive Budget. The remaining request of \$1,599,300 is for the following items:

1. Department Administrative Costs. The department is requesting \$125,000 in FY00 in administrative costs to continue the higher level of claims for Title IV-E and MA and \$50,000 for Medicare claiming. **Recommendation:** Approve the \$125,000 for Title IV-E and MA claiming. Modify the request for the Medicare to approve \$42,200, which is consistent with DOA budget procedures.
2. Woman's Health Initiative. The department requests \$70,000 in FY99 for a statewide conference which will focus public attention on women's health

issues. This is part of the Governor's Women's Health Initiative.

Recommendation: Approve the request.

3. Resource Center 2% Reduction. In January 1998 DOA agreed to fund the Resource Center 2% reduction with \$400,000 Income Augmentation funds. Without the \$400,000 units at the Resource Center will have to be closed or the department will have to hold open vacancies for security and treatment staff. **Recommendation:** Approve the request.
4. DOA Interface Requirements and FMS/Payroll Program Changes. DHFS requests \$150,000 to implement changes required by DOA during SFY99 for the department's fiscal management system (FMS) and payroll processing. The funding will also be used to convert the current on line viewing and printing of fiscal reports system to the new Electronic Report Distribution System and for year 2000 programming for the payroll interface. **Recommendation:** Approve the request.
5. Special Needs Adoption. The Department projects a minimum of 300 additional children will be freed for adoption by July 1999 as a result of the federal Adoption and Safe Families Act. The department proposes the following steps to increase the number of adoptions in CY99: (a) use an additional 8.0 student interns from the UW System at an annual cost of \$24,800; (b) create 8.00 FTE project positions to provide special needs adoption services at an annual cost of \$316,000; (c) contract with the private sector for 45 adoptions at a cost of \$248,000; and (d) create 2.0 project supervisor positions at an annual cost of \$108,200 staff and reassign 2.00 FTE existing supervisors to manage the additional adoption efforts.

The total annual cost of these efforts is \$697,000. Assuming 85% of the cases are Title IV-E eligible, federal funding of \$296,200 would be claimed, and \$400,800 would be needed from Income Augmentation funds.
Recommendation: Fund the project for nine months, at a cost of \$522,800 AF, of which \$300,600 are Income Augmentation funds.
6. Reserve/Lapse. The department requests reserving or lapsing \$122,200 of the Title IV-E and MA generated revenues. **Recommendation:** Lapse \$222,400 to the general fund (\$122,200 and \$100,200 not needed for the special needs adoption project).
7. DCTF Administrative Overhead. The department requests that 38.7% of the Medicare revenues, excluding funds used for department administrative costs, be used to fund DCTF infrastructure and personnel overhead costs (\$108,900). The department will use this funding source as match to all available federal funds, and any funds not used for this purpose will go towards the institute deficit. **Recommendation:** Approve the request for FY99 and reserve the option of continuing to fund the overhead costs with additional Medicare funds at the 38.7% rate until further analysis is done on the infrastructure and personnel costs for DCTF.

8. Institute Cash Deficit Reduction. The department requests that \$172,400 of the Medicare funds be applied to the Mental Institutes appropriation cash deficit, which was estimated at \$6 million as of June 30, 1998.

Recommendation: Apply \$180,200 to the institutes' deficit (\$172,400 and \$7,800 not needed for department administrative costs).

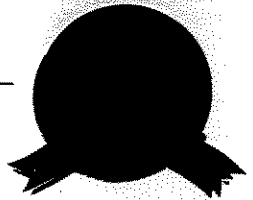
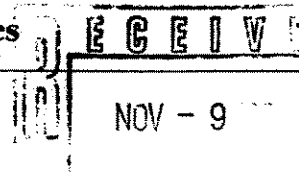
SUMMARY OF DHFS' REQUESTS AND DOA's RECOMMENDATIONS

	Request	Recommendation
MAXIMUS 10% Fee	\$1,893,400	\$1,893,400
Community Aids Base	5,632,000	5,632,000
County 50% Allocation	5,547,500	5,547,500
Department Administrative Costs	175,000	167,200
Woman's Health Initiative	70,000	70,000
Resource Center 2% Reduction	400,000	400,000
DOA Interface Requirements	150,000	150,000
Special Needs Adoption	400,800	300,600
Lapse to General Fund	122,200	222,400
DCTF Administrative Overhead	108,900	108,900
Institute Cash Deficit Reduction	172,400	180,200



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary



November 9, 1998

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Boyer

Secretary Mark Bugher
Department of Administration
10th Floor, 101 East Wilson Street
Madison, WI 53702

Dear Secretary Bugher:

As provided in s. 46.46(2), I am submitting for your consideration plans for proposed uses for federal Income Augmentation funding generated by DHFS. Enclosed are (a) a plan for the use of federal foster care (Title IV-E) revenue and (b) a plan for the use of Medicare revenue generated under the Income Augmentation project. Separate plans were drafted because federal foster care (Title IV-E) income augmentation funds are subject to additional statutory provisions (s. 46.45(2)(a)) that require that at least 50% of such funds be distributed to non-Milwaukee counties. Medicare income augmentation funds are not subject to the requirements in s. 46.45(2)(a). Provided you approve the plan or a modified version of the plan, the income augmentation statutory provisions specify that you submit the plan to the Joint Committee on Finance for its review.

If you have any questions on the attached plan, please contact Don Warnke (266-5869) or Fredi Bove (266-2907) in DHFS.

Thank you for your consideration of these plans.

Sincerely,

Joe Leean
Secretary

**DHFS INCOME AUGMENTATION PROJECT
FOSTER CARE/MA
NEW REVENUE (AS OF MARCH 1998)**

		BALANCE
TOTAL AVAILABLE	\$18,565,803	
Maximus 10% Fee	(\$1,856,580)	
Coverage of Community Aids Base	(\$5,632,000)	
Payment to Counties 50%	(\$5,547,524)	
Sub-Total Available for State Use	\$5,529,699	\$5,529,699
 PRIOR COMMITMENTS		
Department Admin Costs-Support of Ongoing MAXIMUS Efforts (SFY00 need)	(\$125,000)	
Resource Center 2% Cut (SFY99 need))	(\$400,000)	
Woman's Health Conference (SFY99 need)	(\$70,000)	
Sub-Total Prior Commitments	(\$595,000)	\$4,934,699
 DEPARTMENT NEEDS		
Biennial Budget Requests (Att. I)	(\$3,969,200)	
DOA Interface Requirements and FMS/Payroll Program Changes (SFY99 need-Att.II)	(\$150,000)	
Special Needs Adoptions (Att. II)	(\$400,800)	
Housing Resource Pilots (SFYs00 &01 need-Att.II)	(\$292,500)	
Sub-Total Department Needs	(\$4,812,500)	\$122,199
 RESERVE/LAPSE	\$122,199	\$0

Budget Item	Income Augmentation Funds to be used in FY00:	Income Augmentation Funds to be used in FY01	Total Income Augmentation Funds to be Used	Description of Budget Item
HIPAA (DIN 5004)	\$993,400	\$920,900	\$1,914,300	This budget item implements changes in the Department's computer systems to comply with federal requirements established in the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA requires the federal Department of Health and Human Services (DHHS) to improve the efficiency and effectiveness of the health care systems by adopting standards for the electronic transmission of data for certain administrative and financial transactions while protecting the security and privacy of the transmitted information. The Department has determined that the following DHHS computer systems will need to be modified to comply with HIPAA requirements: Medicaid Management Information System (MMIS), Medicaid Evaluation and Decision Support (MEDS) System, Office of Health Care Information (OHC) systems, Center for Health Statistics (CHS) systems, Facilities Licensing and Certification Information System (FLCIS), Human Services Reporting System (HSRS), and Division of Care and Treatment Facilities (DCTF) systems.
Time and Task Reporting (DIN 5015)	\$778,300	\$484,100	\$1,262,400	This budget item implements an automated time and task reporting system. Implementation of a new automated system is necessary to comply with federal requirements regarding reporting of and claiming federal reimbursement for administrative activities related to federally-funded programs. In the absence of the implementation of a new system, the Department risks the loss of approximately \$37 million of federal reimbursement for administrative activities. In addition, the new automated system will simplify and streamline current time and task reporting systems in the Department and help ensure that the Department is maximizing revenue from non-GPR sources of funds by allocating appropriately the cost of administrative activities.
WISACWIS (DIN 5311)	\$500,000	\$500,000	\$500,000	This budget item begins implementation of the Wisconsin Statewide Automated Child Welfare Information System (WISACWIS) in several counties. WISACWIS is an automated case management system which supports the management of child welfare services/activities in the areas of referral/intake, investigation and assessment, eligibility determination, case management, court processing, and financial management and administration. The income augmentation funds requested will be used to pay a portion of the one-time costs associated with implementation of the system in these counties, such as training, conversion of paper case files to the automated system, and purchase of file servers. The counties will be responsible for funding all other costs, including ongoing operational costs.
Housing Pilots (DIN 5400)	\$97,500	\$195,000	\$292,500	This budget item contracts for six housing resource specialists to work with low-income households with household members with disabilities. The Department is proposing an initiative to establish housing resource pilot projects, which establish contracted housing coordinator positions within existing community housing development organizations (CHDOs) or other certified counseling agencies to counsel and assist low-income households with household members affected by disabilities. The goal is to make the housing counseling services self-sustaining and funded by federal HUD housing counseling funding after 18 months of operation. The pilots would be targeted at both adults with disabilities and families with children with disabilities who have incomes at or below 80% of the county median income (CMI) and who need permanent housing.
TOTAL	\$1,869,200	\$2,100,000	\$3,969,200	

DOA INTERFACE REQUIREMENTS AND FMS/PAYROLL PROGRAM CHANGES

Estimated Need: \$150,000 in SFY99

Description: This item implements changes mandated by DOA during SFY99 for the Department's fiscal management system (FMS) and payroll processing. DOA, InfoTech is ending support of the current system (RMDS) used for on line viewing and printing of fiscal reports, and requires conversion to the new Electronic Report Distribution System (EOS). In addition, the FMS programs must be converted from Endeavor to Changeman. The year 2000 necessitates additional programming and testing for the payroll interface as well as analysis and programming for the FMS codefile.

SPECIAL NEEDS ADOPTIONS

Estimated Need: \$400,800 in SFY99 and SFY00

Description: The Department projects a minimum of 300 additional children will be freed for adoption by July 1999. The Department's 99-01 budget requests resources to contract for adoption services beginning 1/1/00. Use of income augmentation funds would provide resources to begin placing these children prior to passage of the budget. The following steps would be taken to increase the number of placements:

- Seek additional student interns from the UW System; 8.0 interns at an estimated cost of \$12,400 for six months (\$24,800 for 12 months).
- Hire 8.0 project positions to provide special needs adoption services at a cost of \$158,000 for 6 months (\$316,000 for 12 months).
- Contract with the private sector for 45 adoptions at a cost of \$248,000.
- Replace 2.0 state adoptions staff with 2.0 new staff so experienced adoption staff will be available to manage the additional adoption efforts. Cost of \$54,100 for 6 months (\$108,200 for 12 months).

The total cost of these efforts is \$472,500 for 6 months (1/99 - 6/99). If the interns and new state positions were funded for 12 months, 1/99 - 12/99, the cost would be \$697,000 all funds. Assuming 85% of the cases are Title IV-E eligible, federal funding of \$296,200 would be claimed, and \$400,800 would be needed from income augmentation funds.

HOUSING RESOURCE PILOTS

Estimated Need: \$292,500 in SFY00 and SFY01

Description: Biennial Budget DIN 5600 requested funding to establish housing resource pilot projects, which establish contracted housing coordinator positions within existing community housing development organizations (CHDOs) or other certified counseling agencies to counsel and assist low-income households with household members affected by disabilities. The budget item assumed that half of the total funding would come from income augmentation funds and half would come from DOA IBRETA funds. The Department had learned that the DOA IBRETA funds are not available. Additional income augmentation funds are now needed to fund the second half of the project.

**DHFS INCOME AUGMENTATION PROJECT
 MEDICARE*
 NEW REVENUE (AS OF SEPTEMBER 1998)**

		BALANCE
TOTAL AVAILABLE	\$368,125	
Maximus 10% Fee	(\$36,812)	
Sub-Total Available for State Use	<u>\$331,313</u>	\$331,313
 PRIOR COMMITMENTS		
Department Admin Costs-Support of Ongoing MAXIMUS Efforts	<u>(\$50,000)</u>	
Sub-Total Prior Commitments	(\$50,000)	\$281,313
 DEPARTMENT NEEDS		
DCTF Admin. Overhead (Att. I)	(\$108,900)	
Institute Cash Deficit Reduction (Att. I)	<u>(\$172,413)</u>	
Sub-Total Department Needs	(\$281,313)	\$0
 RESERVE/LAPSE	\$0	\$0

* Includes Part B and Penalty recoveries.

DCTF ADMINISTRATIVE OVERHEAD

Estimated Need: \$108,900

Description: In order to maintain the Department's business and information technology capabilities, and improve the efficiency of personnel processing, there are cost allocations and charges to DCTF which need to be recovered. Since the Department has multiple funding sources, the allocation of expenditures to each funding source must be in accordance with federal cost allocation methodologies. It is estimated that approximately 38.7% of the infrastructure and personnel costs are attributable to the DCTF Institutions. Therefore, we are recommending that 38.7% of Institution Income Augmentation recoveries from Medicare be used to fund these Department overhead costs. This will prevent the additional expenditure of GPR medical match and institute costs. The Department will use this funding source as match to all available federal funds. Any funds not used for this purpose will go towards the institute deficit.

INSTITUTE CASH DEFICIT REDUCTION

Estimated Need: \$172,413

Description: We recommend that all Medicare Income Augmentation funds not used for Institution overhead costs be applied to the Mental Institutes appropriation cash deficit (appropriation 229). This deficit, as of June 30, 1998, was estimated at \$6. million.

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

May 19, 1999

Secretary Joe Lean
Department of Health and Family Services
1 West Wilson Street
Madison, WI 53703

Dear Secretary Leean:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated April 30, 1999, pursuant to 49.665(5)(a) pertaining to a proposed schedule for premiums under the BadgerCare program.

The Committee will schedule a meeting to further consider this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in cursive.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in cursive.

JOHN GARD
Assembly Chair

BB:JG:js

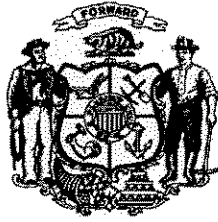
cc: Members, Joint Committee on Finance

*Handled
under
S. 13.10
7/15/99*

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: May 6, 1999

Re: Request Pursuant to s. 49.665(5)(a), Stats.

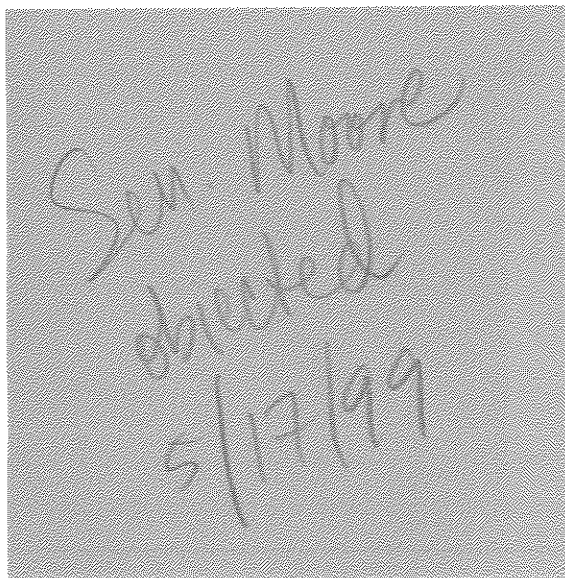
Attached is a copy of a request from the Department Health and Family Services, received on May 5, 1999. Pursuant to s. 49.665(5)(a), Stats, the Department is required to seek approval of the premium schedule for the BadgerCare program

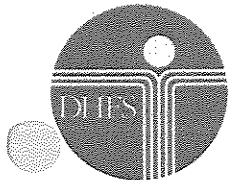
Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Friday, May 21, 1999**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

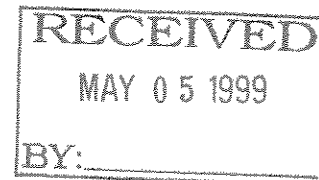
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State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary



April 30, 1999

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

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

Dear Senator Weeden and Representative Gard:

The Department of Health and Family Services is submitting for your review and approval the premium schedule it proposes for the BadgerCare program. State statute s. 49.665(5)(a) requires that if the Department establishes a schedule which requires families to contribute more than 3% of family income it must be submitted for your approval. The attached schedule requires a monthly premium share payment of 3.5% of family income.

Background

The 1997-99 biennial budget directed the Department to implement a health care program called BadgerCare for low-income families with children and obtain the necessary federal approvals and waivers to do so. Final federal approval of the BadgerCare program was granted on January 22, 1999. Having received this approval, the Department is now preparing to begin implementation of the BadgerCare program.

Request

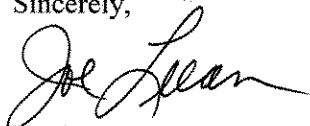
State statute s. 49.665(5)(a) currently sets the premium level for BadgerCare at 3% of family income, but authorizes the Department to propose a premium level up to 3.5%. Any such proposal is subject to approval by the Joint Committee on Finance. Department staff have briefed Legislative Fiscal Bureau staff on the Department's latest enrollment and cost projections for BadgerCare. Regardless of any changes that may be adopted regarding the funding mechanisms for BadgerCare, it is prudent to set the premium level at the maximum level authorized by state statute. Under this policy, additional premium revenue will support the costs of relatively higher income BadgerCare enrollees, thereby "freeing up" GPR that can be used to fund other BadgerCare participants. This will ensure that the maximum number of people can be served within the GPR and federal funding levels that are set for BadgerCare.

A premium level of 3.5% is affordable and reasonable. For example, a family of three, which is the average BadgerCare family size, at 185% of the federal poverty level would have an annual income of \$25,700 and would pay \$70 per month. A family of four at 185% of the federal poverty level would have an annual income of \$30,900 and would pay \$87 per month. In exchange for this premium payment, the family obtains one of the most, if not the most, comprehensive package of health benefits and services offered by public or private insurers in the state.

Under statute s. 49.665(5)(a), this submission of the 3.5% premium schedule triggers a 14-day passive review process. The Department requests that if you do not approve the schedule through this process, the committee address this issue in its biennial budget Executive Session on health issues, rather than defer it to the June 13.10 meeting. We are scheduled to begin implementation of BadgerCare on July 1. It is important that we have this issue resolved as soon as possible so that we can complete the operational activities needed to meet the July 1 implementation date, such as programming our automated eligibility system and providing training and policy manuals to eligibility workers.

Thank you for your consideration of this request. If you have any further questions on this issue or wish to discuss it, please contact me or Peggy Bartels, Administrator of the Division of Health Care Financing.

Sincerely,



Joe Leean
Secretary

Attachment

Badger Care Premiums (3.5%) based on 1999 Federal Poverty Line by Family Size

Family Size	Annual 100% FPL	Monthly 100% FPL	Annual 150% FPL	Minimum Hourly Wage before* Premium Owed	150% FPL		185% FPL		200% FPL	
					Income	Premium	Income	Premium	Income	Premium
1	\$8,240	\$687	\$12,360	\$6.51	\$1,030	\$35	\$1,270	\$35	\$1,373	\$35
2	\$11,060	\$922	\$16,590	\$8.56	\$1,383	\$35	\$1,705	\$52	\$1,843	\$52
3	\$13,880	\$1,157	\$20,820	\$10.61	\$1,735	\$52	\$2,140	\$70	\$2,313	\$70
4	\$16,700	\$1,392	\$25,050	\$12.66	\$2,088	\$70	\$2,575	\$87	\$2,783	\$87
5	\$19,520	\$1,627	\$29,280	\$14.71	\$2,440	\$70	\$3,009	\$105	\$3,253	\$105
6	\$22,340	\$1,862	\$33,510	\$16.76	\$2,793	\$87	\$3,444	\$105	\$3,723	\$122
7	\$25,160	\$2,097	\$37,740	\$18.81	\$3,145	\$105	\$3,879	\$122	\$4,193	\$140
8	\$27,980	\$2,332	\$41,970	\$20.86	\$3,498	\$105	\$4,314	\$140	\$4,663	\$157
9	\$30,800	\$2,567	\$46,200	\$22.91	\$3,850	\$122	\$4,748	\$157	\$5,133	\$175
10	\$33,620	\$2,802	\$50,430	\$24.96	\$4,203	\$140	\$5,183	\$175	\$5,603	\$192
11	\$36,440	\$3,037	\$54,660	\$27.01	\$4,555	\$157	\$5,618	\$192	\$6,073	\$210
12	\$39,260	\$3,272	\$58,890	\$29.06	\$4,908	\$157	\$6,053	\$210	\$6,543	\$227
13	\$42,080	\$3,507	\$63,120	\$31.10	\$5,260	\$175	\$6,487	\$210	\$7,013	\$245
14	\$44,900	\$3,742	\$67,350	\$33.15	\$5,613	\$192	\$6,922	\$227	\$7,483	\$245
15	\$47,720	\$3,977	\$71,580	\$35.20	\$5,965	\$192	\$7,357	\$245	\$7,953	\$262
16	\$50,540	\$4,212	\$75,810	\$37.25	\$6,318	\$210	\$7,792	\$262	\$8,423	\$280
17	\$53,360	\$4,447	\$80,040	\$39.30	\$6,670	\$227	\$8,226	\$280	\$8,893	\$297
18	\$56,180	\$4,682	\$84,270	\$41.35	\$7,023	\$245	\$8,661	\$297	\$9,363	\$315
19	\$59,000	\$4,917	\$88,500	\$43.40	\$7,375	\$245	\$9,096	\$315	\$9,833	\$332
20	\$61,820	\$5,152	\$92,730	\$45.45	\$7,728	\$262	\$9,531	\$332	\$10,303	\$350
					Premium Income Limit		Applicant Income Limit		Recipient Income Limit	

*Based on one person working 40 hours per week.

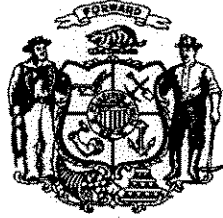
BadgerCare Premium Schedule

Monthly Income		Monthly Premium
From	To	
\$1,000	\$1,499.99	\$35
\$1,500	\$1,999.99	\$52
\$2,000	\$2,499.99	\$70
\$2,500	\$2,999.99	\$87
\$3,000	\$3,499.99	\$105
\$3,500	\$3,999.99	\$122
\$4,000	\$4,499.99	\$140
\$4,500	\$4,999.99	\$157
\$5,000	\$5,499.99	\$175
\$5,500	\$5,999.99	\$192
\$6,000	\$6,499.99	\$210
\$6,500	\$6,999.99	\$227
\$7,000	\$7,499.99	\$245
\$7,500	\$7,999.99	\$262
\$8,000	\$8,499.99	\$280
\$8,500	\$8,999.99	\$297
\$9,000	\$9,499.99	\$315
\$9,500	\$9,999.99	\$332
\$10,000	\$10,499.99	\$350
\$10,500	\$10,999.99	\$367

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

August 31, 1999

Secretary Mark Bugher
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received August 11, 1999, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

No objections have been raised to this request. Therefore, the request is approved.

Sincerely,

A handwritten signature in black ink that reads 'Brian Burke'.

BRIAN BURKE
Senate Chair

A handwritten signature in black ink that reads 'John G. Gard'.

JOHN G. GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary Joe Leean, Dept. of Health and Family Services
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: August 11, 1999

Re: s. 16.505(2) Stats., Request

Attached is a copy of a request from the Department of Administration, received on August 11, 1999, pursuant to s. 16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

Please review the materials and notify **Senator Burke** or **Representative Gard**, no later than **Monday, August 30**, if you have any questions about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB/JG/dh

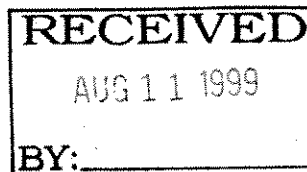
STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin



RONNY G. THOMPSON
GOVERNOR
MARK D. BUGHER
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: August 11, 1999
To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance



The Honorable John Gard, Co-Chair
Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Request(s)

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

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1999-2000</u>		<u>2000-01</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DHFS 20.435(6)(i)	Gifts and grants		0.50 *		

* One-time position authority for project position ending 8/31/00.

As provided in s. 16.515, the requests will be approved on September 1, 1999, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE MEMORANDUMSTATE OF WISCONSIN
Department of Administration

Date: July 29, 1999

To: Mark D. Bugher, Secretary
Department of Administration

From: Gretchen A. Fossum, Budget Analyst *af*
Division of Executive Budget and Finance

Subject: S. 16.505 Request by the Department of Health and Family Services

REQUEST

The Department of Health and Family Services (DHFS) requests increased position authority of a 0.5 FTE 18 month project position in appropriations 20.435(6)(i), gifts and grants.

REVENUE SOURCE

DHFS has a five year grant (September 1, 1996 to August 31, 2000) from the Medical College of Wisconsin (MCW) to develop a spinal cord injury registry. The annual amount of the grant is \$37,085. The department's request for an 18 month position exceeds the duration of funding available for the position. There are sufficient funds to support a 12 month project position.

ANALYSIS

DHFS signed a memorandum of understanding (MOU) with MCW to: (a) create and maintain the spinal cord injury registry; (b) produce a report on the analysis of the data for the years 1990 to 1994; (c) produce an annual report thereafter; (d) conduct an analysis of the data as to the causation of spinal cord injuries; and (e) produce a final report on the project by August 31, 2000. The department has completed work on the first three tasks and is in the process of doing the data analysis on causation.

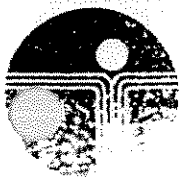
In the MOU, the department agreed to employ a 0.5 FTE analyst to provide ongoing development, implementation and management of the registry. DHFS has fulfilled this requirement by utilizing limited term employees (LTE). The department is now requesting 0.5 FTE position authority because delays in hiring LTE and staff turnover has caused continuity and stability problems with the project.

An alternative to the increased position authority is for DHFS to contract with the private sector to complete the project. The department had originally stated that this alternative could not be pursued because the confidentiality of information requirements specifies that the registry be maintained by a state agency. Based upon further discussions with DOA, DHFS now agrees that contracting with the private sector is a viable option. However, contracting for the remaining work would likely delay completion of the project past the August 31, 2000 due date.

In requesting an 18 month position, the department maintains that MCW will continue to fund this project after the grant period has expired. However, the DHFS has no assurances from MCW for ongoing funding. The MOU did not address the issue of updating and maintaining the registry after completion of the project. If MCW chooses to provide ongoing funding to DHFS for the registry, the department can subcontract with the private sector.

RECOMMENDATION

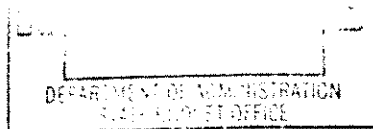
Modify the request. Approve one-time increased position authority of 0.5 FTE for 12 months rather than 18 months as requested by DHFS.



State of Wisconsin
Department of Health and Family Services

June 2, 1999

Mr. Richard Chandler, Director
State Budget Office
10th Floor, 101 East Wilson Street
Madison, WI 53702



Dear Mr. Chandler:

Under the provision of s.16.505, the Department requests in FY99 an increase of 0.5 FTE project position authority in the appropriation under s. 20.435(6)(i), gifts and grants, numeric 633, to design, develop, implement and maintain a Wisconsin Spinal Cord Injury Registry (SCIR). The 18-month project position, a program and planning analyst 5, would have an ending date of August 31, 2000.

The Source of Revenue

The source of revenue deposited in the appropriation under s. 20.435(6)(i), gifts and grants, is a grant from the Medical College of Wisconsin, Inc.

In September 1995, the Medical College of Wisconsin received a five-year grant from the National Institute on Disability Rehabilitation Research to become one of 18 model spinal cord injury centers. As part of that grant, the Department of Health and Family Services, Office for Persons with Physical Disabilities, received a subcontract to establish a spinal cord injury registry. The length of the current funding is for the period September 1, 1996 through August 31, 2000. The annual amount of the current grant is \$37,085. The position will implement and maintain the SCIR, develop policy recommendations based upon analysis of SCIR data, monitor and evaluate SCIR operations, and provide training, consultation and technical assistance on SCI data for all participating health care providers.

The requested position authority will enable the Department to establish a statewide registry and surveillance program to identify factors and demographics associated with the population of individuals who annually sustain spinal cord injuries. There is no statewide data collection system, analysis of statewide data or preparation of reports that may be the basis for prevention initiatives related to spinal cord injury. Registries do exist in 20 other states.

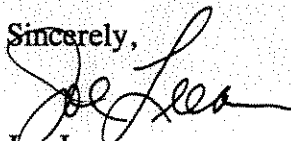
A reduction in the number of spinal cord injured persons is the primary outcome desired by this project. This outcome will be a result of the establishment of this database of all persons in Wisconsin who are or who become spinal cord injured. That data will also be the basis for the development and implementation of prevention

programs, identification of high-risk populations, cost and outcome studies, and program and planning activities.

The Department has attempted to complete the work with an LTE. The ability to complete work plan assignments on a timely basis is affected by the delays in hiring staff and staff turnover. The Medical College has expressed concern and may not recommend continuation if the Department is not able to resolve the personnel issues. The Department has explored the possibility of contracting for these services, but due to confidentiality of information requirements, the registry must be maintained by a state agency.

Thank you for your considering this request. If you have any questions, please contact Lisa Kelly at 266-5362.

Sincerely,



Joe Lelan
Secretary

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
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Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

December 29, 1999

Secretary Joe Lekan
Department of Health and Family Services
1 West Wilson Street
Madison, WI 53707-7850

Dear Secretary Lekan:

We are writing to inform you that the Joint Committee on Finance has reviewed your request for \$1 million in grant funds for the Westside Healthcare Association of Milwaukee.

The Committee will schedule a meeting to further consider this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

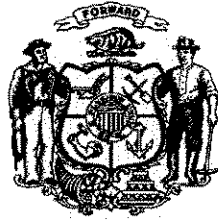
BB:JG:dh

cc: Members, Joint Committee on Finance

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: December 13, 1999

Re: 14-Day Passive Review

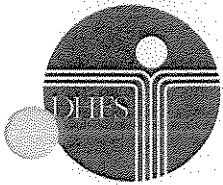
Attached is a copy of a request from the Department of Health and Family Services pursuant to 1999 Wisconsin Act 9, section 9123(9k), regarding \$1 million in grant funds for the successor to a community health clinic in Milwaukee. The Department has proposed to award these funds to the Westside Healthcare Association of Milwaukee.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Wednesday, December 29, 1999** if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

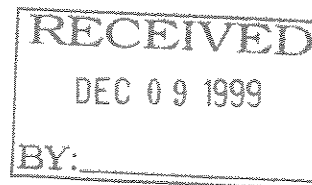
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State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

December 7, 1999



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

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

Dear Senator Burke and Representative Gard:

The Department of Health and Family Services (DHFS) requests, pursuant to 1999 Wisconsin Act 9, section 9123 (9k), that the Committee transfer \$1,000,000 GPR from the Committee's supplemental appropriation, s.20.865(4)(a) to s.20.435 (5)(fh) in DHFS in FY 00 to award to the successor to a community health clinic in Milwaukee. The Department proposes to award these funds to the Westside Healthcare Association of Milwaukee.

The Westside Healthcare Association (WHA) provides healthcare services to residents of the west side of Milwaukee, an area that was served in the past by Rainbow Community Health Center. The closure of the Rainbow Clinic disrupted access to healthcare for thousands of residents of Milwaukee's central city. As a result of the closure, residents and providers have worked together to find appropriate solutions to the on-going problem of community healthcare in this area. WHA has emerged as the primary successor to Rainbow, both through its leadership in organizing the public and private entities who are attempting to meet the needs of this population and in its overall planning for community-based healthcare services. As far as can be determined, the majority of the cases which received healthcare services from Rainbow are now turning to WHA for healthcare.

The Department believes that it is appropriate for WHA to receive the \$1 million in grant funds. In addition to these funds, WHA hopes to receive federal funding which will allow it to continue to serve the needs of this community. The Department believes that WHA will make the most appropriate use of these funds in delivering health care to those most in need of it.

This request is subject to a 14-day passive review by the Joint Committee on Finance. The Department will award the grant after the Committee's review.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Joe Leean'.

Joe Leean
Secretary

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