

C

AGENCY: DOC (Juvenile Corrections)

Paper #: 361

ISSUE: Repeal statutory daily rates for alternate care and set rates at actual daily rates charged at each alternate care setting.

ALTERNATIVE: 1 (approve) or 2 (maintain current law)

SUMMARY: DOC requested the change because charging counties and the state a single rate for alternate care placement but having to pay providers highly variable rates makes the management of the alternate care budget difficult.

BY: Tanya

1 + modification -
Cowan ??



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #361

Alternate Care (Corrections -- Juvenile Corrections)

[LFB 2001-03 Budget Summary: Page 225, #3]

CURRENT LAW

A juvenile residential aftercare appropriation pays alternate care providers the costs of care for juveniles under state dispositions who are returning to the community after placement in secured correctional facilities. Base funding for the appropriation is \$12,387,500 PR. Alternate care settings include child caring institutions, group homes, treatment foster homes and foster homes. The daily rates charged to counties and the state's serious juvenile offender program for each type of state-provided alternate care are statutorily specified for the first six months of the biennium, the calendar year spanning the middle of the biennium and the last six months of the biennium. The rates for the period January 1, 2001, to June 30, 2001, are as follows:

	Statutory Rates 1-1-01 thru <u>6-30-01</u>
Child Caring Institutions	\$190.70
Group Homes	123.45
Treatment Foster Homes	78.23
Regular Foster Homes	27.16

GOVERNOR

Provide \$515,300 PR in 2001-02 and \$1,333,700 PR in 2002-03 for the juvenile residential aftercare appropriation (alternate care) to reflect the projected costs of alternate care and the estimated alternate care populations in 2001-02 and 2002-03.

Repeal the statutory daily rates for alternate care. Charges to both the counties and the state (in the case of juveniles whose costs are paid through the serious juvenile offender

appropriation) would be based on the actual daily rates charged at each alternate care setting utilized.

DISCUSSION POINTS

1. Under current law, statutory daily rates are specified for the following alternate care settings: (a) child caring institutions; (b) group homes; (c) treatment foster homes; and (d) regular foster homes. While a single rate for each type of care is set in statute, individual facilities or homes providing each type of care charge a variety of daily rates. While DOC charges counties and the state the statutorily-specified daily rate for care in these settings, the Department must pay each provider the rate charged by the respective facilities.

2. Under the bill, the statutory daily rates would be eliminated for alternate care. As a result, counties and the state (for serious juvenile offenders) would be charged the actual daily rate charged at each alternate care facility in which a juvenile is placed. The Department requested this change in its 2001-03 biennial budget request. DOC officials indicate that charging counties and the state a single rate for an alternate care placement, but having to pay providers highly variable rates, makes the management of the alternate care budget difficult. Unlike the types of care provided by the state (institutions, corrective sanctions and aftercare), where the state has some flexibility in controlling costs, alternate care is made available by providers whose costs and rates cannot be controlled by the state. The provision under the bill would remove this budgeting difficulty by charging the actual care rate for each placement.

3. While statutory rates would be eliminated, average daily rates for alternate care must still be estimated in order to establish the Department's budget for the residential aftercare appropriation. Under the bill, the rates for budgeting purposes are estimated by taking the actual average daily costs incurred for each type of care for the six-month period, January through June, 2000, and applying annual percentage increases (6% for child caring institutions and 5% for all other types of alternate care) to estimate 2000-01, 2001-02 and 2002-03 average daily costs. The 2001-02 and 2002-03 estimated average daily costs and projected ADP are then used to calculate the funding for alternate care under the bill.

4. In addition to the alternate care types specified in statute, the Department also utilizes other settings for certain placements that are not statutorily specified, but are paid from the juvenile residential aftercare appropriation. These settings typically involve monitored living situations (dorm-style settings or small apartments) for individuals who are 18 to 21 years of age and still subject to a juvenile disposition, but who are too old to be placed in a juvenile facility. An average cost for these other types of living arrangements is also estimated in order to budget for alternate care.

5. It could be argued that the budgeted rates could continue to be specified in statute. The statutory rates may provide an incentive to the Department to control costs. If the rates are no longer statutorily specified, it could be argued that this incentive is lost. On the other hand, when

rates are statutorily set and actual average costs increase more than anticipated, the Department may be under pressure to place juveniles in less costly settings that do not provide all the services a juvenile may need (but which may be available in more costly settings). In addition, if the rate estimates are reasonable, the resulting expenditure authority provided to the Department acts as an incentive in controlling costs.

6. The following table shows the statutory alternate care rates for 2000-01 and the average rates projected under the bill for 2001-02 and 2002-03.

	Statutory Rates	Governor (Non-Statutory)	
	1-1-01 thru 6-30-01	7-1-01 thru 6-30-02	7-1-02 thru 6-30-03
Child Caring Institutions	\$190.70	\$213.00	\$226.00
Group Homes	123.45	129.00	135.00
Treatment Foster Homes	78.23	81.00	85.00
Regular Foster Homes	27.16	41.00	43.00
Other Living Arrangements	None	53.00	56.00

7. Data on alternate care costs for the last three calendar years (1998, 1999 and 2000) indicate that child caring institutions had average cost increases of 6.2% annually over the period. Group home average cost increases totaled 3.3% over the three years while treatment foster home cost increases averaged 5.7%. The Department's assumptions concerning the growth in average costs for each type of care (6% for child caring institutions and 5% for other types of care) appear conservative, but reasonable.

8. The average daily population (ADP) for alternate care totaled 174 in 1999-00. Through February, 2001, the 2000-01 ADP totaled 188. Under the bill, the alternate care ADP is projected at 188 in 2001-02 and 189 in 2002-03.

9. ADP projections for alternate care are made on the basis of data relating to the number of juveniles in alternate care as a percent of juveniles under aftercare supervision. Aftercare population estimates under the bill (242 in 2001-02 and 243 in 2002-03) are now reestimated at 256 in 2001-02 and 255 in 2002-03. Based on these aftercare projections and more recent data on the ratio of aftercare juveniles in alternate care, the ADP estimates for alternate care are increased to 200 in 2001-02 and 199 in 2002-03.

10. These population reestimates and the estimated alternate care rates under the bill result in appropriations for juvenile alternate care of \$13,568,800 PR in 2001-02 and \$14,309,000 PR in 2002-03. This is an increase to the bill of \$666,000 PR in 2001-02 and \$587,800 PR in 2002-03.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to repeal the statutory daily rates for alternate care. Charges to both the counties and the state (in the case of juveniles whose costs are paid through the serious juvenile offender appropriation) would be based on the actual daily rates charged at each alternate care setting utilized.

2. Maintain statutory daily rates for alternative care, specified in the same manner as statutory daily rates for secured correctional facilities, corrective sanctions and aftercare supervision. Under this alternative, the statutory daily rates (if calculated on a fiscal year basis) for child caring institutions, group homes, treatment foster care and regular foster care would be the rates used to calculate the alternate care budget, as follows:

	7-1-01 thru 6-30-02	7-1-02 thru 6-30-03
Child Caring Institutions	\$213.00	\$226.00
Group Homes	129.00	135.00
Treatment Foster Homes	81.00	85.00
Regular Foster Homes	41.00	43.00

(A calculation to maintain daily rates on a calendar-year basis would be technical and would not affect funding).

MODIFICATION

Provide \$666,000 in 2001-02 and \$587,800 in 2002-03 for juvenile residential aftercare to reflect average daily populations in alternate care settings of 200 in 2001-02 and 199 in 2002-03.

Explanation: Under the modification, \$13,568,800 in 2001-02 and \$14,309,000 in 2002-03 would be appropriated for alternate care costs.

MO# Alt 2

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

Modification	PR
2001-03 FUNDING (Change to Bill)	\$1,253,800

merman

AYE 16 NO 0 ABS 0



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #362

Serious Juvenile Offender Funding (DOC -- Juvenile Corrections)

[LFB 2001-03 Budget Summary: Page 226, #4]

GOVERNOR

Provide \$4,131,800 GPR in 2001-02 and \$4,123,400 GPR in 2002-03 to address population and cost increases associated with state-funded serious juvenile offenders (SJO). Under the bill, the following average daily populations for the SJO appropriation, including SJO juveniles and extended jurisdiction (EJ) juveniles, are projected for the 2001-03 biennium:

Type of Care	SJO		EJ	
	2001-02	2002-03	2001-02	2002-03
Secured Correctional Facilities	148	143	9	8
Corrective Sanctions Program	85	84	3	1
Aftercare Supervision	85	83	5	2
Total ADP	318	310	17	11
Alternate Care*	70	68	0	0

*Includes child caring institutions and group homes and are a subset of aftercare supervision.

MODIFICATION

Reduce funding by \$1,413,100 GPR in 2001-02 and \$848,000 GPR in 2002-03 to reflect reestimated serious juvenile offender populations and revised daily rates. The average daily

populations for the SJO appropriation, including SJO juveniles and extended jurisdiction (EJ) juveniles, are reestimated for the 2001-03 biennium, as follows:

<u>Type of Care</u>	<u>SJO</u>		<u>EJ</u>	
	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>
Secured Correctional Facilities	161	162	8	7
Corrective Sanctions Program	83	85	3	1
Aftercare Supervision	<u>70</u>	<u>72</u>	<u>5</u>	<u>2</u>
Total ADP	314	319	16	10
Alternate Care*	49	50	0	0

Explanation: The state is responsible for the reimbursement of costs relating to juvenile correctional institutions, secured child caring institutions, alternate care providers, aftercare supervision providers and corrective sanctions supervision providers for certain serious juvenile offenders, beginning on July 1, 1996, and for certain juveniles under extended jurisdiction orders prior to July 1, 1996, who receive juvenile correctional services. Base funding for the SJO appropriation totals \$13,813,200. The modification to the bill reflects reestimated SJO populations and reestimated daily rates for care in secured correctional facilities and for aftercare supervision (changed as a result of population reestimates).

<u>Modification</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	-\$2,261,100

<u>MO#</u>			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

man

AYE 16 NO 0 ABS _____



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #363

Population-Related Cost Adjustments (DOC -- Juvenile Corrections)

[LFB 2001-03 Budget Summary: Page 229, #7]

GOVERNOR

Delete \$1,900 GPR and provide \$672,300 PR in 2001-02 and \$14,700 GPR and \$816,100 PR in 2002-03 to reflect population-related cost adjustments at secured juvenile correctional facilities (including the Prairie du Chien facility which would continue to be utilized as a facility for young adult inmates under a contract with the Division of Adult Institutions), as follows: (a) -\$209,100 PR in 2001-02 and -\$143,600 PR in 2002-03 for food costs; (b) \$5,600 GPR and \$240,100 PR in 2001-02 and \$5,600 GPR and \$243,400 PR in 2002-03 for variable non-food costs (such as laundry, clothing and personal items) for institutionalized juveniles; and (c) -\$7,500 GPR and \$641,300 PR in 2001-02 and \$9,100 GPR and \$716,300 PR in 2002-03 to reflect juvenile health care cost adjustments.

MODIFICATION

Food. Delete \$24,100 PR in 2001-02 and \$41,700 PR in 2002-03 for food costs at juvenile correctional institutions.

Variable Non-Food. Provide \$65,900 PR in 2001-02 and \$63,700 PR in 2002-03 for variable non-food costs.

Health Care. Provide \$63,300 PR in 2001-02 and \$63,600 PR in 2002-03 for juvenile health care costs.

Explanation: Variable costs for institutionalized juveniles are calculated on the basis of standardized annual amounts per juvenile. The modifications for food, variable non-food and health care costs are based on reestimated DOC juvenile population projections. Food costs also include meals for staff at the facilities and for juveniles who report to the Milwaukee corrective sanctions program center.

Modification	PR
2001-03 FUNDING (Change to Bill)	\$190,700

Prepared by: Art Zimmerman

MO# _____

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

AYE 16 NO 0 ABS _____

AGENCY: DOC (Juvenile Corrections)

Paper #: 364

ISSUE: Governor's proposal to eliminate the Juvenile Boot Camp Program (Youth Leadership Training Center) at Camp Douglas in Juneau County.

ALTERNATIVE: 6 (maintain current law). \$1,475,400 GPR

SUMMARY: Base funding and position authority for the program is \$3,043,800 (\$724,500 GPR and \$2,319,300 PR) and 52 positions (4 GPR and 48 PR). The PR \$ and positions would be transferred to Ethan Allen and Lincoln Hills to compensate for the increased population. The GPR would be deleted.

The elimination was not recommended by DOC. The Governor thinks boot camps are not effective and cost too much. DOA cites a National Institute of Justice report in 1998 that says it doesn't work. (It also states that there is need for further research.)

The camp has capacity of 48 and usually ranges between a high of 39 in 1999 and a current low of 28. It appears that DOC is preparing for the elimination of the program and that is reflected in the current population low.

BY: Tanya

Wirch - 3
Shubitski, Weiss - 6
Muhly, Wirch
Dabeke
Caven - 3012
314 (b)
no consensus



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #364

Elimination of the Juvenile Boot Camp Program (DOC -- Juvenile Corrections)

[LFB 2001-03 Budget Summary: Page 229, #8]

CURRENT LAW

The Department of Corrections (DOC) is authorized to operate a juvenile boot camp program, for juveniles placed at secured correctional facilities. The boot camp is located at Camp Douglas in Juneau County. Base funding and position authority for the program is \$3,043,800 (\$724,500 GPR and \$2,319,300 PR) and 52.0 positions (4.0 GPR and 48.0 PR).

GOVERNOR

Delete \$729,400 GPR in 2001-02 and \$746,000 GPR in 2002-03 and 4.0 GPR positions annually, transfer \$2,396,700 PR in 2001-02 and \$2,402,300 PR in 2002-03 and 48.0 PR positions annually to other juvenile facilities and provide 4.0 PR positions annually to reflect the elimination of the Youth Leadership Training Center (the juvenile boot camp) under the bill. Repeal the Department's authority to operate the boot camp program effective on the first day of the third month beginning after publication. Authorize Corrections to operate the boot camp until this date with PR funding only; no GPR funding would be provided for the program during its phase-out. Transfer the PR funding and position authority for the program in 2001-02 and 2002-03, as well as an additional 4.0 PR positions created under the bill to two secured correctional facilities, as follows: (a) \$1,198,400 in 2001-02 and \$1,201,200 in 2002-03 and 26.0 positions annually to the Ethan Allen School; and (b) \$1,198,300 in 2001-02 and \$1,201,100 in 2002-03 and 26.0 positions annually to the Lincoln Hills School. While PR position authority for the facilities is increased by 4.0 positions, no funding is provided under the bill for the new PR positions.

DISCUSSION POINTS

1. Program revenue funding for the boot camp program derives from a daily rate charged to counties or the state for the care of juveniles in secured correctional facilities. The boot camp has a capacity of 48 juveniles (or "cadets") and the average daily population for the camp in 1999-00 was 39.5 juveniles. The program provides, for each class of cadets, military academy-style training over 18 weeks with programming on military drill and ceremonies, education, vocational training, treatment, adventure activities and community services. Following this phase, a 20-week aftercare component is provided in partnership with community mentoring agencies.

2. The elimination of the boot camp was not part of the Department's 2001-03 budget request. The Governor's provision, according to Department of Administration (DOA) officials, is based on their belief that boot camp programs are generally not effective and that the program is expensive to operate for the average daily population (ADP) of juveniles served by the program.

3. With regards to effectiveness, DOA officials point to research cited by the National Institute of Justice (NIJ) in a "research in brief" paper published in July, 1998, titled "Preventing Crime: What Works, What Doesn't, What's Promising". The Institute cites four studies published in 1996, which according to the Institute, conclude that juvenile correctional boot camps using traditional military basic training approaches fail to reduce repeat offending after release compared to having similar offenders serve time in secured facilities or in the juvenile equivalent of probation or parole. The conclusion drawn by NIJ is that correctional boot camp programs using traditional military basic training is, based on the evidence of these studies, an example of a program that "does not work." NIJ views its lists as provisional and cites the need for further research.

4. A summary of three of the four studies cited by NIJ (pertaining to boot camps in Denver, Colorado, Cleveland, Ohio and Mobile, Alabama) was published by the Office of Juvenile Justice and Delinquency Prevention. The three studies generally conclude that some positive outcomes can be pointed to in the areas of academic achievement while at the boot camp facility and the number of youth returning to school, entering a GED program or finding full- or part-time employment while on aftercare supervision. The main focus of the studies was on the comparative incidence of re-offending or recidivism. In the Cleveland study, recidivism was significantly higher among boot camp graduates (72%) than for juveniles in the control group (50%). In both the Denver and Mobile studies, recidivism among boot camp graduates and the control groups were similar. In all three studies, the boot camp juveniles who did re-offend, committed new offenses more quickly than re-offending juveniles in the control groups.

5. The studies indicate that, for these three programs, there does not appear to be any clear advantage to utilizing boot camp programming, in terms of outcomes for juveniles, as compared to conventional programming. However, it is difficult to compare these three programs to the Wisconsin juvenile boot camp program. While there appear to be general similarities with the Wisconsin program, the boot camps in Cleveland, Denver and Mobile were all significantly less expensive to operate than the Wisconsin program, which may indicate less developed treatment and services. In addition, the studies showed that all three programs had inadequate aftercare services;

this fact may explain in part the recidivism outcomes, particularly in the Cleveland program.

6. An internal DOC study on recidivism among graduates of the Wisconsin juvenile boot camp program was published in September, 1999. The presentation of the data in this study is difficult to interpret. It appears to measure the occurrence of recidivism for the first 20 graduating classes at the boot camp at the same point in time. Thus, the time period following graduation for which recidivism is measured is not uniform. For these reasons, the data has limited use. However, at the point the data was analyzed, at least two years had passed since the graduations of the first eight boot camp classes. Recidivism among these graduates was 36.9%.

7. DOC published a more thorough study of juvenile recidivism in March, 2000. The Department analyzed recidivism (defined as the return to a state juvenile secured correctional facility or an adult prison) among the following juveniles released for the first time over a three-year period: (a) 892 juveniles released from institutions in 1993; (b) 784 juveniles released in 1994; and (c) 779 juveniles released in 1995. The Department's report provides a two-year follow-up on released offenders in all three years and a four-year follow-up on offenders released in 1993. The results of the two-year follow-up for 1993, 1994 and 1995 show that recidivism rates declined from 31.6% of juveniles released in 1993 to 29.4% of those released in 1995.

8. While the two DOC reports are not strictly comparable, the level of recidivism found in the 1999 boot camp study (36.9%) is somewhat higher than that reported in the 2000 two-year follow-up study although the difference may not be significant. The studies of boot camps in other states and the data available from DOC on Wisconsin juveniles indicate that boot camps do not appear to have any demonstrable positive effect on juvenile recidivism rates. Recidivism rates may be affected more by other variables (for example, home and neighborhood environments, the nature and quality of aftercare supervision and vocational opportunities) than by the type of secured correctional setting in which a juvenile is placed.

9. DOA officials also argue that the boot camp program is staff intensive and expensive to operate for the number of juveniles served. The daily rate for secured juvenile correctional facilities is a blended rate based on the combined costs of all the facilities and the total projected ADP for secured care. This blended rate is calculated at \$168.12 in 2001-02 and \$173.20 in 2002-03, based on reestimated ADP projections. If the average daily costs for each of the facilities for male juveniles is calculated (based on each facility's projected budget under the bill, excluding central office and other overhead costs that support all juvenile facilities), the boot camp cost would be about 53% higher than the Ethan Allen School and 39% higher than the Lincoln Hills School. The boot camp, given its small size and more intensive staffing, is more expensive to operate than conventional secured facilities for male juveniles.

10. The cost effectiveness of the boot camp cannot be equated, however, to average daily costs alone. Other factors to examine would include: (a) the total average correctional cost, over the course of the disposition, of boot camp graduates compared to non-boot camp juveniles in secured care; and (b) the extent to which the boot camp reduces costs at other secured facilities.

11. The first of these questions cannot be answered in a definitive way. At this time, the data on juveniles in secured correctional facilities in Wisconsin does not provide the information needed to make this comparison. For example, the following information is not readily available from DOC: (a) the average length of stay in a secured correctional facility of a juvenile before transferring to the boot camp; (b) the average length of stay of non-boot camp juveniles in secured facilities, exclusive of serious juvenile offenders (who stay for longer periods); (c) the types of care provided following release to the community and the average length of stay in these types of care for both boot camp graduates and non-boot camp juveniles; (d) the extent of rule violations or new offenses committed by boot camp graduates versus that of non-boot camp juveniles resulting in a return to a secured correctional facility; and (e) the length of stay when juveniles are returned to a secured correctional facility. Based on discussions with DOC officials, it appears reasonable to assume that the comparative costs between boot camp graduates and non-boot camp juveniles vary on a case-by-case basis. Excluding serious juvenile offenders (who are atypical of other juveniles in secured care in terms of programming costs) it is likely that the total correctional costs (secured care and aftercare) of some boot camp juveniles may be less than the costs of some non-boot camp juveniles. The reverse may also be true for other boot camp participants.

12. It has been argued that boot camps can also be viewed as cost effective if they allow traditional facilities to reduce operating costs. However, this is only possible if the ADP reduction at traditional facilities is large enough to allow for staffing or other infrastructure reductions. There is no evidence that this has been the case in Wisconsin. The boot camp was initiated in Wisconsin in 1995-96 through the provision of funding and positions in addition to that provided to the juvenile correctional institutions. Since then, no funding or staffing reductions relating to secured correctional facilities have been made in response to the boot camp's programming outcomes.

13. DOC officials note that the boot camp, which began operations in 1995-96, was conceived during a period when juvenile populations had been on the rise over several years. The ADP at secured facilities totaled 579 in 1990 and increased each year to a total of 981 in 1996. The boot camp, in addition to any programmatic benefits that were expected, was developed in response to these population increases and was viewed as a way to relieve population pressures at the Ethan Allen School and the Lincoln Hills School. The Prairie du Chien facility was developed for juveniles during this period for the same reasons. However, populations declined after 1996, in part because 17-year old offenders were treated as adults effective July 1, 1996, and Prairie du Chien was never utilized as a juvenile facility (it is currently utilized as a prison for young adult inmates).

14. The juvenile boot camp has a capacity of 48 juveniles and had an ADP of 37.7 juveniles in 1998-99 and 39.5 juveniles in 1999-00. The year-to-date ADP for the boot camp is 28.1 juveniles. It is likely that this decline in part reflects the proposed closing of the facility. The average daily population has declined in each of the last four months and staff vacancies have increased to 19.0 of the 52.0 authorized positions. However, DOC officials note additional factors for declining populations at the boot camp, including: (a) male juvenile populations have declined from the 1995-96 level and the pool of potential candidates for the boot camp is somewhat smaller now; (b) the program is voluntary and juveniles are not currently volunteering to the same extent as

in the past; and (c) an increased emphasis on educational programming limits the number of cadet classes in residence at the boot camp at any one time.

15. Under the bill, \$729,400 GPR in 2001-02 and \$746,000 GPR in 2002-03 and 4.0 GPR positions annually are eliminated, but PR funding and position authority (including 4.0 additional PR positions) are transferred to the Ethan Allen School and the Lincoln Hills School, as follows: (a) \$1,198,400 in 2001-02 and \$1,201,200 in 2002-03 and 26.0 positions annually to the Ethan Allen School; and (b) \$1,198,300 in 2001-02 and \$1,201,100 in 2002-03 and 26.0 positions annually to the Lincoln Hills School. While PR position authority for the facilities is increased by 4.0 positions, no funding is provided under the bill for these positions.

16. DOA officials indicate that the PR funding and positions were not deleted because they wanted to provide DOC with the flexibility to move funding and positions to the other two secured facilities for male juveniles to address the increased ADP at these facilities that would result from the boot camp closing. Further, unneeded positions could be deleted in the next biennial budget.

17. It could be argued, however, that the Ethan Allen School and the Lincoln Hills School could absorb these juveniles (an estimated ADP of 20 juveniles in 2001-02 and 30 juveniles in 2002-03) within their current resources and position authority. The 52 positions currently authorized for the boot camp support, in large part, the basic infrastructure of a separate facility. This number of positions would not be needed at the other facilities where this infrastructure is already in place. DOC officials indicate that programming for an additional 30 juveniles could be provided with approximately 21 positions. While the Ethan Allen and Lincoln Hills facilities would need to make some staffing adjustments to accommodate these juveniles, this could likely be done by hiring vacant positions already allocated to these facilities.

18. Under the bill, 4.0 PR positions are provided to DOC, but no funding is provided for the positions. Providing these 4.0 PR positions, which equal the deletion of 4.0 GPR positions, would retain all 52.0 positions in DJC. Given that position authority at Ethan Allen and Lincoln Hills appears to be adequate, these 4.0 PR positions could be eliminated.

19. If current law is maintained, the boot camp would be retained and \$729,400 GPR in 2001-02 and \$746,000 GPR in 2002-03 and 4.0 GPR positions annually would be restored to the bill. GPR funding for the boot camp was first provided under 1999 Act 9, the 1999-01 biennial budget act, as a way to reduce daily rates for secured facility care. An alternative approach to current law would be to retain the boot camp, but operate the camp with program revenue funding and positions only. Under this alternative the 4.0 PR positions provided in the bill, without funding, would be deleted. The boot camp would continue to operate with \$2,396,700 PR in 2001-02 and \$2,402,300 PR in 2002-03 and 48.0 PR positions annually. This level of staffing would appear to be adequate for the average daily population placed at the camp. There would be no funding change to the bill under this alternative.

20. However, the PR funding that is retained under the bill counts in the calculation of

the daily rate for secured facility care charged to the counties and the state (for serious juvenile offenders). Under the bill's provisions and recent population reestimates, the daily rate for secured juvenile correctional facilities would be \$168.12 in 2001-02 and \$173.20 in 2002-03 (compared to \$154.08 under current law). Eliminating the PR funding and position authority relating to the boot camp, effective three months after budget passage, would result in decreases to the bill of \$1,587,000 PR in 2001-02 and \$2,402,300 PR in 2002-03 and 52.0 PR positions annually. This would reduce the daily rates for secured facilities by \$4.53 in 2001-02 and \$6.85 in 2002-03, and bring the rates down to \$163.59 in 2001-02 and \$166.35 in 2002-03.

21. These rate reductions would save counties, collectively, an estimated \$1.3 million in 2001-02 and \$1.9 million in 2002-03 in secured correctional facility charges. In addition, the state would save an estimated \$0.3 million GPR in 2001-02 and \$0.4 million GPR in 2002-03 in charges related to serious juvenile offenders.

22. Under the bill, \$58,400 PR annually for utilities and heating and \$53,900 PR annually for institutional repair and maintenance would remain budgeted for the boot camp. DOA has indicated that this was an error and would like this funding to also be transferred to the Ethan Allen School and Lincoln Hills School facilities. Under this alternative, an additional \$29,200 PR annually would be allocated to both Ethan Allen School and Lincoln Hills School for utilities and heating and \$27,000 PR annually would be allocated to Ethan Allen School and \$26,900 PR annually to Lincoln Hills School for repairs and maintenance. Funding under the bill would be unchanged by adopting this alternative. DOC officials argue that, given rising fuel costs and the ongoing pressure to make repairs at these older facilities, it would be beneficial to transfer these funds to Ethan Allen School and Lincoln Hills School.

23. It could also be argued that these funds are allocated for a facility that would be eliminated under the bill and, therefore, the funding should also be deleted. Institutional fuel and utility costs are estimated separately and these reestimates would capture estimated increased fuel costs at Ethan Allen School and Lincoln Hills School. While funding needed for repairs and maintenance at Ethan Allen School and/or Lincoln Hills School could potentially be affected by the increased ADP resulting from the boot camp closure it could be argued that any increased costs have not been identified. Again, reducing PR costs would also reduce the daily rate for facility care (by \$0.26 a day in 2001-02 and by \$0.32 a day in 2002-03).

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to delete \$729,400 GPR in 2001-02 and \$746,000 GPR in 2002-03 and 4.0 GPR positions annually, transfer \$2,396,700 PR in 2001-02 and \$2,402,300 PR in 2002-03 and 48.0 PR positions annually and provide 4.0 PR positions annually to reflect the elimination of the Youth Leadership Training Center (the juvenile boot camp). Repeal the Department's authority to operate the boot camp program effective on the first day of the third month beginning after publication. Authorize DOC to operate the boot camp until this date with PR funding only. Transfer the PR funding and position authority for the program in 2001-02 and 2002-

03, as well as an additional 4.0 PR positions created under the bill to two secured correctional facilities, as follows: (a) \$1,198,400 in 2001-02 and \$1,201,200 in 2002-03 and 26.0 positions annually to the Ethan Allen School; and (b) \$1,198,300 in 2001-02 and \$1,201,100 in 2002-03 and 26.0 positions annually to the Lincoln Hills School. Provide no funding for the 4.0 PR positions created under the bill.

2. Modify the Governor's recommendation by eliminating the 4.0 PR positions that would be created under the bill. [No PR funding was provided for the positions.]

Alternative 2	PR
2002-03 POSITIONS (Change to Bill)	- 4.00

3. Modify the Governor's recommendation by deleting \$1,587,000 PR in 2001-02 and \$2,402,300 PR in 2002-03 and 52.0 PR positions annually that would transfer to the Ethan Allen School and the Lincoln Hills School under the bill.

Alternative 3	PR
2001-03 FUNDING (Change to Bill)	- \$3,989,300
2002-03 POSITIONS (Change to Bill)	- 52.00

4. In addition to Alternative 1, 2 or 3, adopt one of the following:

a. Transfer the following funds currently allocated to the juvenile boot camp (1) \$21,800 PR in 2001-02 and \$29,200 PR in 2002-03 to the Ethan Allen School and \$21,800 PR in 2001-02 and \$29,200 PR 2002-03 to the Lincoln Hills School for utilities and heating costs; and (2) \$23,400 PR in 2001-02 and \$27,000 PR in 2002-03 to the Ethan Allen School and \$23,300 PR in 2001-02 and \$26,900 PR in 2002-03 to the Lincoln Hills School for repairs and maintenance costs.

b. Delete \$90,300 PR in 2001-02 and \$112,300 PR in 2002-03, as follows: (1) \$43,600 in 2001-02 and \$58,400 in 2002-03 relating to utilities and heating costs of the juvenile boot camp; and (2) \$46,700 in 2001-02 and \$53,900 in 2002-03 relating to repair and maintenance costs of the juvenile boot camp.

Alternative 4B	PR
2001-03 FUNDING (Change to Bill)	- \$202,600

c. Delete \$43,600 PR in 2002-01 and \$58,400 PR in 2002-03 relating to utilities and heating costs of the juvenile boot camp. Transfer \$23,400 PR in 2001-02 and \$27,000 PR in 2002-03 to the Ethan Allen School and \$23,300 PR in 2001-02 and \$26,900 PR in 2002-03 to the Lincoln Hills School for repairs and maintenance costs.

Alternative 4C	PR
2001-03 FUNDING (Change to Bill)	- \$102,000

5. Delete the provision to eliminate the juvenile boot camp and retain program revenue funding and 48.0 PR positions for the operation of the facility. Eliminate 4.0 PR positions provided under the bill. [No PR funding was provided for the positions that would be deleted.]

Alternative 5	PR
2001-03 POSITIONS (Change to Bill)	- 4.0

6. Maintain current law. Under this alternative, \$729,400 GPR in 2001-02 and \$746,000 GPR in 2002-03 and 4.0 GPR positions annually would be restored to DOC for boot camp operations and 4.0 PR positions provided under the bill would be deleted.

Alternative 5	GPR	PR	TOTAL
2001-03 FUNDING (Change to Bill)	\$1,475,400	\$0	\$1,475,400
2002-03 POSITIONS (Change to Bill)	4.00	- 4.00	0.00

MO# 1145

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

AYE 14 NO 2 ABS 0



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #365

Calendar Year Allocation of Youth Aids Funding (DOC -- Juvenile Corrections)

[LFB 2001-03 Budget Summary: Page 234, #15]

CURRENT LAW

Fiscal year appropriations of community youth and family aids (youth aids) are specified in statute as calendar year allocations to counties in each biennium. For the 1999-01 biennium, statutory allocations are specified to reflect calendar year allocations in the following areas: (a) total GPR and PR youth aids funding appropriated in the biennium for distribution to counties; (b) the youth aids increases provided under 1999 Act 9 (the 1999-01 biennial budget act), which are required to be distributed to counties according to a three-factor formula; (c) youth aids funding earmarked for emergency funding for small counties; (d) youth aids funding earmarked for counties participating in the corrective sanctions program; and (e) youth aids funding earmarked for alcohol and other drug abuse treatment programs. Base funding for youth aids totals \$86,183,700 (\$83,734,500 GPR and \$2,449,200 PR). The base funding includes \$4,000,000 GPR that is allocated to counties according to a three-factor formula, as follows: (a) each county's proportion of the total statewide juvenile population for the most recent year for which that information is available; (b) each county's proportion of the total Part I juvenile arrests reported statewide under the uniform crime reporting system during the most recent three-year period for which that information is available; and (c) each county's proportion of the number of juveniles statewide who are placed in a secured correctional facility, a secured child caring institution or a secured group home during the most recent three-year period for which that information is available.

GOVERNOR

Modify the statutory provision relating to the calendar year allocation of youth aids funding in the 2001-03 biennium to provide amounts not to exceed \$42,091,800 for the last six months of 2001, \$85,183,700 for 2002 and \$43,091,900 for the first six months of 2003. Of

these amounts, allocate \$1,000,000 for the last six months of 2001, \$3,000,000 for 2002 and \$2,000,000 for the first six months of 2003 to counties according to the three-factor formula.

MODIFICATION

Modify the bill to allocate youth aids in amounts not to exceed \$43,091,800 for the last six months of 2001 and \$86,183,700 for 2002. Of these amounts, allocate \$2,000,000 for the last six months of 2001 and \$4,000,000 for 2002 to counties according to the three-factor formula.

Explanation: Under the bill, the statutory sections specifying youth aids funding are amended to reflect the calendar years in the 2001-03 biennium; however, the amounts specified for total GPR and PR funding for the last six months of 2001 and calendar year 2002 were not adjusted to reflect the funding provided under the bill. Also, the amounts specified for allocation to counties on the basis of a three-factor formula for the last six months of 2001 and calendar year 2002 were not adjusted. The modification corrects the amounts specified for these periods. The allocations specified in the bill relating to the first six months of 2003 are correct. No change to base funding for youth aids is provided under the bill.

Prepared by: Art Zimmerman

MO#			
	BURKE	Y	N A
	DECKER	Y	N A
	MOORE	Y	N A
	SHIBILSKI	Y	N A
	PLACHE	Y	N A
	WIRCH	Y	N A
	DARLING	Y	N A
	WELCH	Y	N A
	GARD	Y	N A
	KAUFERT	Y	N A
	ALBERS	Y	N A
	DUFF	Y	N A
	WARD	Y	N A
	HUEBSCH	Y	N A
	HUBER	Y	N A
	COGGS	Y	N A
	AYE	16	NO 0 ABS 0

CORRECTIONS -- JUVENILE CORRECTIONS

Smoking Prohibitions

Motion:

Move to adopt the provisions of LRB-2977/1 that would: (a) prohibit smoking in any enclosed, indoor area of a Type 1 secured correctional facility or on the grounds of such a facility; (b) prohibit any person in charge of such a Type 1 secured correctional facility, or his or her agent, to designate any smoking areas in the facility; (c) provide that any person who willfully violates the smoking prohibition after being advised by an employee of the facility that smoking in the area is prohibited would be subject to a forfeiture of not more than \$10; (d) provide that the forfeiture would not be subject to the fee assessed in forfeiture actions, the jail assessment, the crime laboratories and drug law enforcement assessment and the penalty assessment; and (e) provide that the provisions would take effect on the first day of the twelfth month after publication.

Note:

Under current law, the Secretary of the Department of Health and Family Services (DHFS) is authorized to designate areas in juvenile secured correctional facilities where smoking is allowed. The motion would, with limited exceptions, prohibit smoking in enclosed, indoor areas of Type 1 secured correctional facilities and would prohibit smoking on the grounds of such facilities. Type 1 secured correctional facilities include the Ethan Allen School, the Lincoln Hills School, the Southern Oaks Girls School, the Mendota Juvenile Treatment Center and the Youth Leadership Training Center (juvenile boot camp program). Violations of the smoking prohibition would be subject to a forfeiture of not more than \$10 and the forfeiture would not be subject to the jail, crime laboratories and drug law enforcement and penalty assessments or fees assessed in forfeiture actions. Under current law, forfeitures relating to smoking violations are exempt from these fees and assessments.

MO#

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

AYE 9 NO 7 ABS

CORRECTIONS -- JUVENILE CORRECTIONS

Southern Oaks Girls School Mental Health Unit Funding

Motion:

Move to provide \$433,100 GPR in 2001-02 and \$541,700 GPR in 2002-03 and 9.75 GPR positions annually to provide permanent funding for the operation of the mental health unit at the Southern Oaks Girls School. Delete \$346,000 PR in 2001-02 and \$461,300 PR in 2002-03 and 10.0 PR positions annually relating to the unit.

Note:

The motion would provide GPR funding and staff for the mental health unit at the Southern Oaks Girls School (SOGS). The unit began operations in January, 2000, providing inpatient psychiatric, psychological and medical treatment for an average daily population (ADP) of six girls with serious mental health needs. Current PR funding is provided by the Office of Justice Assistance (OJA) from federal grant moneys under the Juvenile Accountability Incentive Block Grant (JAIBG) program. These grant moneys are scheduled to end September 30, 2001.

[Change to Bill: \$974,800 GPR and 9.75 GPR positions; -\$807,300 PR and -10.00 PR positions.]

MO#	A A A A A A A A	A A A A A A A A	A A A A A A A A
	N N N N N N N N	N N N N N N N N	N N N N N N N N
	Y Y Y Y Y Y Y Y	Y Y Y Y Y Y Y Y	Y Y Y Y Y Y Y Y
BURKE		GARD	
DECKER		KAUFERT	
MOORE		ALBERS	
SHIBILSKI		DUFF	
PLACHE		WARD	
WIRCH		HUEBSCH	
DARLING		HUBER	
WELCH		COGGS	
		AYE	NO
		8	8
		ABS	ABS

CORRECTIONS -- JUVENILE CORRECTIONS

Youth Aids Increase

Motion:

Move to provide \$4,186,700 GPR in 2001-02 and \$8,582,800 GPR in 2002-03, for community youth and family aids. Allocate the funding to counties using a three-factor formula under current law with an additional override factor included, as follows: provide that no county would receive an allocation less than 93 percent nor more than 115 percent of the amount it would have received if juvenile correctional placements were the sole factor used to determine county allocations.

Note:

Base funding for community youth and family aids (youth aids) is \$83,734,500 GPR. Under 1999 Act 9 (the 1999-01 biennial budget act), the additional youth aids funding provided under the act (\$2,000,000 GPR in 1999-00 and \$4,000,000 in 2000-01) was required to be allocated to counties based on each of the following factors weighted equally: (a) each county's proportion of the total statewide juvenile population for the most recent year for which that information is available; (b) each county's proportion of the total Part I juvenile arrests reported statewide under the uniform crime reporting system during the most recent three-year period for which that information is available; and (c) each county's proportion of the number of juveniles statewide who are placed in a secured correctional facility, a secured child caring institution or a secured group home during the most recent three-year period for which that information is available. The motion would increase youth aids funding by 5% annually and retain the three-factor allocation formula, but add an override provision that would provide that no county would receive an allocation less than 93 percent nor more than 115 percent of the amount it would have received if juvenile correctional placements were the sole factor used to determine county allocations.

[Change to Bill: \$12,769,500 GPR]

MO#

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

AYE 4 NO 12 ABS

CORRECTIONS -- JUVENILE CORRECTIONS

Penalties Relating to the Use of Tobacco Products by Minors

Motion:

Move to provide the following penalties for minors who purchase, attempt to purchase or possess any tobacco product: (a) a \$50 forfeiture and eight hours of community service work for the first offense; (b) a \$100 forfeiture and 12 hours of community service work for the second offense; and (c) a \$250 forfeiture and 16 hours of community service work for the third and subsequent offenses. Provide an additional forfeiture of \$100 for minors using tobacco products within 500 feet of a school. Provide that if the retailer license holder offers proof that the retailer's employees have been provided training on the requirements of state law with regard to the sale of tobacco products to minors, the court would be required to remove the forfeiture and any related license suspension that would otherwise apply to the retailer license holder (but not the forfeiture imposed on the employee who sold the product to the minor).

Note:

Under current law, with limited exceptions, a minor is prohibited from purchasing, attempting to purchase or possessing any tobacco product. If the minor is found to be in violation of a local ordinance, the court must enter an order making one or more of the following dispositions: (a) to counsel the juvenile or the parent or guardian; (b) to impose a forfeiture of \$50; (c) to place the minor in a teen court program under certain conditions; and (d) to order the juvenile to participate in a supervised work program or other community service work. The motion would provide escalating forfeitures and specify the community service work required as a penalty for a minor who purchases, attempts to purchase or possesses any tobacco product. The motion provides an additional forfeiture for minors using tobacco products within 500 feet of a school. Under current law, a school board is required to prohibit the use of all tobacco products on premises owned or rented by, or under the control of, a school board, except that the school board may allow the use of tobacco products on premises owned by the school district and rented to another person for noneducational purposes.

Under current law, no retailer or employee of a retailer may sell, or provide for nominal or no consideration, cigarettes or tobacco products to any person under the age of 18 (except that a person under 18 years of age may purchase or possess cigarettes or tobacco products for the sole purpose

of resale in the course of employment during his or her working hours if employed by a retailer). Penalties include forfeitures and suspension of the retailer's cigarette and tobacco products retailer license, which vary depending on previous violations. The motion would provide for the removal of penalties on the cigarette and tobacco products retailer license holder, if proof of employee training relating on the requirements of state law with regard to the sale of tobacco products to minors can be provided to the court.

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

AYE 7 NO 9 ABS

CORRECTIONS -- JUVENILE CORRECTIONS

Southern Oaks Girls School Mental Health Unit Funding

Motion:

Move to direct OJA, to the extent allowable under federal regulations, to provide \$433,100 in 2001-02 and \$541,700 in 2002-03 under the federal JAIBG block grant to operate the mental health unit at the Southern Oaks Girls School.

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

AYE 16 NO 0 ABS

CORRECTIONS -- JUVENILE CORRECTIONS

Tobacco Products

Motion:

Move to provide that if the retailer license holder offers proof that the retailer's employees have been provided training on the requirements of state law with regard to the sale of tobacco products to minors, the court would be required to remove the forfeiture and any related license suspension that would otherwise apply to the retailer license holder (but not the forfeiture imposed on the employee who sold the product to the minor).

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

AYE 16 NO 0 ABS 0

CORRECTIONS

Juvenile Corrections

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
9	Mendota Juvenile Treatment Center
10	Purchase of Community-Based Services for the Corrective Sanctions Program
11	Southern Oaks Girls School Sunset House Contract
12	Licensing and Training Funding
13	Serious Juvenile Offender Confinement Limits
14	Placement of Juveniles in Prisons
16	Criteria for Holding a Juvenile in Custody

LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
5	Staff Reductions at Secured Correctional Facilities
6	Transfer of Youth Diversion Program to the Office of Justice Assistance

MO# REMOVE ITEMS
13, 14, 16

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

AYE 4 NO 12 ABS

Health and Family Services

Departmentwide and Management and Technology

Bill Agency

(LFB Budget Summary Document: Page 341)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
3	Program Revenue Lapses (Paper #460)
13	Required Reports and Plans (Paper #461)
-	Income Augmentation Revenue (Paper #462)



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #460

Program Revenue Lapses (DHFS -- Departmentwide and Management and Technology)

[LFB 2001-03 Budget Summary: Page 342, #3]

CURRENT LAW

The Department of Health and Family Services (DHFS) receives program revenue from a variety of sources. These revenues are credited to DHFS program revenue appropriations to support programs and services that benefit the individuals and entities that paid the fees.

GOVERNOR

Lapse program revenue totaling \$2,742,500 in 2001-02 and \$200,000 in 2002-03 to the general fund. The Governor recommends lapsing the following amounts, derived from the fees indicated, on the last day of the indicated fiscal year: (a) fees paid by persons seeking information on birth parents and fees paid for DHFS review, certification and approval of documents used for the adoption of foreign children (\$94,300 in 2001-02); (b) surcharges paid by persons convicted of substance abuse offenses (\$648,200 in 2001-02); (c) surcharges paid by persons convicted of operating while intoxicated offenses (\$1,000,000 in 2001-02); and (d) fees paid for health facility licensing, inspections and other regulatory activities (\$1,000,000 in 2001-02 and \$200,000 in 2002-03).

DISCUSSION POINTS

Health Facility Review Fees

1. DHFS conducts plan reviews of all capital construction and remodeling of nursing homes, hospitals and community-based residential facilities (CBRFs). By rule, DHFS establishes fees for these plan reviews and supports staff costs of conducting these plan reviews from the fee revenue. Under the Governor's budget bill, \$606,200 PR in 2001-02 and \$633,000 PR in 2002-03 is budgeted to support DHFS health facility plan review activities, including funding reserved for pay plan and health insurance increases. This appropriation supports 5.54 PR full-time equivalent (FTE) positions in the Division of Supportive Services, Bureau of Quality Assurance.

2. Based on current revenue projections and expenditures budgeted in the bill that would be funded from plan review fees, there will be insufficient revenue to lapse the amounts required under the Governor's bill, as introduced. Consequently, unless the bill is modified to reflect this revised projection of unallocated revenues, DHFS would be required to reduce PR expenditures from this appropriation to meet the lapse requirement in the bill.

3. The maximum amount of revenue from this source that can be lapsed to the general fund is \$831,200 PR in 2001-02 and no funding would be available to lapse to the general fund in 2002-03. Consequently, if the Committee wishes to lapse the maximum amount of funding from this revenue source, as recommended by the Governor, it could lapse \$831,200 PR in 2001-02 from this source. This amount is \$168,800 in 2001-02 and \$200,000 in 2002-03 less than the amounts DHFS would be required to lapse under the bill.

Fees for Information on Birth Parents

4. DHFS collects fees paid by persons who seek information on birth parents and fees paid for DHFS review, certification and approval of documents used for the adoption of foreign children. This fee revenue currently supports 1.0 PR FTE position and associated costs in the Division of Children and Family Services.

A review of projected revenues and budgeted expenditures in the Governor's bill indicates that there is sufficient revenue from this source to lapse \$94,300 PR in 2001-02 to the general fund, as recommended by the Governor.

OWI Surcharge Revenues

5. Persons convicted of operating while intoxicated offenses are required to pay an operating while intoxicated (OWI) surcharge, which is currently \$345. Of the revenue generated from the surcharge, 38.5% is deposited to a DHFS clearinghouse appropriation and transferred to various agencies for programs related to alcohol abuse and law enforcement. For example, DHFS is budgeted \$1,000,000 PR annually to fund payments to counties to offset the costs of assessments and the development of driver safety plans. The Governor's bill includes a

provision that would increase the surcharge to \$355 to partially fund an increase for the Wisconsin State Laboratory of Hygiene.

A review of projected revenues and budgeted expenditures in the Governor's bill indicates that there is sufficient revenue from this source to lapse \$1,000,000 PR in 2001-02 to the general fund, as recommended by the Governor.

Drug Abuse Program Improvement Surcharge Revenues

6. Persons convicted of certain controlled substances-related offenses are assessed a surcharge equal to 50% of the amount of any applicable fine and penalty assessment. Revenue from the surcharge supports several DHFS substance abuse prevention, intervention and treatment programs, such as the Alliance for a Drug-Free Wisconsin, substance abuse treatment services for persons who are deaf, hard of hearing and deaf blind and several substance abuse-related staff positions in DHFS.

7. Based on the Governor's budget recommendations, including the recommendation to lapse \$648,200 from this source in 2001-02, the drug abuse program improvement surcharge appropriation is projected to have a balance of approximately \$530,000 at the end of the 2001-03 biennium. Although it may be prudent to retain a balance in this appropriation, the Committee may wish to consider modifying the Governor's budget recommendation by lapsing an additional \$250,000 PR in 2001-02 and \$250,000 PR in 2002-03 to the general fund. However, this projected balance may not be available if the Committee selects alternative A4 in LFB Paper #517.

WisconCare Carryover Funds

8. The Governor's budget bill does not include a provision to lapse PR funds budgeted for the WisconCare program to the general fund. However, the Committee may wish to lapse an amount of funding that is available on a one-time basis from this source.

9. WisconCare provides primary health care services, including diagnostic laboratory and x-ray services, prescription drugs and nonprescription insulin and insulin syringes. DHFS is directed to maximize the amount of donated and reduced rate services from participating providers. Eligibility for the program is limited to individuals who have not health insurance, are unemployed or underemployed, and whose family income does not exceed 150% of the federal poverty level.

The costs of the WisconCare program, together with the costs of making graduate medical education payments to hospitals under the MA program, are supported through an annual assessment on hospitals. In each year, DHFS assesses hospitals a total of \$1.5 million to support these two programs, each of which is funded at \$750,000 PR per year. Each hospital pays its share of the assessment based on its proportional amount of gross private-pay patient revenues during the hospital's most recently concluded fiscal year.

10. At the end of the 1999-00 fiscal year, the PR appropriation for the WisconCare program had a continuing cash balance of \$118,300. This amount of funding was carried forward to support the costs of the WisconCare program in the 2000-01 fiscal year, so that a total of \$868,300 (\$750,000 in base funding and \$118,300 in carryover funds) is available to fund WisconCare in the 2000-01 fiscal year.

DHFS currently projects that it will expend \$750,000 PR for WisconCare in 2000-01. Consequently, DHFS would again carry forward approximately \$118,000 in funding available in the current year to support 2001-02 fiscal year program costs.

Based on this carryover balance, it would be possible to lapse \$100,000 PR from the appropriation in 2001-02 on a one-time basis, while continuing to make available approximately \$750,000 PR in each year of the biennium for the WisconCare program.

ALTERNATIVES TO BILL

A. Health Facility Review Fee Revenues

1. Modify the Governor's recommendation by lapsing \$831,200 in 2001-02 and \$0 in 2002-03 from revenues paid for health facility licensing, inspections and other regulatory activities, rather than \$1,000,000 in 2001-02 and \$200,000 in 2002-03, as recommended by the Governor.

<u>Alternative A1</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	- \$368,800

2. Delete provision.

<u>Alternative A2</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	- \$1,200,000

B. Fees for Information on Birth Parents

1. Adopt the Governor's recommendation to lapse \$94,300 PR in 2001-02 to the general fund from fees paid by persons seeking information on birth parents and fees paid for DHFS review, certification and approval of documents used for the adoption of foreign children.

2. Delete provision.

<u>Alternative B2</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	- \$94,300

C. OWI Surcharge Revenues

1. Adopt the Governor's recommendation to lapse \$1,000,000 PR in 2001-02 to the general fund from surcharges paid by persons convicted of OWI offenses.

2. Delete provision.

<u>Alternative C2</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	- \$1,000,000

D. Drug Abuse Program Improvement Surcharge Revenues

1. Adopt the Governor's recommendation to lapse \$648,200 PR in 2001-02 from the drug abuse program improvement surcharge moneys to the general fund.

2. Modify the Governor's recommendation by lapsing an additional \$250,000 PR in 2001-02 and \$250,000 PR in 2002-03 from the drug abuse program improvement surcharge moneys to the general fund. [Note: This alternative may need to be modified, depending upon the Committee's action on LFB Paper #514.]

<u>Alternative D2</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	-\$500,000

\$250,000

3. Delete provision.

<u>Alternative D3</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	- \$648,200

E. WisconCare Carryover Funds

1. Lapse \$100,000 PR in 2001-02 from moneys budgeted for the WisconCare program to the general fund.

<u>Alternative E1</u>	<u>GPR- Lapse</u>
2001-03 REVENUE (Change to Bill)	\$100,000

2. Take no action.

Prepared by: Charles Morgan

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

BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<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
WIRCH	<input checked="" type="checkbox"/>	N	A
DARLING	<input checked="" type="checkbox"/>	N	A
WELCH	<input checked="" type="checkbox"/>	N	A
GARD	<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
HUEBSCH	<input checked="" type="checkbox"/>	N	A
HUBER	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

AYE 10 NO 0 ABS _____

Finally, the Council on Physical Disabilities is required to submit to the Legislature recommendations on matters relating to physically disabled individuals and the Council on Mental Health is required to submit to DHFS, the Governor, and the Legislature policy recommendations in the area of mental health.

GOVERNOR

Permit, rather than require, DHFS to develop the annual reports described above.

Permit, rather than require, DHFS to annually determine the statewide MA daily cost of nursing home care and submit the determination to DOA. Delete the requirement that DOA approve the determination before DHFS makes MA payments to counties to support care for certain MA recipients who live in certified RCACs.

Permit, rather than require, the Council on Physical Disabilities and the Council on Mental Health to submit the reports described above.

DISCUSSION POINTS

DHFS Required Reports

1. A brief description of the information contained in the most recent reports prepared by DHFS is presented for the Committee's review.

Hunger Report. The December, 2000, annual report was prepared by the Wisconsin Food Security Consortium. DHFS contracted with the Community Action Program Association (CAPA) to staff the Consortium (which included the preparation of the report) using federal funds the DHFS Division of Children and Family Services received from the U.S. Department of Agriculture, Office of Community Services. The Consortium is a partnership of 20 government, business, community and university representatives that serve in an advisory capacity to DHFS. The Consortium indicates that it will use findings in the report to guide development of a statewide strategic plan to make measurable improvements in food security for low-income families.

The report provides information on Census Bureau estimates of incidence of hunger and food insecurity in Wisconsin and identifies populations that are most at risk of hunger. The report cites academic research on the consequences of hunger, and strategies identified by the U.S. Department of Agriculture to strengthen local food systems and reduce the incidence of food insecurity.

The report provides summaries of each of the state and federal programs designed to address hunger, such as the food stamp program, the special nutrition program for women, infants and children (WIC), the school lunch program, the school breakfast program, the elderly nutrition program and the emergency food assistance program (TEFAP), to name a few. For each program,

the report includes information on program eligibility, participation, program objectives and outcomes.

2. *Report on Services for Homeless Individuals with Mental Illness.* This report is prepared by staff in the Bureau of Community Mental Health, Division of Supportive Living. The report submitted in June, 2000, described the allocation and expenditure of funds provided for services for homeless individuals with severe and persistent mental illness in calendar year 1999.

DHFS receives federal funds under the Stewart B. McKinney Homeless Assistance Act to provide mental health services. DHFS uses GPR funds to provide up to one-half of the 25 percent non-federal match required to receive projects for assistance in transition to homelessness (PATH) funds. DHFS allocates these funds to public, nonprofit agencies to provide mental health services to homeless persons.

The report contains information on the number of persons served under the PATH projects and specific outcomes, such as how many people who were served are now employed, how many people who required long-term mental health services are still receiving those services, and how many people who were previously jailed have subsequently become less involved in the criminal justice system. The report describes coordination of services with other programs, such as the community support program and housing programs and contains brief summaries of PATH-funded county projects.

3. *Developmental Disabilities Plan.* In February, 1997, DHFS submitted a five-year plan for developmental disabilities services for the period from 1997 through 2001. The plan reviews the state's progress in selected program areas through October 31, 1996, describes current and proposed future activities within those areas and provides program data. The report reaffirms the state's commitment to transferring resources from institutional services to community-based services and discusses other needs of this populations, such as community employment and strengthening programs intended to assist families, such as the birth-to-three program, the Katie Beckett program and the family support program. The appendix to the report provides statistics on specific programs, drawing on data from the DHFS human services reporting system (HSRS), the Wisconsin Council on Developmental Disabilities and staff resources within DHFS.

4. *Birth-to-Three Report.* The most recent report, dated September 15, 1999, provides information on program operations for the period October 1, 1997, through September 30, 1998. The report describes the activities of the Birth-to-Three Interagency Coordinating Council and DHFS during the grant period. The report includes information on a self-study of the program to prepare for a monitoring visit from the U.S. Department of Education, Office of Special Education Programs and provides results of two surveys, one to parents of children enrolled in the program, the other of providers of early intervention services.

5. *Alcoholism Treatment Report.* This report is prepared by staff in the Bureau of Substance Abuse Services in the DHFS Division of Supportive Living. The report DHFS submitted in November, 2000, describes the substance abuse intervention and treatment programs

administered by the Bureau in the previous calendar year. The report lists the major accomplishments of the programs during the previous year. In addition, the report includes a "performance scorecard," which provides several outcome measures, such as county-reported data on the percentage of persons who are discharged after completing treatment with moderate or major improvement, and the percentage of individuals who are employed following discharge. Most of the report is devoted to describing the dozens of substance abuse programs administered by DHFS, including the amount and source of funding for these programs and target populations.

6. *MA Daily Cost of Nursing Home Care Report.* DHFS submits an annual report to DOA that indicates what the daily cost of nursing home care was in the previous state fiscal year. The report that DHFS submitted in December, 2000, included a single cover sheet with the calculation provided as an attachment. DOA is required to approve the determination before counties can make payments from the community options program (COP)/community integration program II waiver for services to persons residing in certified residential care apartment complexes.

7. *Council on Physical Disabilities Report.* The Council on Physical Disabilities is comprised of 14 members appointed by the Governor for staggered three-year terms. The Council is charged with: (a) developing and implementing a state plan for services to people with physical disabilities; (b) advising state agencies on programs and policies affecting people with physical disabilities; (c) promoting public awareness of the abilities and of barriers that face people with physical disabilities; (d) encouraging the development of programs and policies that prevent physical disabilities; and (e) submitting recommendations in an annual report to the Legislature.

The five-page report submitted by the Council in January, 2001, provides background information on the Council, including its origin, mission, vision, membership and budget. The recommendations included in the Council's most recent report include: (a) maintaining current laws protecting people with disabilities and developing new protections for homeowners, such as protecting renters and homeowners from exclusion and bias based on their disabilities and encouraging builders to follow universal design standards for all new housing projects; (b) supporting fair lending practices that encourage primary mortgage lenders and secondary mortgage industries to offer loan products that accommodate individuals with disabilities and their families; and (c) support for expanding policies and practices that create incentives for families to finance the housing needs of family members with disabilities who rely on supplemental security income, reforming state laws regulating wills and trusts, and restructuring the DHFS Office for Persons with Physical Disabilities into a Bureau for Persons with Physical Disabilities.

8. *Council on Mental Health Report.* The Council completed its most recent annual report on January 6, 1995, which detailed the Council's achievements during the previous calendar year. The report includes: (a) federal statutory references to the Council's responsibilities; (b) a listing of the Council's accomplishments during the year, such as participating in the development of the state mental health plan, providing recommendations to the Legislature on several bills pertaining to mental health and the development of a five-year strategic plan; and (c) an identification of future priorities for the Council, including the focus on the need for additional services for persons with mental illness.

9. DHFS staff indicate that the Governor's recommendations are intended to reduce the amount of time staff spend preparing these reports. If the Governor's recommendations are approved, DHFS staff indicate that the agency will no longer prepare any of the reports the Department would, under the bill, be permitted, but not required, to produce. This would enable DHFS program staff to reallocate their time to higher priority activities.

10. However, it is unnecessary to provide permissive authority to produce reports in the statutes, since any state agency may produce any report it wishes to produce. For these reasons, if the Committee determines that it is unnecessary for DHFS to continue to produce these reports, it could delete all provisions in current law relating to these reports, rather than specify that DHFS may produce and submit these reports.

11. Alternatively, some reports, such as the report on hunger and substance abuse programs, provide information on numerous programs administered by the agency that may be useful to DHFS administrators, the Governor, legislators and the public. These two reports provide information that enables the user to understand the broad range of programs DHFS administers to address two social problems, hunger and substance abuse. Further, the current statutory reporting requirement ensures that DHFS will annually produce a single document that contains this type of information.

12. DHFS has requested that, if the Committee adopts the Governor's recommendations, the provision relating to the birth-to-three report be modified to delete references to DHFS' progress toward implementing the program and implementing goals for participation in the fifth year of the state's participation in the program. Instead, the permissive report would report on DHFS' ongoing implementation of the program to meet federal requirements, with a corrected cross-reference to federal code. In addition, DHFS has requested that the provision in the bill relating to the report for developmental disability services be amended to clarify that the Council on Development Disabilities would continue to be required to prepare a state plan, as required under federal law.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendations. In addition, include the modifications described in Discussion Point 12, as requested by the administration.

2. Modify the Governor's recommendations by deleting all references to these reports in current statutes, rather than providing DHFS and the councils permissive authority to prepare and submit the reports.

3. Instead of adopting the Governor's recommendations, make any one or more of the following reports permissive.

a. Hunger Report

b. Report on Services for Homeless Individuals with Mental Illness

- c. Developmental Disabilities Report
 - d. Birth-to-Three Report
 - e. Alcoholism/Substance Abuse Treatment Report
 - f. MA Daily Cost of Nursing Home Care Report
 - g. Council on Physical Disabilities Report
 - h. Council on Mental Health Report
4. Instead of adopting the Governor's recommendations, delete all statutory references to any one or more of the following reports.
- a. Hunger Report
 - b. Report on Services for Homeless Individuals with Mental Illness
 - c. Developmental Disabilities Report
 - d. Birth-to-Three Report
 - e. Alcoholism/Substance Abuse Treatment Report
 - f. MA Daily Cost of Nursing Home Care Report
 - g. Council on Physical Disabilities Report
 - h. Council on Mental Health Report
5. Delete provision.

MO# 4 b, c, g, h

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

AYE 15 NO 1 ABS _____



Legislative Fiscal Bureau

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

May 21, 2001

Joint Committee on Finance

Paper #462

Income Augmentation Revenue (DHFS -- Departmentwide and Management and Technology)

CURRENT LAW

Income augmentation funds are unanticipated federal funds the Department of Health and Family Services (DHFS) receives under Titles IV-E (foster care), XVIII (Medicare) and XIX (medical assistance) of the federal Social Security Act as reimbursement for costs that were initially paid with state or local revenue, or revenue from one of these sources that would not otherwise have been available, had it not been for activities conducted specifically to augment federal income.

DHFS currently contracts with a private firm, Maximus, Inc., to conduct activities that will increase the amount of revenue the state receives under these federal programs. Maximus assists counties and DHFS in identifying costs that were paid with county or state funds that could have been claimed for federal reimbursement.

Under federal law, there are no restrictions on the use of income augmentation revenue. These funds can be expended by the state for any purpose. Under the terms of the contract with Maximus, DHFS pays the first 10% of the total amount of income augmentation revenues the state claims to Maximus.

Current law specifies that income augmentation revenues can be expended in the following manner:

Title IV-E Income Augmentation Revenue to the Counties. After accounting for the 10% fee paid to Maximus, any additional income augmentation revenue claimed under Title IV-E must *first* be used to meet the state's commitment to fund the basic county allocation under community aids with revenue claimed under Title IV-E. Once the state's commitment to fund the basic county allocation is met, current law provides that at least 50% of the remaining Title IV-E

income augmentation funds are distributed to counties (other than Milwaukee County) as "incentive funds." (In Milwaukee County, DHFS, rather than Milwaukee County, generates Title IV-E claims because DHFS administers the child welfare system in that county.) Counties must expend the incentive funds on projects to assist children and families. At least 50% of the incentive funds must be expended for services for children who are at risk of abuse or neglect to prevent the need for child abuse and neglect intervention services. Counties may not use these funds to supplant other funds expended by a county for services and projects to assist children and families.

Income Augmentation Revenue Expended by DHFS. Income augmentation revenues that are not provided to counties as community aids or Title IV-E incentive funds are deposited in a DHFS federal continuing appropriation and can be expended by DHFS in the following manner:

- DHFS may expend income augmentation funds to support costs that are exclusively related to the operational costs of income augmentation activities that are not paid to Maximus under its contract. These costs could include salaries for limited-term employees, federal claims processing costs, rent, telephone services and miscellaneous supplies and services.
- If DHFS proposes to expend any income augmentation revenues for any purpose other than to support costs that are exclusively related to augmenting federal income, then DHFS is required to submit a proposed plan for the use of these remaining funds to the Department of Administration (DOA) by September 1 of the fiscal year after the fiscal year in which the revenues were received. If DOA approves a plan, the DOA Secretary must submit it to the Joint Committee on Finance, by October 1 of that same fiscal year for approval under a 14-day passive review process.

GOVERNOR

No provision.

DISCUSSION POINTS

1. Approximately \$102 million in augmentation revenues have been received since these revenues were first identified in the 1997-99 biennial budget. This revenue has been expended for several of purposes, including: (a) county incentive funds and community aids base funding; (b) a variety of DHFS programs and services; (c) payments to Maximus, Inc.; (d) required lapses to the general fund. The following table identifies how much of the revenue has been spent for these purposes.

Use of Income Augmentation Revenues

County Incentive Funds and Community Aids	\$45,249,800
DHFS Programs and Services	16,372,800
Maximus Contract	9,728,900
General Fund Lapses	<u>30,891,000</u>
Total Income Augmentation Expenditures	\$102,242,500

2. It is estimated, based on preliminary reconciliation of county spending for calendar year 2000, that a total of \$6,750,000 in income augmentation revenue will be received in 2000-01 and can be used for any purpose. The final estimate of available revenues will not be available until July, 2001, when DHFS completes the final reconciliation of community aids expenditures for 2000.

3. The administration indicates that it intends to request, under the process for using income augmentation funds available under current law, approval to allocate \$2,933,700 of these revenues for costs associated with the Bureau of Milwaukee Child Welfare in the event Milwaukee County chooses not to renew contracts to provide services to children in out-of-home care in Milwaukee County for 2001. The County continues to provide services to children in out-of-home care under extensions of the 2000 contract. In that event, DHFS would be required to transition cases currently under the supervision of the County to private vendors. DHFS indicates that the Milwaukee County Board of Supervisors is not expected to make a decision on the contract until its June, 2001, meeting.

DHFS estimates the one-time cost of this transition would total \$2,933,700. Using income augmentation revenue for these costs would prevent the need to provide additional funding for these costs or DHFS from finding ways to absorb these costs within the amounts budgeted for the Bureau of Milwaukee Child Welfare.

4. The Committee could require DHFS to lapse \$6,750,000 in income augmentation revenues by June 30, 2003. Doing so would bypass the process in current law which requires an annual review of the proposed use of this revenue by DOA and the Committee before DHFS could spend it.

5. Alternatively, the Committee could require DHFS to lapse \$3,816,300 in income augmentation revenues by June 30, 2003 and retain \$2,933,700 in DHFS for use in funding transitional costs for the Bureau of Milwaukee Child Welfare in the event Milwaukee County does not renew its contracts for 2001. The Committee could direct DOA to place these funds in unallotted reserve for use only if the County does not renew its 2001 contract. If the County chooses to renew the contract, these revenues would lapse to the general fund.

6. If the Committee wants to ensure that income augmentation revenues are deposited

HEALTH AND FAMILY SERVICES --
DEPARTMENTWIDE AND MANAGEMENT AND TECHNOLOGY

Income Augmentation Revenue

[LFB Paper #462]

Motion:

Move to prohibit the Department of Health and Family Services from contracting with any vendor to secure income augmentation revenues. Specify that this provision would take effect following termination of the current contract.

Additionally, provide \$43,800 FED in 2001-02 and \$49,700 FED in 2002-03 and 1.0 FED position, beginning October 1, 2001 for DHFS to conduct activities to secure income augmentation revenues.

Note:

This motion would prohibit DHFS from contracting with a vendor to secure income augmentation revenue and instead, provide \$43,800 FED in 2001-02 and \$49,700 FED in 2002-03 and 1.0 FED position, beginning October 1, 2001, to conduct activities to secure income augmentation revenue.

DHFS currently contracts with Maximus, Inc. to conduct activities to identify additional federal revenues available under Titles IV-E (federal foster care), XVIII (Medicare) and XIX (medical assistance). This revenue is referred to as income augmentation revenue.

Under the terms of the contract with Maximus, Maximus is entitled to 10% of all income augmentation revenues received by the state as payment for its services. It is uncertain whether DHFS would be able to continue to generate income augmentation revenues if it were unable to contract with an outside vendor for these services. The current contract with Maximus expires October 30, 2002.

MO#

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

AYE 8 NO 8 ABS 0

HEALTH AND FAMILY SERVICES -- DEPARTMENTWIDE AND
MANAGEMENT AND TECHNOLOGY

Income Augmentation Revenue

[LFB Paper #462]

Motion:

Move to require DHFS to submit a proposal to DOA to release from unallotted reserve up to \$2,933,700 for costs associated with the transfer of cases of children in out-of-home care to private vendors in the event Milwaukee County chooses not to renew its contract for services.

DOA could release the funds subject to approval of the Joint Committee on Finance under a 14-day passive review process.

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

AYE 16 NO 0 ABS _____

HEALTH AND FAMILY SERVICES

Departmentwide and Management and Technology

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
5	HIPAA Compliance
6	Social Services Block Grant Operations
7	Extend and Convert Project Positions
8	Funding and Position Adjustments
9	Federal Revenue Reestimates
10	Program Revenue Reestimates
11	Rent and Rent Debt Service
12	Risk Management

Wirch motion
comprehensive community
services plan

LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
2	Base Budget Reductions
4	Debt Service Reestimate

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

AYE _____ NO _____ ABS _____