

2003 DRAFTING REQUEST

Bill

Received: **09/17/2002**

Received By: **gmalaise**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8219**

By/Representing: **Blaine**

This file may be shown to any legislator: **NO**

Drafter: **gmalaise**

May Contact:

Addl. Drafters:

Subject: **Children - out-of-home placement
Public Assistance - comm. aids**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Blaine - BB0014

Topic:

Inclusion of federal MA funding in community aids

Instructions:

See attached--include federal MA funding claimed for preventing out-of-home placements in community aids funding

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gmalaise 10/25/2002	jdyer 10/28/2002		_____			S&L
/1			swatkins 10/29/2002	_____	lemery 10/29/2002		S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	gmalaise 12/23/2002	jdye 12/30/2002	pgreensl 12/30/2002	_____	sbasford 12/30/2002		

FE Sent For:

<END>

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		1/10 jld	SKW 10/29	SKW 10/29 cm			
FE Sent For:							

<END>

DHFS**DRAFT**

Department of Health and Family Services
2003-2005 Biennial Budget Statutory Language Request
 August 1, 2002

Community Aids**Current Language**

S.20.435(7)(o), the DHFS Federal Aids for Community Aids budget appropriation, specifies the federal funding sources that can be used in Community Aids.

S.46.40 directs the Department to distribute Community Aids funding.

Proposed Change

Revise s.20.435(4)(o) to include in the federal funding sources for Community Aids federal Medical Assistance funding claimed for Preventing Out-of-Home Care/Kinship Care Placement. Revise s.46.40 to direct the Department to use federal Medical Assistance funding claimed for costs for Preventing Out-of-Home Care/Kinship Care Placement as the first source of funding to meet the budgeted level of Title IV-E funding in Community Aids.

Effect of Change

The proposed change will help avoid or minimize a decrease in funding in the Community Aids federal IV-E budgeted level and will minimize the decrease in Title IV-E Income Augmentation funding due to new federal claiming policies.

Rationale for the Change

In October 2002 the federal government will be implementing a change in the claiming methodology for Title IV-E funds, "PA-01-02", that has a significant adverse fiscal consequence on Wisconsin. Department staff have projected that implementation of federal policy PA-01-02 will result in a reduction of \$13.88 million of federal IV-E funding on an annual basis for Wisconsin. The PA-01-02-related projected annual loss of \$13.88 million will result in a significant drop in the Title IV-E income augmentation program. Under state statutes (s.46.45 and s.46.46), 50% of federal IV-E income augmentation funds are distributed to non-Milwaukee counties.

The Department uses a methodology, known as the Random Moment Time Study (RMTS), as the basis for claiming federal foster care (IV-E) funding for administrative activities performed by county and state staff. In the spring of 2001, DHFS revised its RMTS survey, which is applied to county and state social service staff, to cover more fully MA as well as IV-E reimbursable administrative activities. The Department has been able to identify and claim increased federal

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reimbursement for MA administrative activities performed by county social services staff primarily in the areas of kinship care placements for MA and prevention of out-of-home care.

To decrease the adverse effect on Community Aids funding of the change in federal IV-E claiming policy under PA 01-02, the Department is proposing a statutory language change to direct the Department to use in Community Aids the MA federal reimbursement for the costs for preventing out-of-home care/kinship care placement activities. Under the proposed statutory language change and the Department's procedures, the MA funding would be the first source of funding used to meet the budgeted level of Community Aids IV-E funding (\$27.8 million). Title IV-E funding would be used to meet the balance of the Community Aids IV-E budgeted level. As is current practice, any Title IV-E funding claimed by the Department in excess of the funding needed to meet the Community Aids and Milwaukee Child Welfare budgeted levels would be placed in the Income Augmentation program. This would help offset the sharp drop in Title IV-E Income Augmentation funding due to the implementation of federal policy PA-01-02.

Desired Effective Date: Upon passage
Agency: DHFS
Agency Contact: Fredi-Ellen Bove
Phone: 266-2907



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0116/3
GMM.....
jld

INVOICE

DOA:.....Blaine – BB0014 Inclusion of federal MA funding in community aids
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

don't gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES
CHILDREN

Under current law, certain federal revenues are appropriated to DHFS for distribution to counties, as community aids, for social, mental health, developmental disabilities, and alcohol and other drug abuse services. This bill appropriates for distribution to counties, as community aids, all federal Medical Assistance (MA) moneys received in reimbursement of the cost of preventing out-of-home placements of children. The bill also directs DHFS to use those moneys as the first source of moneys used to meet the amount of the community aids allocation that is budgeted by DHFS for the costs of providing foster care and adoption assistance for children.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.435 (7) (o) of the statutes is amended to read:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0116/1dn

GMM.....

date

JLD

Robert:

I am assuming that the reference in the DHFS drafting instructions to s. 20.435 (4) (o) is a typo and that the reference actually intended is s. 20.435 (7) (o), which is the federal community aids appropriation.

Also, to those of us who are not full-time, professional budget analysts, it appears to be counterintuitive to direct DHFS to use MA funding to meet its budgeted level of IV-E funding. To the uninitiated, they would appear to be two separate, nonfungible pots of money so that MA funding could be used to meet the budgeted level of MA funding and IV-E funding could be used to meet the budgeted level of IV-E funding, but one source of funding could not be used to meet the budgeted level for the other source of funding. Accordingly, this draft, rather than directing DHFS to use MA funding to meet the budgeted level of IV-E funding, instead directs DHFS to use the MA funding as the first source of moneys used to meet the amount of the community aids allocation that is budgeted by DHFS for "the costs of foster care and adoption assistance," without specifying that those costs are the budgeted level of IV-E funding.

If you or Fredi Bove of DHFS would like to discuss this draft further, please do not hesitate to contact me at the phone number or e-mail address listed below.

Gordon M. Malaise
Senior Legislative Attorney
Phone: (608) 266-9738
E-mail: gordon.malaise@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0116/1dn
GMM:jld:skw

October 29, 2002

Robert:

I am assuming that the reference in the DHFS drafting instructions to s. 20.435 (4) (o) is a typo and that the reference actually intended is s. 20.435 (7) (o), which is the federal community aids appropriation.

Also, to those of us who are not full-time, professional budget analysts, it appears to be counterintuitive to direct DHFS to use *MA* funding to meet its budgeted level of *IV-E* funding. To the uninitiated, they would appear to be two separate, nonfungible pots of money so that *MA* funding could be used to meet the budgeted level of *MA* funding and *IV-E* funding could be used to meet the budgeted level of *IV-E* funding, but one source of funding could not be used to meet the budgeted level for the other source of funding. Accordingly, this draft, rather than directing DHFS to use *MA* funding to meet the budgeted level of *IV-E* funding, instead directs DHFS to use the *MA* funding as the first source of moneys used to meet the amount of the community aids allocation that is budgeted by DHFS for "the costs of foster care and adoption assistance," without specifying that those costs are the budgeted level of *IV-E* funding.

If you or Fredi Bove of DHFS would like to discuss this draft further, please do not hesitate to contact me at the phone number or e-mail address listed below.

Gordon M. Malaise
Senior Legislative Attorney
Phone: (608) 266-9738
E-mail: gordon.malaise@legis.state.wi.us

Malaise, Gordon

From: Fath, Erin
Sent: Wednesday, December 18, 2002 3:31 PM
To: Malaise, Gordon
Subject: FW: Dept. Comments on LRB-0116/1: MA Funding in Community Aids



MAKinshipfundi
ng.doc

Hi Gordon,

Erin Fath here (remember me). I'm responsible for a few DHFS items yet, and LRB draft 0116/1 is one of them. Attached you'll find DHFS' comments concerning the initial draft (0116/1).

DHFS has recommended a change to the draft, which, as they note, results in a slight change from the original intent of the request. I can't think of a better way to accomplish what they want. Once you have a chance to read their comments, you can give me a call to discuss.

Thanks,

Erin K. Fath

Wisconsin State Budget Office
(608) 266-8219
Erin.Fath@doa.state.wi.us

-----Original Message-----

From: Bove, Fredi-Ellen
Sent: Friday, November 22, 2002 2:55 PM
To: Blaine, Robert
Cc: Fath, Erin; Fiss, William; Minkus, Paul; Warnke, Donald; Forsaith, Andrew
Subject: Dept. Comments on LRB-0116/1: MA Funding in Community Aids

Attached are the Department's comments on LRB-0116/1: MA Funding in Community Aids. I would appreciate it if you would transmit these comments to the LRB drafter. Thank you.

**Department of Health and Family Services
Office of Strategic Finance**

PO Box 7850
Madison WI 53707-7850
Phone (608) 266-3816
Fax (608) 267-0358

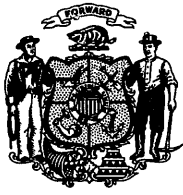
Date: November 22, 2002
To: Robert Blaine
From: Fredi Bove
Subject: Comments on LRB-0116/1: MA Kinship Funding in Community Aids

Department staff have reviewed LRB-0116/1 on MA Kinship Funding in Community Aids and have the following suggested comments:

- Delete “that is budgeted by the department for the costs of providing foster care and adoption assistance for children.” (lines 18-21) at the end of s.46.40 (1)(d).

Rationale: This clause is not suitable because the Department does not budget a specified amount within the Basic County Allocation for providing foster care and adoption assistance for children. (Counties other than Milwaukee are responsible for foster care and child welfare activities and can use BCA funding for this purpose. However, a specific part of the BCA is not budgeted for this purpose.) As the drafter points out, it is also awkward to direct that this MA funding source be used to meet a budgeted level of IV-E funding. To simplify the issue, Department staff have concluded that the statutory language should direct the Department to use the MA funding as the first source of funding to meet the budgeted federal funding level in Community Aids. This changes the implementation of the provision slightly, in that the MA funding would be used to meet shortfalls in the IV-E and non-IV-E sources of federal funding in Community Aids. However, this is consistent with the Department’s intent to preserve the current level of Community Aids funding.

Thank you for the opportunity to comment. We would appreciate the opportunity to review the revised draft. Thank you.



DOA:.....Blaine – BB0014 Inclusion of federal MA funding in community aids
FOR 2003-05 BUDGET — NOT READY FOR INTRODUCTION

don't gen
That is budgeted from federal funds ✓

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

CHILDREN

Under current law, certain federal revenues are appropriated to DHFS for distribution to counties, as community aids, for social, mental health, developmental disabilities, and alcohol and other drug abuse services. This bill appropriates for distribution to counties, as community aids, all federal Medical Assistance (MA) moneys received in reimbursement of the cost of preventing out-of-home placements of children. The bill also directs DHFS to use those moneys as the first source of moneys used to meet the amount of the community aids allocation ~~that is budgeted by DHFS for the costs of providing foster care and adoption assistance for children.~~

plain → plain

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.435 (7) (o) ✓ of the statutes is amended to read:



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-0116/2
GMM:jld:pg

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.435 (7) (o) of the statutes is amended to read:

3 20.435 (7) (o) *Federal aid; community aids.* All federal moneys received in
4 amounts pursuant to allocation plans developed by the department for the provision

1 or purchase of services authorized under par. (b); all federal moneys received as child
2 welfare funds under 42 USC 620 to 626 as limited under s. 48.985; all federal
3 temporary assistance for needy families moneys received under 42 USC 601 to 619
4 that are authorized to be used to purchase or provide social services under 42 USC
5 1397 to 1397e; ~~and all unanticipated federal social services block grant funds~~
6 ~~received under 42 USC 1397 to 1397e, in accordance with s. 46.49 (2); and all federal~~
7 ~~moneys received under 42 USC 1396 to 1396v in reimbursement of the cost of~~
8 ~~preventing out-of-home placements of children,~~ for distribution under s. 46.40.
9 Disbursements from this appropriation may be made directly to counties for social
10 and mental hygiene services under s. 46.03 (20) (b) or 46.031 or directly to counties
11 in accordance with federal requirements for the disbursal of federal funds.

12 **SECTION 2.** 46.40 (1) (d) of the statutes is created to read:

13 46.40 (1) (d) If the department receives any federal moneys under 42 USC 1396
14 to 1396v in reimbursement of the cost of preventing out-of-home placements of
15 children, the department shall use those moneys as the first source of moneys used
16 to meet the amount of the allocation under sub. (2) that is budgeted from federal
17 funds.

18 (END)