



Legislative Fiscal Bureau

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

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Joint Committee on Finance

Paper #444

Food Costs (DHFS - Institutions)

Bill Section

[LFB 2007-09 Budget Summary: Page 339, #9]

CURRENT LAW

The Department of Health and Family Services operates seven residential institutions, including the three state centers for the developmentally disabled (Central, Northern, and Southern), the state's two mental health institutes (Mendota and Winnebago), the Wisconsin Resource Center (WRC), which houses Department of Corrections inmates as well as sexually violent persons (SVPs) civilly committed under Chapter 980 of the statutes, and the Sand Ridge Secure Treatment Center (SRSTC), which also houses SVPs committed under Chapter 980. Funding to support food costs at these residential institutions is budgeted separately from the other costs associated with operating these institutions.

Food costs at the two state mental health institutes are assigned to payment sources based on the estimated percentage of their respective populations whose care will be supported by GPR (nearly all forensic patients and other non-billable patients) and by program revenues contributed by counties, medical assistance, and other third-party payers (civil commitments, MA recipients, and certain other patients). For the 2007-09 biennium, the administration estimates those population splits will be 70% GPR/30% PR at Mendota, and 55% GPR/45% PR at Winnebago. Food costs at the three state centers for the developmentally disabled are funded entirely by PR (primarily medical assistance reimbursement), while food costs at WRC and SRSTC are funded entirely by GPR.

GOVERNOR

Provide \$792,200 (\$160,300 GPR and \$631,900 PR) in 2007-08 and \$853,300 (\$228,400 PR and \$624,900 PR) in 2008-09 to fund the projected cost increases in the cost of food for

residents at the centers for the developmentally disabled, the mental health institutes, WRC, and SRSTC.

MODIFICATION

Modify the Governor's recommendations by decreasing funding in the bill by \$110,100 (-\$15,600 GPR and -\$94,500 PR) in 2007-08 and by \$150,700 (-\$44,500 GPR and -\$106,200 PR) in 2008-09.

Explanation: The food costs recommendations contained in the Governor's bill were calculated by applying estimated inflation factors to the recent actual food costs at each institution to arrive at that institution's projected food cost per meal, and then multiplying those per meal food costs by the projected number of meals that will be served at each institution in 2007-08 and 2008-09. The projected number of meals served is primarily a function of the estimated population at each of the respective institutions during the upcoming biennium. The administration has recently revised its 2007-08 and 2008-09 population estimates downward for the Winnebago Mental Health Institute, the Central Wisconsin Center, the Northern Wisconsin Center, and the Southern Wisconsin Center. This modification adjusts the food costs recommended in the Governor's bill to incorporate these lower population estimates. This modification also reflects an adjustment to the amount of food costs the bill would have provided to SRSTC in 2008-09 with respect to the additional SVPs projected to be housed at SRSTC beginning January 2009 as part of the SRSTC expansion project. The food costs associated with those additional SVPs are provided in the SVP contract bed item and the SVP re-estimate item, and have therefore been removed from this item.

	Change to Bill	Change to Base
	Funding	Funding
GPR	- \$60,100	\$328,600
PR	<u>- 200,700</u>	<u>1,056,100</u>
Total	- \$260,800	\$1,384,700

Prepared by: Eric Peck