



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

May 19, 2015

Joint Committee on Finance

Paper #385

### **Eliminate Long-Term Vacancies (Health Services -- Departmentwide)**

[LFB 2015-17 Budget Summary: Page 244, #2]

---

#### **CURRENT LAW**

The Department of Health Services (DHS) is currently authorized 6,195.05 positions (2,624.91 GPR, 1,234.29 FED, 2,313.85 PR, and 2.00 SEG positions). GPR- and PR-funded staff at DHS institutions, including the mental health institutes and residential facilities for individuals with intellectual disabilities, represent over 60% of these authorized positions.

#### **GOVERNOR**

Reduce funding by \$532,200 GPR annually and delete 36.50 positions (-7.86 GPR positions, -25.39 FED positions, and -3.25 PR positions) beginning in 2015-16, as part of the administration's initiative to eliminate positions in several state agencies that have been vacant for more than 12 months and to reduce funding associated with the deleted GPR-funded positions.

#### **DISCUSSION POINTS**

1. Generally, the bill would delete salary and fringe benefit funding for the vacant GPR positions that would be eliminated in several state agencies, but retain funding associated with positions from other sources.
2. The following table shows the position and funding reductions by DHS program and appropriation.

**Deleted Long-Vacant Positions and Funding  
By DHS Program and Appropriation**

<u>DHS Program</u>	<u>Fund Source</u>	<u>Positions</u>	<u>Funding</u>
<b>Public Health</b>			
General Program Operations	GPR	-0.23	-\$15,600
State Vital Records Office	PR	-2.00	
Interagency and Intra-agency Programs	PR	-0.45	
MA Administration	FED	-0.20	
WIC Operations	FED	-0.15	
Federal Project Operations	FED	-13.37	
Preventive Health Block Grant - Operations	FED	-0.47	
Maternal and Child Health Block Grant - Operations	FED	-3.08	
<b>Institutions</b>			
General Program Operations	GPR	-0.60	-22,100
Alternative Services of Institutes and Centers	PR	-0.40	
State Centers for Persons with Developmental Disabilities -- Operations	PR	-0.40	
<b>Medicaid Services</b>			
General Program Operations	GPR	-3.83	-238,100
MA Administration	FED	-1.02	
FoodShare Administration	FED	-2.40	
Disability Determination	FED	-1.00	
<b>Quality Assurance</b>			
General Program Operations	GPR	-0.45	-20,900
Medicare - State Administration	FED	-0.18	
MA Survey and Certification	FED	-0.27	
<b>Disability and Elder Services</b>			
General Program Operations	GPR	-1.00	-73,600
MA Administration	FED	-1.00	
<b>General Administration</b>			
General Program Operations	GPR	-1.75	-161,900
Federal Program Operations	FED	-1.25	
Indirect Cost Reimbursements	FED	<u>-1.00</u>	<u>                    </u>
<b>Total</b>		<b>-36.50</b>	<b>-\$532,200</b>

3. The Department of Administration's technical budget instructions describe how agencies should reduce appropriations to reflect proposed position reductions, and do not exempt non-GPR funded appropriations from funding reductions. The salary and fringe benefit funding related to the DHS positions that the bill would delete equals \$1,714,000 FED and \$152,400 PR annually.

4. DHS recommends retaining funding associated with the deleted FED and PR positions, as recommended by the Governor, arguing that this would provide the Department with flexibility to use FED or PR revenues for other purposes to meet program goals. For example, DHS indicates that it may wish to use some of these federal funds to support contracted positions to administer federal grants, use PR funding for DHS institutions to support overtime costs, or fund limited-term employees or contracted staff to perform functions previously performed by the positions that would be deleted under the bill.

5. However, it could be argued that if maintaining the expenditure authority associated with these vacant positions is a priority for DHS, there are ways that the administration can seek legislative approval for that authority. These include seeking supplementation of program revenues under s. 16.515 of the statutes, or explicitly including the funding in the biennial budget bill. This would allow the Department to explain its rationale for maintaining the funding, and the Legislature to directly consider any such proposal.

### **ALTERNATIVES**

1. Approve the Governor's recommendations.

2. Approve Governor's recommendation. In addition, reduce funding by \$1,714,000 FED and \$152,400 PR annually to delete funding associated with the deleting long-term vacant FED and PR positions.

<b>ALT 2</b>	<b>Change to Bill</b>
FED	- \$3,428,000
PR	<u>- 304,800</u>
Total	- \$3,732,800

Prepared by: Sam Austin