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Joint Committee on Finance

Paper #387

Funding and Position Transfers (Health Services -- Departmentwide)

[LFB 2015-17 Budget Summary: Page 246, #4]

CURRENT LAW

During the 2013-15 biennium, the Department of Health Services (DHS) transferred positions internally between the Department's divisions and bureaus.

GOVERNOR

Decrease funding by \$356,500 (-\$354,400 GPR, -\$535,600 FED and \$533,500 PR) annually, and convert the funding sources for current positions to create a net increase of 5.05 PR positions and a net decrease of 5.05 FED positions, beginning in 2015-16. These transfers are intended to budget current base positions from appropriations that better reflect the current activities of these positions, and to reflect internal transfers of positions that occurred in the 2013-15 biennium.

DISCUSSION POINTS

1. In the 2015-17 DHS budget request, the Department recommended converting 2.95 PR positions in the Bureau of Information Technology Services in the Division of Enterprise Services (DES) to GPR positions, and transferring these positions to the Division of Long-Term Care (DLTC). Under the agency's request, \$354,400 GPR budgeted for supplies and services in DLTC, which is currently used to support these PR positions in DES, would have been transferred to the DLTC budget for salaries (\$244,100) and fringe benefits (\$110,300) so that the positions would be funded directly in that division.

2. The Governor chose not to include the transfer of funding for these positions in his budget recommendations because the administration did not want to create additional GPR positions.

3. In the state budget system, the administration reversed all of the funding changes relating to these 2.95 positions, but did not restore supplies and services funding for DLTC [under the bill, the Division of Medicaid Services (DMS)] to continue to support these positions on a PR-basis. Consequently, DMS's supplies and services budget would be inadvertently reduced by \$354,400 GPR annually under the Governor's bill.

4. The administration intended to fully reverse the initial change made in the agency request, such that the funding and position transfers under this item would not have a GPR effect. On April 13, as part of the State Budget Office Errata Report, the administration requested that supplies and services funding for the DMS general program operations budget be increased by \$354,400 GPR annually to correct this error in the bill.

5. The bill would provide a total of \$39,314,400 GPR in 2015-16 and \$39,323,000 GPR in 2016-17 for DMS general program operations, including \$8,598,100 GPR annually for supplies and services. The \$354,400 GPR reduction represents approximately 4.1% of the Division's total supplies and services budget, and approximately 0.9% of the Division's total general program operations appropriation.

6. The Committee could restore funding for the Division's supplies and services budget, as requested by the administration (Alternative 2). However, in light of the Committee's other funding priorities, it could instead choose to take no action on the matter (Alternative 1).

7. Alternatively, the Committee could adopt the position transfer requested by the agency to avoid the inter-division funding transfer and eliminate the current double-counting of funding for these positions in the agency's budget. (Funding is currently budgeted both as GPR in the DLTC supplies and services budget and PR for salaries and fringe benefits in DES). This option is presented in Alternative 3.

ALTERNATIVES

1. Make no change to amount of funding that would be budgeted for supplies and services for the Division of Medicaid Services.

2. Modify the bill by increasing funding budgeted for supplies and services in the general program operations appropriation of the Division of Medicaid Services by \$354,400 GPR annually to restore funding for this purpose that was inadvertently deleted.

ALT 2	Change to Bill
GPR	\$708,800

3. Modify the bill by decreasing funding budgeted for the Division of Enterprise Services by \$354,400 PR annually to reflect the elimination of a PR transfer from the Division of Medicaid Services. Delete 2.95 PR positions from the Division of Enterprise Services, beginning in 2015-16, and create 2.95 GPR positions in the Division of Medicaid Services, beginning in 2015-16. Provide \$354,400 GPR annually in the Division of Medicaid Services to

support these positions.

ALT 3	Change to Bill	
	Funding	Positions
GPR	\$708,800	2.95
PR	<u>- 708,800</u>	<u>- 2.95</u>
Total	- \$708,800	0.00

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