



## 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>

June 14, 2021

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Materials for the Committee's June 15, 2021, Meeting under s. 13.10

Attached is a paper, prepared by this office, on a request of the Department of Health Services under the s 13.10 of the statutes.

The meeting will be held on Tuesday, June 15, in Room 412 East, State Capitol, beginning at 12:59 p.m.

BL/ml  
Attachment



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June 15, 2021

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Section 13.10 Request for Program Supplement for Facility Overtime Costs

### REQUEST

The Department of Health Services requests transfers totaling \$3,878,400 GPR in 2020-21 from the Committee's program supplements appropriation to the Department's appropriations for care and treatment facilities to provide funding for employee overtime costs in excess of amounts budgeted for that purpose. Of these amounts, \$2,940,000 GPR would be transferred to the appropriation for the Mendota and Winnebago Mental Health Institutes and \$938,400 GPR would be transferred to the appropriation for the Wisconsin Resource Center and the Sand Ridge Secure Treatment Center.

### BACKGROUND

The Department of Health Services' Division of Care and Treatment Services (DCTS) operates seven residential institutions, including the state's two mental health institutes (Mendota and Winnebago), the Wisconsin Resource Center (WRC), the Sand Ridge Secure Treatment Center, (SRCSTC), and three intermediate care facilities for individuals with intellectual disabilities (the "state centers"). The funding source for these costs is assigned to GPR and PR appropriations, depending upon the mix of residents. The cost of services for forensic patients at the mental health institutes and for residents at the WRC and SRSTC is funded with GPR, while services for residents at the state centers and for civilly-committed patients at the mental health institutes is funded with PR, using revenue collected from Medicaid and charges levied on counties. The Department has two principal GPR appropriations for the facilities, one for the two mental health institutes, and one for the WRC and the SRSTC. All seven facilities are staffed on a 24-hour and 365-day per year basis.

State employees receive overtime pay in accordance with standards established under state law and the federal Fair Labor Standards act. With some exceptions, these laws generally require

that employees are paid 1.5 times their normal wage for hours worked exceeding 40 in a work week.

The 2019-21 biennial budget provided a portion of the funding for projected overtime costs in the Department's appropriation for the facilities, but placed a portion in the Committee's program supplements appropriation, to allow the Committee to assess the Department's actual GPR-funded overtime expenditures prior to release. For PR-funded overtime costs, Act 9 provides \$7,394,700 PR in the Department's facility appropriations. For GPR-funded overtime costs, Act 9 provides \$3,486,100 in 2020-21 in the Department's facility appropriations, but placed a \$3,878,400 GPR in 2020-21 in the Committee's appropriation.

## **DISCUSSION OF REQUEST**

The Department is requesting release of the overtime supplement funding, based on overtime costs at the Mendota Mental Health Institute and Sand Ridge Secure Treatment Center. The Department projects that overtime costs at those facilities will exceed the amount budgeted in the facility appropriations by \$9.8 million. This overtime shortfall also exceeds the \$3,878,400 placed in the Committee's 2020-21 appropriation for overtime supplements, by approximately \$5.9 million. If the Department's request is approved, the Department would have to absorb this additional cost from other parts of the facility budgets.

## **ALTERNATIVES**

1. Approve the Department's request to transfer, from the Committee's program supplements appropriation, \$2,940,000 GPR to the appropriation for the Mendota and Winnebago Mental Health Institutes and \$938,400 GPR to the appropriation for the Wisconsin Resource Center and the Sand Ridge Secure Treatment Center.
2. Deny the request.

BL/ml