



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 #420

Northern Wisconsin Center, CIP IA Rates, Centers Reduction Rates and Position Reductions (DHFS -- Care and Treatment Facilities)

[LFB 2003-05 Budget Summary: Page 187, #2 (part), Page 251, #1, and Page 253, #3]

CURRENT LAW

DHFS operates three facilities that provide residential care for individuals with developmental disabilities: (a) Northern Wisconsin Center (NWC) in Chippewa County; (b) Southern Wisconsin Center (SWC) in Racine County; and (c) Central Wisconsin Center (CWC) in Dane County. The centers are licensed and regulated as intermediate care facilities for the mentally retarded (ICFs-MR) by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS).

The ICF-MR certification makes the centers eligible for federal cost sharing under the state's medical assistance (MA) program. Since all of the centers' residents are eligible for MA, most of the PR funding that supports the centers is budgeted as GPR and FED funding in the state and federal MA benefits appropriations, then transferred to the DHFS Division of Care and Treatment Facilities (DCTF) to support the centers' operations. Consequently, this funding appears twice in the DHFS budget -- first as MA benefits funding, and second as PR funding for DCTF. Similar to other MA-eligible services, MA funding that supports the centers is budgeted on a 42% GPR/58% FED cost-sharing basis. Unlike MA payments to other nursing facilities, MA payments to the state centers are based on the actual eligible costs of operating each facility, up to the amount budgeted by the Legislature for this purpose.

Funding for the centers is reduced following each placement made under the community integration program (CIP IA). Reductions to the centers' base budgets, and position authority, are made as part of the biennial budget process to reflect placements made during the previous biennium. Because the centers budget reduction rate (currently \$225 per day) is equal to the CIP IA placement rate, the cost to the state of providing additional placements under CIP IA is budget neutral. In 2001-02, 21 individuals were transferred from the centers to community

placements under CIP IA, while nine individuals are expected to transfer from the centers to community placements in 2002-03 under the current CIP IA rate.

DHFS reimburses counties for the cost of services they provide to CIP IA enrollees under six different rates, depending upon when the placements occur. These rates are listed below.

<u>Placement Date</u>	<u>Daily Rate</u>
Before July 1, 1995	\$125
July 1, 1995 thru June 30, 1997	153
July 1, 1997 thru June 30, 2000	184
July 1, 2000 thru June 30, 2001	190
July 1, 2001 thru June 30, 2002	200
July 1, 2002 and after	225

The following table identifies the total adjusted base budget and authorized positions for each of the state centers, as well as the number of residents at each facility as of April 17, 2003. The funding amounts do not reflect reductions that result following the placements of individuals under CIP IA during the 2001-03 biennium.

**State Centers Adjusted Base Budget, Authorized Positions,
and Resident Populations**

	<u>Central</u>	<u>Northern</u>	<u>Southern</u>	<u>Total</u>
Total Funding (All Sources)	\$53,665,600	\$29,400,600	\$36,618,800	\$119,685,000
Authorized Positions	941.74	576.99	616.38	2,135.11
Residents as of April 17, 2003	353	169	263	785

GOVERNOR

Northern Center Proposal. Reduce funding by \$15,001,900 (-\$2,891,500 GPR, -\$4,128,100 FED, and -\$7,982,300 PR) and delete 373.93 positions (2.0 GPR positions, 2.0 FED positions, and -377.93 PR positions) in 2003-04, and by \$29,819,400 (-\$6,305,900 GPR, -\$7,282,300 FED, and - \$16,231,200 PR) and delete 300.93 positions (2.0 GPR positions, 2.0 FED positions, and -304.93 PR positions) in 2004-05, to reflect the net fiscal effect of reducing operations at NWC so that, by July, 2004, all current long-term care residents would be relocated. In addition, reduce GPR revenue by \$1,194,600 in 2003-04 and by \$2,092,200 in 2004-05 to reflect estimates of the loss of administrative overhead, depreciation and interest costs that the state claims under the MA program, which are currently credited to the general

fund. Eliminate the statutory requirement that DHFS notify, and obtain approval from, the appropriate county department before DHFS transfers a resident from one state center to another.

NWC would continue to operate an intensive treatment program to serve 20 clients, and operate a dental clinic. This would increase funding and positions budgeted for CWC to support the costs of serving some individuals who are relocated from NWC for whom community placement is not feasible or possible.

On March 17, 2003, the DOA Secretary sent a memorandum to the Co-chairs of the Joint Committee on Finance requesting that the Committee make several modifications to Governor's bill, including: (a) increasing MA benefits funding by \$1,643,400 GPR and \$2,307,700 FED in 2003-04 and \$1,382,600 GPR and \$308,900 FED in 2004-05; and (b) increasing estimated GPR revenues by \$952,000 in 2003-04 and decreasing estimated GPR revenue by \$423,700 in 2004-05. These changes would reduce the net GPR savings of the Governor's proposal by approximately \$2.5 million over the 2003-05 biennium.

Attachment 1 identifies funding changes by item under both the Governor's original and revised proposals.

CIP IA and Centers Budget Reduction Rate. Increase the maximum rate DHFS would pay counties to provide services for individuals who are relocated from the centers under the CIP IA program to a maximum rate of \$325 per day for services provided to individuals who are relocated on or after July 1, 2004.

In addition, reduce by \$325 per day MA reimbursement to the centers following each placement under CIP IA, beginning in 2004-05. Currently, the centers' budget is reduced by \$225 per day following each placement under CIP IA. Since, under the Governor's bill, all residents of NWC would be relocated before July 1, 2004, the budget reduction rate would affect MA reimbursements for services provided at CWC and SWC.

Position Reductions at Central and Southern Center. Delete 116.0 PR positions in 2004-05 at CWC and SWC to reflect an anticipated decrease in the number of residents at both centers resulting from the Governor's proposal to increase CIP IA rates and the centers budget reduction rates.

DISCUSSION POINTS

A. Support for Community-Based Long-Term Care

State and National Trends and the Olmstead Decision

1. Advocates for the Governor's proposals to reduce institutional care for individuals with developmental disabilities argue that: (a) the Governor's proposals are consistent with the state's long-standing policy of promoting community-based care over institutional care, national

trends toward de-institutionalization of this population, and a recent Supreme Court decision ("the Olmstead decision"); (b) there are sufficient safeguards to assure quality of care for individuals who receive services under CIP IA; and (c) it is less expensive to provide community-based care than institutional care.

2. Historically, the state has promoted community-based long-term care by creating several innovative programs, including the community options program (1981), the MA home- and community-based waiver programs (1987), the Partnership program (1995) and Family Care (1999). Each of these programs provides individuals community-based long-term care services tailored to clients' individual needs, as a way of delaying or substituting for, care in nursing homes and ICFs-MR.

3. Data collected under the National Residential Information Systems Project on Residential Services, funded by the U.S. Department of Health and Human Services, Administration on Developmental Disabilities, show a significant decrease in the average daily population of residents in large, state-operated facilities during the past 25 years. In 1977, the number of individuals residing in state facilities for the individuals with developmental disabilities was 151,532. This number decreased by nearly 70% to 46,236 by 2001. In Wisconsin, the number of individuals residing at the state centers decreased over 65% during that period, from 2,390 to 832.

Attachment 2 provides state-by-state information on average daily populations of residents in these facilities between 1980 and 2001. Attachment 2 shows that, nationally, the populations at these facilities decreased approximately 65% during this period. The percentage decrease in Wisconsin's facilities was similar to the national trend.

4. In Olmstead vs. L.C. [119 S. Ct. 2176 (1999)], the U.S. Supreme Court established a legal framework for states to improve efforts to provide community-based services for persons with disabilities. The Olmstead case was brought by two women with disabilities who desired to live in the community but resided in state institutions, even though health professionals had determined that they could be appropriately served in a community setting. The plaintiffs claimed that their continued institutionalization was a violation of their right under the Americans with Disabilities Act of 1990 (ADA) to live in the most integrated setting appropriate.

In deciding in favor of the plaintiffs, the Court stated that "unjustified isolation... is properly regarded as discrimination based on disability." The Court asserted that "institutional placements of persons who can handle and benefit from community settings perpetuates unwarranted assumptions that persons so isolated are incapable or unworthy of participating in community life" and that "confinement in an institution severely diminishes the everyday life activities of individuals, including family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment."

5. In a January, 2000, letter to state Medicaid directors, the CMS Office for Civil Rights indicated that, under the Court's decision, states are required to provide community-based

services for persons with disabilities who would otherwise be entitled to institutional services when: (a) the state's treatment professionals reasonably determine that such placement is appropriate; (b) the affected persons do not oppose such treatment; and (c) the placement can be reasonably accommodated, taking into account disability services. However, the Court indicated that nothing in the ADA condones termination of institutional settings for persons unable to handle or benefit from community settings. Moreover, the state's responsibility, once it provides community-based treatment to qualified persons with disabilities, is not unlimited.

The Court suggested that a state could establish compliance with ADA if it demonstrates that it has:

- A comprehensive, effectively working plan for placing qualified persons with disabilities in less restrictive settings, and
- A waiting list that moves at a reasonable pace not controlled by the state's endeavors to keep its institutions fully populated.

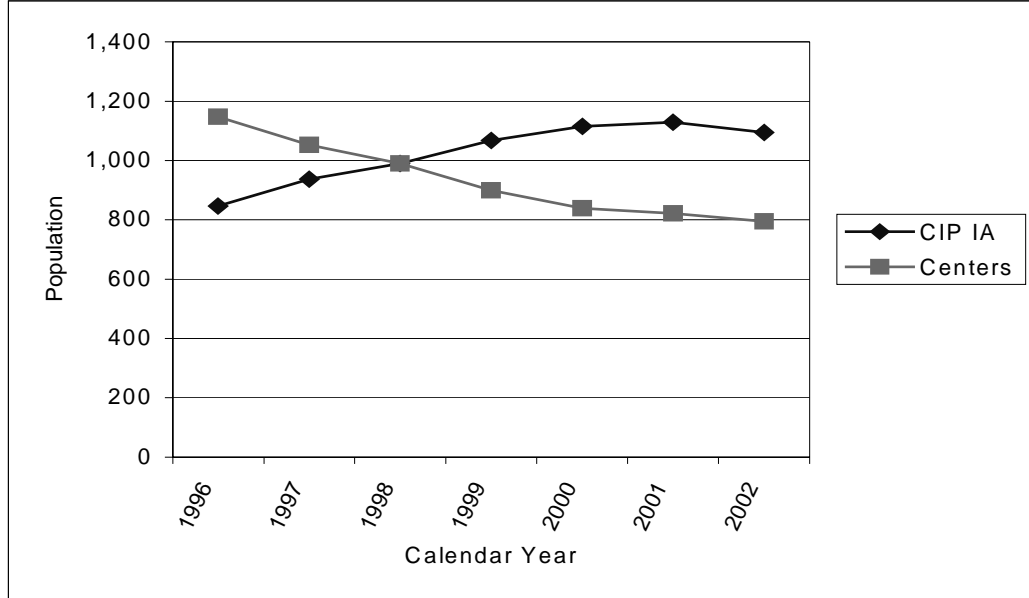
The CIP IA Program

6. The state's community integration program (CIP IA) is one of several MA home- and community-based waiver programs that enable the state to offer medical and support services that would not otherwise be available to certain qualifying MA enrollees. As a condition of receiving the waiver, the state must demonstrate that the average costs of providing care to individuals that receive community-based waiver services will not exceed the costs the state would have incurred had the waiver not been granted. By providing the necessary support services for individuals with developmental disabilities, the CIP IA program, together with the Department's strict admission policies for long-term care at the centers, is responsible for the significant decreases in resident populations at the centers during the past 30 years.

7. Most recently, the number of former residents of the centers who are currently participating in CIP IA has exceeded the number of residents remaining at the centers. In 1996, approximately 1,148 individuals resided in the three centers, while 846 persons participated in CIP IA. At the end of 2002, 795 individuals were residing in the centers, while 1,095 persons were participating in CIP IA. The recent population trends are indicated in Chart 1.

CHART 1

**State Center and CIP IA Populations
1996 thru 2002**



8. Clients that receive services under CIP IA and their guardians have also reported high levels of satisfaction with the quality of services provided under CIP IA. From 1999 to 2001, approximately 96% of guardians reported satisfaction with the overall services provided and 96% indicated that they were kept informed of the status of their wards. Further, most participants and guardians rated the quality of various CIP IA services as "very good" or "good" in a 2001 survey. The results of this survey are shown in Table 1.

TABLE 1

CIP IA Participant/Guardian Satisfaction Survey

<u>Provide Quality Living</u>	<u>Very Good</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Residential	63.6%	32.9%	3.1%	0.4%
Vocational	48.5	42.9	7.1	1.5
Case Management	60.8	32.6	6.2	0.4
Medical	55.5	41.9	2.1	0.6
Dental	51.0	41.4	5.4	2.2

9. Several protections are in place for CIP IA clients that may contribute to high levels of satisfaction with the program. For instance, county case managers first work with parents or guardians, ICF-MR staff and service providers to develop a comprehensive assessment of the individual's functional abilities, disabilities, strengths, weaknesses, preferences of the individual, and any unmet basic needs. Then county and center staff develop an individual service plan (ISP) for each waiver applicant that indicates what supports and services will be available, how and when they will be delivered, the cost of these services, and how the services will be funded. Finally, DHFS staff determine whether the individual's needs can be effectively met under the proposed plan and whether the care costs are within the limits of available CIP IA funding. The individual is transitioned to the community only after DHFS approves the care plan and all the necessary community resources are in place. After placement in the community occurs, counties are responsible for assuring that all necessary services identified in the ISP are received.

10. In order to assist in the transition of NWC residents to the community, the Governor's bill would provide 2.0 transition staff and 4.0 quality assurance and community integration specialists. These additional staff would: (a) coordinate information between counties and providers; (b) support current community integration specialists; (c) assist counties in preparing and reviewing care plans and completing assessments; (d) conduct follow-up reviews to ensure participants needs are being met; and (e) work with guardians to discuss their roles and responsibilities after a resident has left NWC.

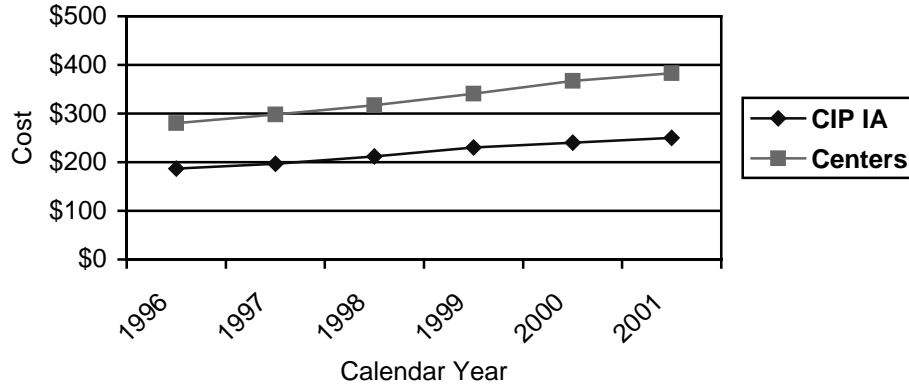
Cost of Care

11. Historically, the cost of providing institutional care for persons with developmental disabilities has been significantly higher than the cost of caring for these individuals in the community under the MA community-based waiver programs. For instance, in calendar year 2001, the average cost of care for residents of the centers was approximately \$382.70 per day (\$370.37 for MA payments to the centers and \$12.33 for MA card services provided to the centers' residents). By comparison, the average cost of care provided to clients who received care under CIP IA was \$250.17 per day (\$180.16 for CIP IA waiver services, \$46.68 for MA card services and \$23.33 the state paid in SSI-E benefits on behalf of these individuals).

Although the average costs of both institutional care and community care for this population have steadily increased over time, the difference between the institutional and community-based costs of care have remained fairly constant. The historical costs of care for persons with developmental disabilities in each setting are indicated in Chart 2.

CHART 2

Comparison of Average Daily Cost of Care -- CIP IA and State Centers 1996 through 2001



12. There are also certain fixed costs of operating the state centers that do not directly vary with resident populations, including depreciation, central office administration, repairs and maintenance, and various other expenses. As the resident populations at the centers decreases, the average costs of providing care to the residents that remain at the centers rises.

Attachment 3 provides information on the total and per capita costs of operating the state centers during the past 20 years, in five-year intervals. The attachment shows that:

- The average cost per resident has increased significantly at all three centers during the past 25 years, with the 2001-02 average cost per resident costs ranging from \$130,100 per year at SWC to \$157,200 per year at NWC. The increases ranged from 260% at CWC to 330% at NWC.
- The total costs of operating the centers increased from approximately \$77.4 million to approximately \$115.1 million (48.7%), while the populations decreased from 2,117 to 815 (61.5%).
- The share of administrative costs of operating the centers has increased from 3.7% of the total costs in 1981-82 to 8.3% in 2001-02.

Reduction in Long-Term Care Costs and the MA Demonstration Waiver

13. The Governor's proposal to terminate long-term care services at NWC, increase CIP IA rates and increase the budget reduction rate at the centers following CIP IA placements is one of several items in the proposed DHFS budget that are intended to reduce costs of providing long-term care services. Other items include: (a) increasing funding for CIP IB, CIP II and COP-W slots; (b) providing nursing homes and ICFs-MR incentives to reduce the number of their licensed beds; (c) increasing the nursing home bed tax and assessing the bed tax on all beds, rather than on occupied beds, exclusively; (d) offering the Family Care benefit to individuals in Kenosha County; and (e)

requiring counties to offer CIP services to certain nursing home residents; and (f) limiting the placement of individuals with developmental disabilities in ICFs-MR and nursing homes.

In pursuing the MA demonstration waiver that Secretary Nelson described in her April 8, 2003, testimony to the Joint Committee on Finance, DHFS would need to demonstrate to CMS that the state has taken specific actions to reduce costs of providing long-term care to MA enrollees. The Governor's proposal to terminate long-term care services provided at NWC may assist the state in obtaining the requested waiver. It would be necessary to reduce long-term care costs if the state obtains the proposed waiver because the state would be subject to a limit on the amount of federal MA funding the state would receive over a five-year period.

B. Opposition to the Governor's Proposal

14. Opponents of the Governor's proposal have also raised several arguments that the Committee should consider. They argue that: (a) the individuals who currently reside in the centers have significantly greater care needs than those that have been successfully placed under the CIP IA program, and that it is less certain that the residents' care needs would be met if they lived in the community; (b) the residents' parents and guardians strongly oppose community-based care for their loved ones; and (c) it is less certain that sufficient funding to support the costs of individuals in the community under CIP IA will be provided than the funding that has historically been provided to operate the centers. In addition, it is argued that the Governor's proposal would adversely affect NWC's current employees and the economy of the Chippewa Valley area.

Comparison of Care Requirements

15. There are currently four different levels of care assigned to persons with developmental disabilities: DD-1a, DD-1b, DD-2, and DD-3. The DD-1a category is the highest level of care need and includes individuals who require active treatment and whose health status is fragile, unstable or relatively unstable. The health care needs of these individuals may be complex, requiring frequent professional assessments and monitoring. The DD-1b category includes developmentally disabled adults and children who require active treatment and considerable guidance and supervision. The DD-2 category applies to developmentally disabled individuals who typically require active treatment with an emphasis on skills training. Finally, the DD-3 category, which is the lowest level of care category, applies to individuals who require active treatment with a focus on refinement of social skills and attainment of domestic and vocational skills.

16. Table 2 compares the care levels of individuals that received services under CIP IA and at the centers as of April 17, 2003.

TABLE 2

**Level of Care Requirements
CIP IA Clients and Center Residents as of April 17, 2003**

	<u>CIP IA</u>		<u>Northern Center</u>		<u>Central Center</u>		<u>Southern Center</u>		<u>All Centers</u>	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
DD IA	119	10.8%	44	25.6%	254	72.0%	81	30.8%	379	48.1%
DD IB	222	20.2	123	71.5	58	16.4	114	43.3	295	37.4
DD 2	631	57.3	5	2.9	40	11.3	68	25.9	113	14.3
DD 3	129	11.7	0	0.0	1	0.3	0	0.0	1	0.1
Total	1,101	100.0%	172	100.0%	353	100.0%	263	100.0%	788	100.0%

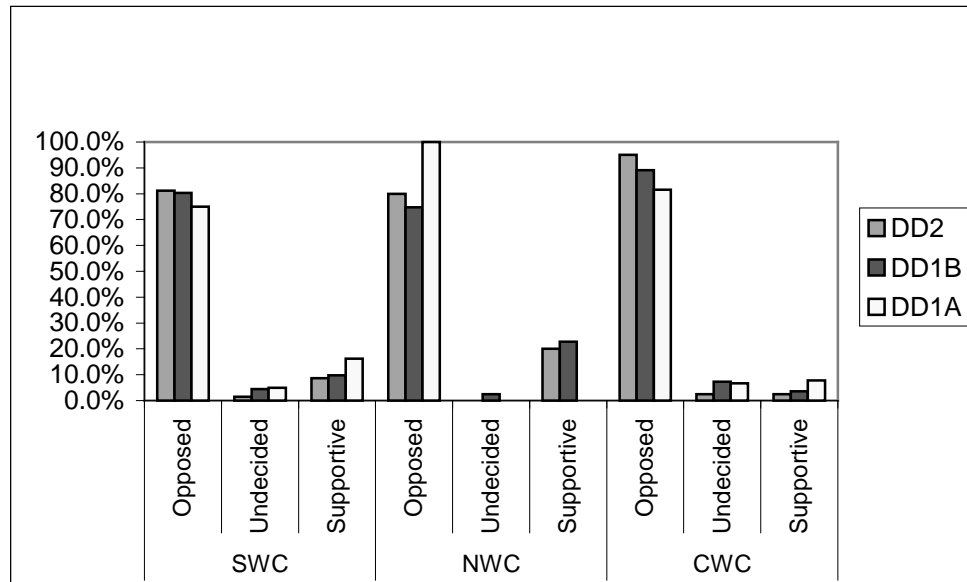
The table shows that, of the current 1,101 CIP IA clients, 119 (10.8%) were classified as having the highest care needs, compared to 379 (48.1%) of the centers' current residents. Most CIP IA clients (57.3%) were classified as having a moderate care need (DD 2), but only 14.3% of the current residents at the centers are classified as requiring that level of care. These data indicate that, although CIP IA has successfully provided community-based services to individuals with the highest care needs, the individuals who currently reside at the centers have significantly greater care needs than current CIP IA clients. The table also shows a significant difference in the care needs of individuals at each of the centers -- CWC has the highest percentage of its resident population requiring the greatest care.

Guardian Opposition

17. Opponents have argued that most parents and guardians oppose community placement of their wards, even if sufficient care could be provided in the community. For instance, approximately 82% of all NWC resident guardians, 79% of SWC resident guardians, and 85% of CWC resident guardians currently oppose community placement of their wards. Chart 3 indicates, by center, the percentage of guardians who oppose, support, or are undecided about the merits of community placement.

CHART 3

Guardian Positions on Community Placement by Level of Care



18. Guardians frequently express concern about the quality of care their wards would receive if they were relocated from the centers. In an institutional setting, residents have access to 24-hour care and supervision provided by well-trained state staff, many of whom have worked at the centers with their wards for years. Further, the centers are required to meet ICF-MR standards of care required under federal law. For these reasons, they view the state centers as the safest place for their wards to live.

Importance of CIP IA Rate

19. A significant factor in determining whether or not an individual can be placed in the community is whether the CIP IA rate is sufficient to support all of the services an individual would require. Although the Governor's proposal would increase the CIP IA rate and the centers budget reduction rate to \$325 per day effective July 1, 2004, DHFS intends to provide an enhanced rate of up to \$325 per day for individuals relocated from NWC, beginning in the current fiscal year, under its current statutory authority as it relates to the significant downsizing of an ICF-MR facility. If the CIP IA rate increases for new placements, counties would be better able to support the types of community-based services individuals who currently reside at the centers require.

20. DHFS staff have estimated the costs of providing care for each current resident at the centers. Table 3 indicates the rate at which DHFS staff believe individuals' care needs could be met in the community, by level of care, for each center.

TABLE 3

**Estimated Costs of Providing Community-Based Care
By Care Level and Center**

<u>CIP IA Rate</u>	<u>Northern Center</u>		<u>Central Center</u>		<u>Southern Center</u>		<u>All Centers</u>	
	<u>Number</u>	<u>Cumulative Percent of Total</u>	<u>Number</u>	<u>Cumulative Percent of Total</u>	<u>Number</u>	<u>Cumulative Percent of Total</u>	<u>Number</u>	<u>Cumulative Percent of Total</u>
Under \$225	16	9.3%	3	0.9%	42	17.1%	61	8.0%
\$226 to \$250	29	26.2	8	3.2	27	28.0	64	16.5
\$251 to \$275	50	55.2	56	19.7	40	44.3	146	35.8
\$276 to \$300	41	79.1	128	57.4	51	65.0	220	64.8
\$301 to \$325	26	94.2	92	84.4	15	71.1	133	82.3
Above \$326	<u>10</u>	100.0	<u>53</u>	100.0	<u>71</u>	100.0	<u>134</u>	100.0
Total	172		340		246		758	

Table 3 shows that staff estimate that approximately 82% of all residents at the centers, including 94% of residents at NWC, could receive care in the community at a cost of \$325 per day or less.

21. One concern about the CIP IA rates is that the state has not, historically, provided inflationary rate increases for counties to support services for individuals who have previously been relocated from the centers. For example, counties continue to receive \$125 per day to provide services to individuals who were placed under CIP IA before July 1, 1995. As the cost of providing care to these individuals increases, state (GPR) support for these placements has not increased. Counties have increasingly paid a greater share of the costs of providing care for these individuals. In contrast, under the current centers budget reduction rates, state funding to support the centers operations continues to increase even as resident populations decrease.

22. The Governor's proposal would eliminate 305 state positions employed by NWC in the 2003-05 biennium. As of February, 2003, Chippewa County's unemployment rate was 8.7%, compared to the statewide average of 6.4%. Because NWC provides care for individuals who otherwise would receive care in their home counties, NWC provides significant economic benefits to the Chippewa Valley area. The following table identifies the home counties of the residents of each of the state centers.

**Current Clients at the State Centers
By State Center and County of Residence**

<u>County</u>	<u>CWC</u>	<u>NWC</u>	<u>SWC</u>	<u>County</u>	<u>CWC</u>	<u>NWC</u>	<u>SWC</u>
Adams	2			Menominee	4		
Ashland		1		Milwaukee	98	5	106
Barron	1	4		Monroe	2	5	
Bayfield		1		None		1	4
Brown	8	4	1	Oconto	1	1	
Buffalo		5		Oneida		2	
Burnett		1		Outagamie	18	14	
Calumet	1	1		Ozaukee	5		6
Chippewa	4	9		Pepin		1	
Clark	1	2		Pierce		3	
Columbia	3		1	Polk	1	4	
Dane	34	1	16	Portage		2	
Dodge	11	2	1	Price	2	2	
Door	1			Racine	14	3	33
Douglas	1	5		Richland	3		
Dunn		5		Rock	15	1	8
Eau Claire	2	9		Rusk	1	1	
Fond du Lac	3	3	4	Sauk	4		1
Grant	6	2	2	Sawyer		1	
Green	3		5	Shawano	1	5	
Green Lake	2	4		Sheboygan	5	4	3
Iowa	2			St. Croix	2	8	
Iron	2			Taylor	1	1	
Jackson	1			Trempealeau	1	3	
Jefferson	2	2	1	Vernon	3	1	
Juneau	5	3		Vilas	1	1	
Kenosha	11	2	33	Walworth	8		9
Kewaunee	1		1	Washington	2		
La Crosse	1	4	1	Waukesha	17	1	20
Lafayette	2			Waupaca	5	2	
Langlade	1	2		Waushara	1	1	
Lincoln	1	6		Winnebago	7	5	3
Manitowoc	4	1	3	Wood	<u>6</u>	<u>5</u>	<u>2</u>
Marathon	5	9					
Marinette	2	1		Total	353	172	264
Marquette	2						

C. Cost Reestimates

23. The administration made several assumptions to estimate the cost savings that would result by eliminating long-term care services at NWC. These assumptions relate to staffing, placements (community, ITP, and transfers to CWC), and general fund revenue effects. Several of the administration's assumptions have been modified to reflect more recent information. The most significant adjustments were made to the estimated costs of: (a) salary, fringe, and supplies and services for transitional staff; (b) salary, fringe, supplies and services, and other care costs for staff and residents transferred to CWC; (c) payments to employees who are laid-off, expected to retire, or who transfer to CWC; and (d) central office administration and infrastructure.

24. Under the Governor's proposal, 2.0 transitional positions would be provided in 2003-04, and 3.0 community integration specialists and 1.0 position in the Bureau of Quality Assurance would be supported in 2003-04 and 2004-05. The original cost calculation assumed that the transition staff would have the same salaries and fringe benefits, and would work for the same number of months; however, the total costs of supporting each of these positions were not the same in the Governor's proposal. The cost of supporting these positions was adjusted to reflect this change.

25. Since the administration expects that approximately 95 NWC residents would be relocated to the community in 2003-04, each transitional staff position would be expected to place an average of four individuals per month. The quality assurance and community integration specialists would support 95 individuals placed in the community in 2003-04, approximately 17 residents who remain at NWC in the intensive treatment program, and another 58 individuals relocated to CWC in 2004-05. Under the reestimate, the staff needed to support the transition of these individuals was not adjusted; however, the populations were reduced to reflect the current number of residents at NWC.

26. The Governor's NWC proposal assumes that 176 residents would need to be relocated from the facility in 2003-04. However, as of February, 2003, there were 169 residents at NWC and three additional individuals are expected to be placed in the community by the end of 2002-03. Therefore, the NWC population at the beginning of 2003-04 would be 166, 10 fewer individuals than assumed by the administration. If 10 fewer individuals would be transferred to CWC staff for CWC could be reduced.

27. Under the Governor's original proposal, if 58 NWC residents are transferred to CWC, the administration estimated that 142 additional staff positions would be needed to provide care for these individuals, or approximately 2.45 staff positions per resident. DHFS intends to fill these positions by providing current NWC employees with the option to transfer to CWC. Since 10 fewer NWC residents would need to be relocated to CWC, approximately 24 fewer staff would be required to care for these residents if the staff-to-resident ratio assumed under the Governor's proposal is maintained.

28. NWC employees who transfer to CWC would be reimbursed for moving expenses.

Under the current estimate, these payments are reduced to reflect a decrease in the estimated number of required staff at CWC. The transfer expenses payments are further reduced to account for the probability that, at most, only half of the individuals who are offered positions will choose to move three to four hours away. The administration assumed that all 142 NWC employees who are offered positions at CWC would choose to relocate to Dane County to work at CWC. Considering the distance between these facilities, the status of these positions given the proposed CIP IA increase and the state's continuing policy of reducing care in institutional facilities, it seems more reasonable to assume that many NWC employees who would be offered positions at CWC would not accept them.

29. Since the same number of staff would be required to care for NWC residents who are transferred to NWC, regardless of how many NWC employees choose to relocate, DHFS would have to both: (a) hire enough employees to meet residents' care needs; and (b) contribute to unemployment, sick leave, and vacation costs for any NWC employee who is laid-off. NWC employees who refuse a transfer to CWC would not be excluded from receiving unemployment benefits under current law because the employment that is offered is significantly further from their residence (three to four hours) than their current employer. Therefore, every NWC employee who is offered and declines a position at CWC will cost DHFS unemployment, sick leave, and vacation payments above and beyond the costs of adequately staffing CWC.

30. Payments to employees for sick leave and vacation benefits were also adjusted to reflect the fact that: (a) DHFS is only responsible for sabbatical payments for retirees; and (b) sick leave and vacation benefits must be paid to all laid-off employees. The Governor's proposal assumed that DHFS would be responsible for both sick leave and sabbatical payments to retirees but did not include the estimated cost of sick leave or vacation benefits for employees who are laid-off and eligible for such payments.

31. The administration also made some assumptions about central office administration and infrastructure cost savings that do not reflect the current share of costs allocated to NWC. In 2002-03, central office administration costs for the three centers are budgeted at \$1,890,900, while budgeted infrastructure costs for NWC are \$342,300.

32. Historically, central office administration costs have been equally allocated among the three centers. Therefore, NWC's share of these expenses in 2002-03 is approximately \$630,300. The Governor's projections assumed that: (a) less than one-third of these costs would apply to NWC; and (b) in 2003-04, NWC would no longer be responsible for central office costs. The cost savings of eliminating the central office administration were removed in 2003-04 as the facility will still be in operation until July 1, 2004. The amount of the costs savings in 2004-05 was also adjusted to reflect the current equal allocation of such costs. DHFS indicates that the central administration costs would be redistributed among other state-operated care and treatment facilities; however, these costs will not be redistributed to other facilities while NWC is still in operation.

33. Under the Governor's proposal, CIP IA placements would be made from the center at a rate of \$325 per day. In addition, CIP IA clients would incur MA card costs of approximately

\$38.94 per day. However, these rates do not represent the actual cost of providing care in the community. Instead, they represent the maximum daily amount that would be provided for each CIP IA relocation from NWC. It is not clear at what rate each individual could be supported in the community, nor is it certain that all of the 98 individuals assumed to be relocated under CIP IA could be served at the \$325 rate.

Attachment 4 compares the funding and position changes in the bill with the current estimates. The attachment shows that, under the current estimate, the net GPR savings of the Governor's proposal would be reduced by approximately \$2.2 million over the 2003-05 biennium, including: (a) increased GPR costs (\$2.7 million); and (b) increased GPR revenue (\$0.5 million).

Extending the End Date for Long-Term Care Services at NWC

34. Another uncertainty concerns the extent to which transitional staff would be able to adequately place all NWC residents in accordance with the administration's proposed one-year schedule. Extending the date by which NWC's long-term care services would be terminated would provide more time for DHFS and counties to make community placements, for NWC employees to find other employment, and somewhat reduce the effect of the administration's proposal on the Chippewa Valley area.

35. If the timeframe for discontinuing long-term care services at NWC were delayed to January 1, 2005, then DHFS estimates that an additional 30 residents could be placed in the community, rather than be transferred to CWC. The additional six months offers both benefits and costs that should be considered.

For instance, the extension could: (a) prevent the unnecessary transfer of at least 30 individuals to another institutional setting only to be transferred to the community within six additional months; (b) eliminate approximately 80 additional positions at CWC that would have been created to serve these residents at CWC and then eliminated within six additional months; (c) allow current NWC employees additional time to find new positions; (d) reduce the adverse economic effect to the Chippewa Valley area by allowing for the development of alternative uses of the NWC facility. On the other hand, the extension would significantly increase costs to the state, compared with the Governor's proposal.

36. The estimated costs of extending the termination date to January 1, 2005, for long-term care services at NWC are identified in Attachment 5. The attachment shows that the net GPR savings of the Governor's proposal would be reduced by approximately \$2.2 million over the 2003-05 biennium, including: (a) increased GPR costs (\$3.4 million); and (b) increased GPR revenue (\$1.3 million).

The cost-savings calculations summarized in the attachment are based on the following assumptions: (a) 30 additional NWC residents could be placed in the community; (b) nine NWC residents and 22 NWC staff would be transferred to CWC in 2003-04, and nine residents and 22

additional NWC staff would be transferred in 2004-05 for a total of 18 residents and 44 NWC staff over the biennium; (c) the 2.0 transition staff would be available for 18 months, rather than twelve months; and (d) 1.0 quality assurance specialist would be required.

D. Future of the Centers

37. In addition to addressing the issue of the future of NWC as part of the 2003-05 biennial budget, the Committee may wish to consider other proposals that relate to the future of NWC, SWC and CWC. It has been argued that the Governor's proposal lacked input from staff at NWC, counties, guardians, and others that would be most significantly affected if the proposal were approved.

In order to address some of the issues identified in this paper, the Committee could consider directing DHFS to provide, at a later date, additional information regarding the future of the centers that would assist in making these decisions. Two of these proposals are offered as alternatives for the Committee's consideration.

E. Position Reductions at CWC and SWC

38. The Governor's budget would delete 116 current positions as CWC and SWC in 2004-05 to reflect projected CIP IA relocations that would occur due to the proposed increase in the CIP IA rate and centers' budget reduction rate. Historically, these position reductions have been made as part of the next biennial budget, based on the actual number of individuals who were relocated from the centers during the previous biennium. For example, the Governor's 2003-05 budget would delete 51.61 PR positions, beginning in 2003-04, to reflect CIP IA placements made in the 2001-03 biennium.

The Governor's proposal to delete 116 positions prospectively represents a change in policy that would, to some degree, reduce the Department's flexibility in managing staff resources at the centers. The position reductions are premised on the Legislature's approval of the increase in the CIP IA rate. If the Committee chooses to not increase the CIP IA rate or the budget reduction rate for the centers, it may wish to retain these positions.

ALTERNATIVES

A. Eliminate Long-Term Care Services at NWC

1. Approve the Governor's recommendations.
2. Modify the Governor's recommendations to reflect reestimates of the costs of implementing the Governor's recommendations, as shown in Attachment 4.

<u>Alternative A2</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2003-05 REVENUE (Change to Bill)	\$528,300	\$0	\$0	\$528,300
2003-05 FUNDING (Change to Bill)	\$2,706,100	\$2,168,000	- \$1,229,900	\$3,644,100
2004-05 POSITIONS (Change to Bill)	0.00	0.00	- 24.00	- 24.00

3. Modify the Governor's recommendations to reflect current estimates of the costs of eliminating long-term care services at NWC by January 1, 2005, rather than by July, 2004. Make the funding and position changes shown in Attachment 5.

<u>Alternative A3</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2003-05 REVENUE (Change to Bill)	\$1,296,700	\$0	\$0	\$1,296,700
2003-05 FUNDING (Change to Bill)	\$3,413,200	\$3,139,500	- \$4,890,900	\$1,661,800
2004-05 POSITIONS (Change to Bill)	0.50	0.50	- 98.00	- 97.00

4. Delete provision.

<u>Alternative A4</u>	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>TOTAL</u>
2003-05 REVENUE (Change to Bill)	\$3,286,800	\$0	\$0	\$3,286,800
2003-05 FUNDING (Change to Bill)	\$9,197,400	\$11,410,400	\$24,213,500	\$44,821,300
2004-05 POSITIONS (Change to Bill)	- 2.00	2.00	304.93	300.93

B. CIP IA Rate and Budget Reduction Rate

1. In addition to Alternative A1, A2, A3 or A4, increase the CIP IA rate and the centers reduction rate to \$325 , beginning July 1, 2004, as recommended by the Governor.

2. In addition to Alternative A1, A2, A3 or A4, increase the CIP IA and centers reduction rate to \$325, effective July 1, 2003.

3. In addition to Alternative A4, maintain the current CIP IA and centers reduction rate (\$225 per day).

C. Proposed Alternatives to Assist in Planning

1. Adopt one or both of the following.

a. Direct the DOA to develop a proposal to use the current property at NWC for

purposes other than to continue to provide long-term care services to individuals with developmental disabilities, and to submit its recommendations, together with any proposed statutory or funding changes required to implement the proposal, to the Legislature by January 1, 2004.

b. Direct DHFS to include in its 2005-07 budget request a proposal to terminate long-term care services at SWC, CWC, or both SWC and CWC.

2. Take no action.

D. Position Reductions at SWC and CWC

1. Adopt the Governor's recommendations to delete 116.0 PR position in 2004-05 at CWC and SWC to reflect an anticipated decrease in the number of residents at both centers resulting from the Governor's proposal to increase CIP IA rates and the centers budget reduction rates.

2. Delete provision.

<u>Alternative D2</u>	<u>PR</u>
2004-05 POSITIONS (Change to Bill)	116.00

Prepared by: Jessica Stoller

ATTACHMENT 2

Average Daily Population of Residents with MR/DD of Large State MR/DD Facilities and Percentage Changes between 1980-2001 by State

State	Average Daily Population					% Change 1980-2001	% Change 1985-2001	% Change 1990-2001	% Change 1995-2001
	1980	1985	1990	1995	2000				
AL	1,651	1,422	1,305	985	642	575	-65.2%	-55.9%	-41.6%
AK	86 e	76	58	33	0	0	-100.0	-100.0	-100.0
AZ	672	538	360 e	126	166	161	-76.0	-55.3	27.8
AR	1,550	1,254	1,260	1,262	1,229	1,224	-21.0	-2.9	-3.0
CA	8,812	7,524	6,768	5,494	3,879	3,798	-56.9	-43.9	-30.9
CO	1,353	1,125	466 e	241	129	122	-91.0	-73.8	-49.4
CT	2,944	2,905	1,799	1,316	992	958	-67.5	-46.7	-27.2
DE	518	433	345 e	308	256	234	-54.8	-32.2	-24.0
DC	775	351	309 e	0	0	0	-100.0	-100.0	NA
FL	3,750	2,268	1,992	1,502	1,508	1,315	-64.9	-34.0	-12.5
GA	2,535	2,097	2,069	1,979	1,510	1,456	-42.6	-29.6	-26.4
HI	432	354	162	83	0	0	-100.0	-100.0	-100.0
ID	379	317	210	139	110	110	-71.0	-47.6	-20.9
IL	6,067	4,763	4,493	3,775	3,237	3,160	-47.9	-29.7	-16.3
IN	2,592	2,248	1,940 e	1,389	854	820	-68.4	-57.7	-41.0
IA	1,225	1,227	986	719	674	671	-45.2	-31.9	-6.7
KS	1,327	1,309	1,017 e	756	379	381	-71.3	-62.5	-49.6
KY	907	671	709	679 e	628	616	-32.1	-13.1	-9.3
LA	2,914	3,375	2,622	2,167	1,749	1,698	-41.7	-35.2	-21.6
ME	460	340	283	150	0	0	-100.0	-100.0	-100.0
MD	2,527	1,925	1,289	817	548	480	-81.0	-62.8	-41.2
MA	4,531	3,580	3,000	2,110	1,306	1,257	-72.3	-58.1	-40.4
MI	4,888 e	2,191	1,137 e	392	271	241	-95.1	-78.8	-38.5
MN	2,692	2,065	1,392	610	42	38	-98.6	-97.3	-93.8

ATTACHMENT 2 (continued)

State	Average Daily Population							% Change 1980-2001	% Change 1985-2001	% Change 1990-2001	% Change 1995-2001
	1980	1985	1990	1995	2000	2001					
MS	1,660	1,828	1,498	1,439	1,383	1,372	-17.3%	-24.9%	-8.4%	-4.7%	
MO	2,257	1,856	1,860 e	1,492	1,286	1,266	-43.9	-31.8	-31.9	-15.1	
MT	316	258	235	163	131	123	-61.1	-52.3	-47.7	-24.5	
NE	707	488	466	414	401	398	-43.7	-18.4	-14.6	-3.9	
NV	148	172	170	160	157	135	-8.8	-21.5	-20.6	-15.6	
NH	578	267	87	0	0	0	-100.0	-100.0	-100.0	NA	
NJ	7,262	5,705	5,069	4,325	3,555	3,473	-52.2	-39.1	-31.5	-19.7	
NM	500	471	500	221	0	0	-100.0	-100.0	-100.0	-100.0	
NY	15,140	13,932	7,694	4,552	2,466	2,384	-84.3	-82.9	-69.0	-47.6	
NC	3,102	2,947	2,654	2,288	1,939	1,893	-39.0	-35.8	-28.7	-17.3	
ND	1,056	763	232	156	144	146	-86.2	-80.9	-37.1	-6.4	
OH	5,045	3,198	2,665 e	2,150	1,996	1,987	-60.6	-37.9	-25.4	-7.6	
OK	1,818	1,505	935	618	391	348	-80.9	-76.9	-62.8	-43.7	
OR	1,724	1,488	838	462	62	64	-96.3	-95.7	-92.4	-86.1	
PA	7,290	5,980	3,986	3,460	2,127	1,843	-74.7	-69.2	-53.8	-46.7	
RI	681	415	201	0	0	0	-100.0	-100.0	-100.0	NA	
SC	3,043	2,893 e	2,286	1,788	1,129	1,076	-64.6	-62.8	-52.9	-39.8	
SD	678	557	391	345	196	188	-72.3	-66.2	-51.9	-45.5	
TN	2,074	2,107	1,932	1,669	948	878	-57.7	-58.3	-54.6	-47.4	
TX	10,320	9,638	7,320 e	5,459	5,431	5,358	-48.1	-44.4	-26.8	-1.9	
UT	778	706	462	357	240	236	-69.7	-66.6	-48.9	-33.9	
VT	331	200	180	0	0	0	-100.0	-100.0	-100.0	NA	
VA	3,575	3,069	2,650	2,249	1,625	1,680	-53.0	-45.3	-36.6	-25.3	
WA	2,231	1,844	1,758	1,320	863	1,116	-50.0	-39.5	-36.5	-15.5	
WV	563	498	304 e	94	0	0	-100.0	-100.0	-100.0	-100.0	
WI	2,151	2,058 e	1,678 e	1,341	900	853	-60.3	-58.6	-49.2	-36.4	
WY	473	413	367	151	113	104	-78.0	-74.8	-71.7	-31.1	
US Total	131,088	109,614	84,389	63,705	47,592	46,236	-64.7	-57.8	-45.2	-27.4	

e=estimate

NA=not applicable

ATTACHMENT 3

Costs of Operating the Centers Fiscal years 1982 thru 2002 (Five Year Intervals)

Central Wisconsin Center	<u>1981-82</u>	<u>1986-87</u>	<u>1991-92</u>	<u>1996-97</u>	<u>2001-02</u>
Administration	\$1,041,738	\$1,189,306	\$1,734,110	\$2,785,703	\$3,587,402
Dietary	1,765,901	1,850,369	1,962,563	1,958,346	1,762,977
Medical	2,015,122	2,365,024	2,811,920	3,102,812	4,538,157
Nursing	11,706,776	13,904,173	16,394,080	18,162,374	18,592,882
Plant Operations & General Services	2,881,933	2,893,967	3,397,677	3,961,183	4,612,610
Training and Recreation	1,935,051	2,726,582	5,163,487	5,350,192	6,569,918
Social Services	373,723	291,386	522,095	679,460	690,477
Other Personnel Services	64,772	39,271	42,500	50,250	75,083
Revolving and Other Funds	-8,855	-2,103	-4,457	-7,366	169,667
Adjustments	126,385	-2,480	0	0	0
Debt Service	363,932	232,758	362,089	405,359	378,954
Depreciation	404,777	467,014	605,776	759,225	995,032
Employee Benefits	4,824,400	7,079,584	9,466,917	10,769,887	12,085,688
Less General Fund Reconciliation	<u>-236,281</u>	<u>-1,095</u>	<u>-2,274,077</u>	<u>-2,863,220</u>	<u>-2,579,485</u>
Total	\$27,259,376	\$33,033,756	\$40,184,680	\$45,114,204	\$51,479,361
Average Daily Population	693.00	640.46	570.82	454.79	364.00
Per Capita Cost per Year	\$39,335	\$51,578	\$70,398	\$99,198	\$141,427
Northern Wisconsin Center	<u>1981-82</u>	<u>1986-87</u>	<u>1991-92</u>	<u>1996-97</u>	<u>2001-02</u>
Administration	\$912,177	\$1,005,283	\$1,339,890	\$2,716,817	\$3,301,409
Dietary	1,600,432	1,684,554	1,894,846	1,622,130	1,115,603
Medical	798,464	1,065,086	1,321,797	1,758,295	1,531,423
Nursing	11,414,267	12,746,673	13,558,497	13,594,588	11,772,263
Plant Operations & General Services	3,728,553	2,751,181	2,987,280	2,964,304	2,816,578
Training and Recreation	824,923	888,514	1,104,005	582,341	1,000,210
Social Services	338,109	313,659	246,198	390,069	341,965
Other Personnel Services	53,590	27,047	20,126	11,165	10,389
Revolving and Other Funds	248	-7,216	-43	16,319	399
Adjustments	35,090	21,088	0	0	0
Debt Service	485,334	358,177	256,755	451,558	367,619
Depreciation	489,279	548,575	866,380	1,123,297	996,571
Employee Benefits	4,467,962	5,413,092	7,383,112	7,641,491	7,956,856
Less General Fund Reconciliation	<u>-112,799</u>	<u>-21</u>	<u>-3,446,327</u>	<u>-2,931,726</u>	<u>-2,280,267</u>
Total	\$25,035,629	\$26,815,692	\$27,532,516	\$29,940,647	\$28,931,019
Average Daily Population	684.20	596.56	461.03	306.26	184.00
Per Capita Cost per Year	\$36,591	\$44,951	\$59,720	\$97,762	\$157,234

Southern Wisconsin Center	<u>1981-82</u>	<u>1986-87</u>	<u>1991-92</u>	<u>1996-97</u>	<u>2001-02</u>
Administration	\$914,901	\$1,051,416	\$1,474,890	\$2,199,117	\$2,671,253
Dietary	1,861,117	1,970,433	2,192,347	1,834,254	1,517,473
Medical	1,485,492	1,870,481	1,639,918	2,893,654	2,355,064
Nursing	9,823,575	13,876,523	17,526,243	16,504,270	15,692,237
Plant Operations & General Services	3,971,685	3,377,365	2,953,262	3,567,510	3,470,439
Training and Recreation	1,536,017	671,921	537,397	493,547	991,274
Social Services	423,385	1,128,945	590,972	95,520	99,865
Other Personnel Services	44,056	26,718	30,008	24,272	33,057
Revolving and Other Funds	-8,886	33,877	1,011	-1,342	2,816
Adjustments	21,417	99,733	0	0	0
Debt Service	562,366	506,192	407,770	370,993	368,614
Depreciation	602,152	614,630	1,012,551	1,036,509	1,044,127
Employee Benefits	4,040,940	5,736,428	7,905,656	7,781,980	8,840,150
Less General Fund Reconciliation	<u>-138,092</u>	<u>-69</u>	<u>-4,644,016</u>	<u>-3,275,381</u>	<u>-2,357,112</u>
Total	\$25,140,125	\$30,964,594	\$31,628,008	\$33,524,902	\$34,729,258
Average Daily Population	739.90	676.89	548.73	389.12	267.00
Per Capita Cost per Year	\$33,978	\$45,745	\$57,639	\$86,156	\$130,072

All State Centers	<u>1981-82</u>	<u>1986-87</u>	<u>1991-92</u>	<u>1996-97</u>	<u>2001-02</u>
Administration	\$2,868,816	\$3,246,005	\$4,548,890	\$7,701,636	\$9,560,064
Dietary	5,227,449	5,505,356	6,049,756	5,414,730	4,396,053
Medical	4,299,078	5,300,590	5,773,635	7,754,761	8,424,645
Nursing	32,944,618	40,527,369	47,478,820	48,261,231	46,057,382
Plant Operations and General Services	10,582,172	9,022,513	9,338,219	10,492,998	10,899,627
Training and Recreation	4,295,991	4,287,016	6,804,889	6,426,080	8,561,402
Social Services	1,135,218	1,733,989	1,359,265	1,165,049	1,132,308
Other Personnel Services	162,418	93,036	92,634	85,686	118,529
Revolving and Other Funds	-17,493	24,559	-3,4907,611	172,882	0
Adjustments	182,892	118,342	0	0	0
Debt Service	1,411,633	1,097,127	1,026,614	1,227,910	1,115,188
Depreciation	1,496,209	1,630,219	2,484,707	2,919,031	3,035,730
Employee Benefits	13,333,302	18,229,105	24,755,685	26,193,358	28,882,694
Less General Fund Reconciliation	<u>-487,172</u>	<u>-1,184</u>	<u>-10,364,420</u>	<u>-9,070,327</u>	<u>-7,216,864</u>
Total	\$77,435,130	\$90,814,043	\$99,345,204	\$108,579,753	\$115,139,639
Average Daily Population	2,117	1,914	1,581	1,150	815
Per Capita Cost per Year	\$36,576	\$47,449	\$62,854	\$94,403	\$141,276

ATTACHMENT 4

Funding and Position Changes Under the Governor's Bill and the Revised Estimates

Governor's Bill

	<u>Funding</u>		<u>Positions</u>	
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>
GPR	-\$2,891,500	-\$6,305,900	2.00	2.00
FED	-4,128,100	-7,282,300	2.00	2.00
PR	<u>-7,982,300</u>	<u>-16,231,200</u>	<u>-377.93</u>	<u>-304.93</u>
Total	-\$15,001,900	-\$29,819,400	-373.93	-300.93
GPR-REV	-\$1,194,600	-\$2,092,200		

Reestimate

	<u>Funding</u>		<u>Positions</u>	
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>
GPR	-\$1,236,600	-\$5,254,800	2.00	2.00
FED	-1,804,200	-7,438,200	2.00	2.00
PR	<u>-8,391,900</u>	<u>-17,051,500</u>	<u>-401.93</u>	<u>-328.93</u>
Total	-\$11,432,700	-\$29,744,500	-397.93	-324.93
GPR-REV	-\$242,600	-\$2,515,900		

Change to Bill

	<u>Funding</u>			<u>Positions</u>		
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-05</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2003-05</u>
GPR	\$1,654,900	\$1,051,100	\$2,706,000	0.00	0.00	0.00
FED	2,323,900	-155,900	2,168,000	0.00	0.00	0.00
PR	<u>-409,600</u>	<u>-820,300</u>	<u>-1,229,900</u>	<u>-24.00</u>	<u>-24.00</u>	<u>-24.00</u>
Total	\$3,569,200	\$74,900	\$3,644,100	-24.00	-24.00	-24.00
GPR-REV	\$952,000	-\$423,700	\$528,300			

ATTACHMENT 5

**Funding and Position Changes Under the Governor's Bill
and Under the Alternative to Extend the Date to January 1, 2005**

Governor's Bill

	<u>Funding</u>		<u>Positions</u>	
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>
GPR	-\$2,891,500	-\$6,305,900	2.00	2.00
FED	-4,128,100	-7,282,300	2.00	2.00
PR	<u>-7,982,300</u>	<u>-16,231,200</u>	<u>-377.93</u>	<u>-304.93</u>
Total	-\$15,001,900	-\$29,819,400	-373.93	-300.93
GPR-REV	-\$1,194,600	-\$2,092,200		

Extended Alternative

	<u>Funding</u>		<u>Positions</u>	
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2004-05</u>
GPR	-\$2,036,600	-\$3,747,600	2.50	2.50
FED	-2,934,200	-5,336,700	2.50	2.50
PR	<u>-9,612,000</u>	<u>-19,492,400</u>	<u>-467.93</u>	<u>-402.93</u>
Total	-\$14,582,800	-\$28,576,700	-462.93	-397.93
GPR-REV	\$200,300	-\$2,190,500		

Change to Bill

	<u>Funding</u>			<u>Positions</u>		
	<u>2003-04</u>	<u>2004-05</u>	<u>2003-05</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2003-05</u>
GPR	\$854,900	\$2,558,400	\$3,413,300	0.50	0.50	0.50
FED	1,193,900	1,945,600	3,139,500	0.50	0.50	0.50
PR	<u>-1,629,700</u>	<u>-3,261,200</u>	<u>-4,890,900</u>	<u>-90.00</u>	<u>-98.00</u>	<u>-98.00</u>
Total	\$419,100	\$1,242,800	\$1,661,900	-89.00	-97.00	-97.00
GPR-REV	\$1,394,900	-\$98,300	\$1,296,700			