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May 7, 2015

Joint Committee on Finance

Paper #731

Transfer Independent Living Grant Funding to DHS (DWD -- Departmentwide)

[LFB 2015-17 Budget Summary: Page 545, #3 and Page 221, #3]

CURRENT LAW

Under current law, the Department of Workforce Development (DWD) and the Department of Health Services (DHS) make grants to independent living centers (ILCs). ILCs are community-based, nonresidential, and non-profit agencies that provide independent living services, including referral services, independent living skills training, and peer counseling. Under current law, DWD is required to allocate \$600,000 of moneys received from the federal social security administration to ILCs. DWD receives this funding from federal reimbursements to the state for Social Security recipients who have returned to work.

GOVERNOR

The bill would modify DWD's federal program aids and operations appropriation for vocational rehabilitation services to transfer \$600,000 FED annually to a newly created independent living center grants PR appropriation under DHS.

In addition, the bill would provide \$298,700 FED annually to reflect that DHS, rather than DWD, would receive certain federal funds directly to support grants to ILCs. Finally, provide \$34,200 GPR annually to DHS, rather than DWD, to serve as the state match for federal grants.

The bill would authorize DHS to make grants to independent living centers using both PR and FED funds, in addition to DHS's current authority to use GPR funds for the purpose. The bill would eliminate DWD's obligation to award grants to state ILCs.

DISCUSSION POINTS

1. On April 20, 2015, the administration indicated that a correction associated with this item would be needed. As corrected by the administration, the transfer of ILC-related funding would total \$34,200 GPR and \$1,498,700 FED annually from DWD to DHS. The correction reflects that the administration had originally not included the full amount of FED expected to transfer.

	<u>DWD</u>		<u>DHS</u>	
	<u>Bill</u>	<u>As Corrected</u>	<u>Bill</u>	<u>As corrected</u>
GPR	-\$34,200	-\$34,200	\$34,200	\$34,200
PR	0	0	600,000	600,000
FED	<u>-898,700</u>	<u>-1,498,700</u>	<u>298,700</u>	<u>898,700</u>
Total	-\$932,900	-\$1,532,900	\$932,900	\$1,532,900

2. Currently, both DHS and DWD are budgeted funding to support ILC's providing nonresidential services to severely disabled individuals. Under the bill, all federal grant funding would be budgeted in DHS, which would administer the program. The rationale behind this transfer is to provide efficiencies in state government by consolidating ILC operations, including contract monitoring and audit functions, into one state agency.

3. This provision reinstates the \$600,000 transfer to DHS which was eliminated in the 2013 budget bill. Part of the rationale for the 2013 elimination of the transfer was concern from the federal government over a lack of a formal MOU between DWD and DHS. According to DWD, the creation of an ILC grants appropriation under DHS in the bill addresses these concerns, since the appropriation language is specific to how funds could be used.

4. Furthermore, per the federal Workforce Innovation and Opportunity Act which was signed into law on July 22, 2014, the State Independent Living Services program of the federal Department of Education is transferred to the new Independent Living Administration (ILA) in the U.S. Department of Health and Human Services. The consolidation of ILC grants under one Wisconsin agency, DHS, would mirror changes at the federal level.

5. The Committee could also choose to delete the provision. Under this alternative, DWD and DHS would continue to separately award and monitor grants to ILC's [Alternative 2].

ALTERNATIVES

1. Approve the Governor's recommendation, as corrected by the administration, to transfer \$34,200 GPR and \$1,498,700 FED annually to reflect the shift of funding to administer independent living services from DWD to DHS. Further, eliminate DWD's obligation to award grants to state independent living centers (ILC).

ALT 1	Change to Bill
DWD	
FED	- \$1,200,000
DHS	
FED	\$1,200,000

2. Delete provision.

ALT 2	Change to Bill
DWD	
GPR	\$68,400
FED	<u>1,797,400</u>
Total	\$1,865,800
DHS	
GPR	- \$68,400
FED	- 597,400
PR	<u>- 1,200,000</u>
Total	- \$1,865,800

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