



2017-19 State Budget Webinar

Week of May 22, 2017

JOINT FINANCE COMMITTEE MEMBERS

Assembly Members

- Rep. John Nygren (R-Marinette) Co-Chair
- Rep. Dale Kooyenga (R-Brookfield) Vice-Chair
- Rep. Amy Loudenberg (R-Clinton)
- Rep. Mary Felzkowski (R-Irma)
- Rep. Mark Born (R-Beaver Dam)
- Rep. Mike Rohrkaste (R-Neenah)
- Rep. Gordon Hintz (D-Oshkosh)
- Rep. Katrina Shankland (D-Stevens Point)

Senate Members

- Sen. Alberta Darling (R-River Hills) Co-Chair
- Sen. Luther Olsen (R-Ripon) Vice-Chair
- Sen. Sheila Harsdorf (R-River Falls)
- Sen. Tom Tiffany (R-Hazelhurst)
- Sen. Leah Vukmir (R-Wauwatosa)
- Sen. Howard Marklein (R-Spring Green)
- Sen. Lena Taylor (D-Milwaukee)
- Sen. Jon Erpenbach (D-Middleton)

TENATIVE EXECS ON BUDGET

The following is the tentative calender for JFC to exec on the state budget:



- Mon, May 1
- Tue, May 9
- Thu, May 11
- Tue, May 16
- Thu, May 18
- Tue, May 23
- Thu, May 25
- Tue, May 30

WEEK OF MAY 15, 2017

JOINT COMMITTEE ON FINANCE

May 16, 2017 Review

- Lower Wisconsin State Riverway Board
- Kickapoo Reserve Management Board
- State Fair Park
- Elections Commission
- Ethics Commission
- Administration – General Agency Provisions
- Health Services – Care and Treatment Services
- Children and Families – Departmentwide
- Children and Families – Child Support
- Children and Families – Children and Families



MENTAL HEALTH INSTITUTE FUNDING

- The Joint Committee on Finance adopted a separate motion to address surplus funding in the mental health institute (MHI) appropriation.
 - DHS to determine the amount of the unencumbered balance at the end of each even-numbered fiscal year.
 - If the balance exceeds 17% (two months) of operating expenditures, DHS must include in its next biennial budget request a proposal on how to use the funds for mental health services in the next biennium.
 - DHS required to consult with county human services agencies in developing a proposal for the use of the surplus funds.

YOUTH CRISIS STABILIZATION FACILITY

- The JCF adopted the Governor's recommendation to create a definition and certification process for youth crisis stabilization facilities.
- The JCF also:
 - Specified that the funding for youth crisis stabilization grants would be provided on a one-time basis in the 2017-19 biennium.
 - Deleted the authority of DHS to transfer funds from the MHI appropriation for the youth crisis stabilization facility after June 30, 2019 (related to surplus issue).
 - Required DHS to include in its 2019-21 budget request a proposal to provide ongoing GPR funding for the youth crisis stabilization facility.
 - Placed funding for the youth crisis stabilization facility in the JCF's supplemental appropriation to be released under s. 13.10.
 - DHS to provide JCF with a plan for distributing grants, conditions for the expenditure of grant funds, criteria for selecting grantees.

SUPERVISED RELEASE OF SEXUALLY VIOLENT PERSONS

- Freestanding motion adopted to fix concerns raised regarding the placement of individuals on a civil commitment under Ch. 980 (sexually violent persons) outside of their county of residence when eligible for supervised release.
- Current law: county 51.42 agency to make placement recommendations to DHS
- Under the motion, the county of residence (ordered by court) to prepare report:
 - 120 days (180 for first 12 months); penalty if miss deadline
 - Temporary committee: 51.42 agency, DHS rep, local probation or parole officer, county corporation counsel (designee), land conservation department
 - Identify appropriate residential option – landlord committed to enter lease; statutory considerations
 - Shall consult with a local law enforcement agency having jurisdiction over the residential option (option to submit report)
 - DHS to provide victim information within 30 days; other information requested as soon as practically possible

SURPLUS RETENTION LIMITS FOR PROVIDERS OF RATE-BASED SERVICES

- Freestanding motion by the JCF.
- Modifies the contracting process between rate-based service providers and state and county agencies.
 - Requires a contract to allow a provider to retain a surplus of up to 5% of the revenue received under a contract.
 - Eliminates the requirement to spend accumulated funds only on services under the contract from which the surplus came.
 - Eliminates the 10% accumulated surplus retention limits.
 - Requires providers to send written notification to all purchasers when a surplus of more than 5% exists.
 - Purchasers have up to six months to request their proportional share of the excess surplus.
 - State agencies eligible to conduct a fiscal review or audit within six years after the end of the contract period.

FOSTER CARE AND KINSHIP CARE RATES

- JCF adopted the Governor's recommendation to increase the basic maintenance rates for foster care and kinship care.
 - 2.5% for CY18
 - 2.5% for CY19



CHILDREN AND FAMILY AIDS INCREASE

- JCF approved the Governor's recommendation to increase the Children and Family Aids allocation:
 - \$1.25 million FED in FY18
 - \$5 million FED FY19
- Represents a \$5 million calendar year increase beginning in 2018.
- Will need GPR next budget to maintain the new base funding level.

SERVICES FOR VICTIMS OF SEX TRAFFICKING

- The JCF deleted the Governor's recommendation to provide \$2 million in FY19 to expand services for victims of child sex trafficking.
- Instead, the JCF:
 - Provided \$1 million annually.
 - Converted the appropriation from annual to biennial.



JOINT COMMITTEE ON FINANCE

May 18, 2017 Review

- Labor and Industry Review Commission
- Wisconsin Technical College System
- Historical Society
- Shared Revenue -- Direct Aid Payments
- Shared Revenue -- Property Tax Credits
- Shared Revenue -- Property Taxation
- Shared Revenue -- Local Revenue Options



SHARED REVENUE

- The Governor's budget proposed no changes to shared revenue, with the exception of Milwaukee County
- JFC approved the Governor's budget with one change (see next slide), so there is no change to shared revenue funding in this biennium



VOLKSWAGEN SETTLEMENT



- The Governor budget proposed allocating funds from the Volkswagen Settlement to Milwaukee County for the county to update its transit fleet.
- In return for the settlement funds, Milwaukee County's shared revenue was reduced.
- JFC adopted a budget amendment that deleted this provision from the budget.

STATEWIDE TRANSIT CAPITAL PROGRAM

- Rather than allocating settlement funds to Milwaukee County, JFC created a new statewide transit capital program.
- The program is a competitive statewide grant program for the purposes of replacing eligible transit vehicles under the terms of the Volkswagen Settlement. The total program is funded at \$32 million.
- Local governments receiving these funds will also receive a shared revenue reduction
- The shared revenue reduction is based on population:
 - Tier A-1 and A-2 systems (Milwaukee and Madison): 75 cent shared revenue reduction for each dollar in grant funding received.
 - Tier B: 20 cent shared revenue reduction for each dollar in grant funding received.
 - Tier C: 10 cent shared revenue reduction for each dollar in grant funding received.

LEVY LIMITS

- There were no significant changes proposed to levy limits in the Governor's budget, with the exception of how pre-2005 debt was treated.
- JFC approved the Governor's change to pre-2005, which will impact counties (3) and communities that have yet to retire general obligation debt issued prior to July 1, 2005.

PERSONAL PROPERTY TAX – COMPUTER AID

- Under current law, computers, cash registers, and fax machines are exempt from the personal property tax. However, the value of these items are still reported by businesses
- Businesses currently report the value of these items because the state makes a payment to local governments based on their value
- JFC approved an amendment that no longer requires businesses to report these items. Rather, computer aid payments will be set at 2016-17 levels. In future years, computer aid payments will be adjusted for inflation

WEEK OF MAY 22, 2017

JOINT COMMITTEE ON FINANCE

May 23, 2017

- Program Supplements
- State Treasurer
- Administration -- Transfers
- Administration -- Facilities
- Medical College of Wisconsin
- Higher Educational Aids Board
- Educational Communications Board
- University of Wisconsin System
- Children and Families -- Economic Support and Child Care



CHILD WELFARE SAFETY SERVICES

- The Governor provided \$889,800 TANF in FY18 and \$1,921,600 TANF in FY19 to expand the use of in-home safety services statewide.
- Funding tied to a larger decision item regarding TANF program reductions.
- This was one of two child welfare funding requests made by counties to the administration.
 - Tied to increasing caseloads due to heroin, opiates, methamphetamines.
- Contacts should be made to save this funding.
 - Reduces out-of-home placements and the expenditures related to them.
 - Current program only funds 17 counties.
 - In 2015, 58% of families that received IHSS did not have a screened-in CPS or service report following IHSS closure.
 - 12 months after receiving IHSS, 88% of children remained in their home.

JOINT COMMITTEE ON FINANCE

May 25, 2017

- Building Commission
- Building Program
- Health Services- Departmentwide
- Health Services- Medicaid Services
- Health Services- FoodShare
- Health Services- Mental Health, Public Health, and Other Programs



NURSING HOME AND ICF-IID REIMBURSEMENT

- The Governor's budget:
 - Increases nursing home reimbursement rates by 2% in FY18 and by an additional 2% in FY19.
 - Increases funding for behavioral and cognitive impairment (BEHCI) access and improvement incentives by \$5 million annually.
 - Increases reimbursement rates paid to ICF-IIDs by 1% in FY18 and an additional 1% in FY19.
- JCF provided with options to provide increases larger than the Governor's recommendation.
- Why are the increases necessary?
 - Inadequate Medicaid payments have made it extremely difficult for long-term care providers to attract and retain qualified caregivers.
 - Medicaid deficits are mounting - \$345.5 million in FY16
 - \$58.46 per day all homes
 - \$73.38 per day county homes – higher acuity and behavioral needs.

CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM

- The Governor's budget provides funding to eliminate the existing waiting list for CLTS services by the end of FY18.
 - CLTS not an entitlement, however
- Budget also makes statutory changes related to the program:
 - Authorizes DHS to require counties to maintain a specified level of contributions to the CLTS program.
 - Requires DHS to determine the amount of contribution that each county is required to maintain based on a county's historical expenditures for the program.
 - Requires counties to cooperate with DHS to determine an equitable funding methodology and county contribution mechanism for contributing to CLTS program costs, and to ensure that county contributions determined by DHS are expended for the program in the counties.
 - Authorizes DHS to contract with a county or a group of counties to deliver services under the program.

CHILDLESS ADULT EMPLOYMENT AND TRAINING WAIVER

- WCA does not have a position on the state's waiver request.
 - Placing program eligibility requirements on childless adults seeking to enroll in BadgerCare Plus (employment and training, plus Act 55 requirements)
- WCA is concerned about whether or not IM consortia have sufficient funding to implement provisions included in the waiver request.
 - Drug screening
 - Program enrollment and management (premiums, health risk assessments, 48-month time limits)
- Request JCF to require DHS to:
 - **Eliminate requirement that IM agencies are responsible for drug screening/Fund the costs of drug testing (draft administrative rule)**
 - Submit a plan to the JCF on how IM consortia costs will be covered prior to implementation of the waiver.

FSET PILOT FOR ABLE-BODIED ADULTS WITH DEPENDENTS

- The Governor's budget authorizes DHS to screen, test, and treat able-bodied adults with dependents who participate in FSET for the use of controlled substances, in addition to ABAWDs, as provided under current law.
- Reference made again in this paper to the costs of drug testing and screening for FSET participation by ABAWDS, starting in CY18, would be paid by the IM agencies.
- Paper also indicates 40% of individuals seeking treatment will do so through county human services agencies or private insurance.
- **Need to object to IM agency funding of drug screening and testing.**

FOODSHARE ELIGIBILITY – ASSET LIMIT



- The Governor's budget modifies the liquid asset limit for FoodShare participation by non-EBD groups to \$25,000, effective July 1, 2018.
- No funding is provided to IM consortia for the "significant IM staff time" needed to implement the provision.
- Modification to Governor's proposal recommended.

DEMENTIA CARE SPECIALISTS

- The Governor's budget does not contain revenue to continue funding 19 dementia care specialists.
- The JCF has a decision item to provide revenue to continue to fund all or a portion of the 19 positions currently allocated to ADRCs.



BUDGET RESOURCES

LEGISLATIVE FISCAL BUREAU

LFB Website: www.legis.wisconsin.gov/lfb

- Click on “Publications”
 - 2017-19 State Budget Papers
 - LFB prepares “budget papers” or summaries
 - Each budget paper includes:
 - ✓ Current law or current status of the item
 - ✓ A summary of the Governor’s proposal
 - ✓ Discussion points
 - ✓ Alternatives



OTHER RESOURCES

Both *The Wheeler Report* and *WisPolitics* also have public websites.

- ***The Wheeler Report***: www.thewheelerreport.com
 - Click on the “Finance” tab to see votes by JFC (password protected)
- ***WisPolitics***: www.wispolitics.com
 - The *WisPolitics Budget Blog* covers budget issues in real time: www.budget.wispolitics.com
- ***WisconsinEye***: www.wiseye.org
 - *WisconsinEye* shows committee meeting and the Legislature live.
- ***Wisconsin Counties Association***: www.wicounties.org
 - All WCA budget documents and memos are available under the “Legislative” tab.

THANK YOU

QUESTIONS?

