

## MENTAL HEALTH INSTITUTES

In January 2016, the Department of Administration (DOA) submitted a request under Wis. Stat. §16.515 for an increase in expenditure authority of \$200,000 PR in FY16 and \$15,578,300 PR in FY17 in the Department of Health Services (DHS) appropriation for institutional operations and charges, which is the principal PR appropriation for the state's mental health institutes and state centers for people with intellectual disabilities. Funding was needed to: (1) increase DHS' forensic treatment capacity; and (2) build the infrastructure needed to support an electronic health records system.

At the time of the request, the appropriation for institutional operations and charges had a balance of \$33.2 million. Of that amount, \$13.5 million came from a one-time Medicaid payment; the remainder came from the daily rate paid by counties for admissions in the state mental health institutes.

The Department of Health Services approached counties at the time of the request to ask counties to not oppose the request as it moved its way through the legislative process. Counties indicated they could remain silent if: (1) the remaining funds in the appropriation are returned to counties in a manner approved by counties; and (2) a statutory stopgap measure is included in the 2017-19 state biennial budget to ensure surpluses, funded from county tax levy, are returned to counties in a timely manner.

**CURRENT STATUS:** The Joint Committee on Finance approved the request to expend the funds in the manner sought by DOA and DHS. Counties upheld their end of the bargain and did not object to the s.16.515 request. Over \$8 million remains in the appropriation (after \$7.2 million is set aside to maintain a prudent balance). The 2017-19 state biennial budget does not include a statutory stopgap measure.

### REQUESTED ACTION:

- Return the remainder of the Department of Health Services' institutional operations and charges appropriation under Wis. Stat. §20.435(2)(gk) to counties in a manner determined and approved by counties.
- Adopt statutory language, similar to language found in Wis. Stat. §20.410(3)(hm) and (ho), to ensure large surpluses, funded through county charges, do not accumulate in Wis. Stat. §20.435(2)(gk).

**TALKING POINTS:**

- County tax levy should not be accumulating in state appropriations.
- Counties upheld their end of the bargain and did not oppose the DOA/DHS request. It is now time for the state to act in return.
- The language proposed to implement the stopgap measure is already in place for county payments to the juvenile correctional institutions. The concept is not new and can be easily utilized for county payments to the mental health institutes.
- The costs charged to counties for placements in the mental health institutes has increased every year in spite of the fact that a significant surplus existed in the appropriation used to fund the institutes.
- Counties are agreeing to allow two months of operational expenditures to remain in the account, leaving approximately \$8 million to return to counties.
- As the funds come from county tax levy, it is only fair to allow counties to determine how the remaining funds are allocated (either returned to counties or placed in a county-approved program to support mental health services).

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