

### Fiscal Estimate - 2019 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>19-3977/1</b>	Introduction Number <b>AB-0443</b>
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**Description**  
 Grant to a hospital for expanding psychiatric bed capacity

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.505 (1)(ka); 20.505 (1)(kc)

<b>Agency/Prepared By</b> DOA/ Josh Bachert (608) 261-2292	<b>Authorized Signature</b> Colleen Holtan (608) 266-1359	<b>Date</b> 2/27/2020
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## Fiscal Estimate Narratives

DOA 2/27/2020

LRB Number	19-3977/1	Introduction Number	AB-0443	Estimate Type	Original
<b>Description</b> Grant to a hospital for expanding psychiatric bed capacity					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 443 (AB 443) proposes to provide state funding for the expansion of psychiatric beds in hospitals in both Eau Claire County and Chippewa County, in the amount of \$15,000,000. Under 2019 Wisconsin Act 9 (Act 9), the Governor's partial veto eliminated provisions under s. 20.866(2)(zcx), Wis. Stats., to award grants for the establishment of the Northern Wisconsin Regional Crisis Center (NWRCC), with the state building commission authorizing up to \$15,000,000 for this non-state purpose. The veto removed the provision requiring that the state building commission could not award a grant under s. 20.866(2)(zcx), Wis. Stats., unless the project is in and for the public interest and purpose, and it affected the direction of the \$15,000,000 to support the expansion of a center instead of NWRCC. The awarding of grants was also struck, leaving only the provision that the Building Commission may authorize up to \$15,000,000 in general fund supported borrowing for projects under s. 13.48 (20s), Wis. Stats.

Under AB 443, the building commission is directed to authorize a grant in that amount and request the building commission to authorized general fund supported borrowing, if necessary. AB 443 provides preference in psychiatric admissions to those who meet the criteria for emergency detention under s. 51.15 Wis. Stats., and resides within one the specified counties in the Northwestern region of the State. AB 443 also creates an exemption to the State's moratorium on new hospital beds (currently capped at 22,516), allowing hospitals to add more beds if the beds are reserved for psychiatric patients.

If the grant that is awarded is for any reason not used for the purpose of expanding psychiatric bed capacity, the state would be required to retain an ownership interest in the hospital's expansion equivalent to the amount of the grant award.

The Department of Administration's (Department) Capital Finance Office within the Division of Executive Budget and Finance (DEBF) is responsible for providing debt management of general obligations, revenue obligations, and appropriation obligations issued by the State. As such, DEBF would be responsible for the contracting of the public debt proposed under AB 443, for ensuring that the loan repayment and management was statutorily compliant, and that it adhered to the Post Issuance Bond Compliance Policy and its identified federal tax requirements. The Division of Facilities Development and Management (DFDM) is responsible for establishing capital projects from which proceeds are disbursed. DFDM would be responsible for establishing a capital project for the grant proceeds and general fund supported borrowing, if necessary.

The amount of Departmental staff time required is indeterminate, however, the Department anticipates that the work would be able to be absorbed within current existing staffing levels.

### Long-Range Fiscal Implications