



Scott Walker
Governor

1 WEST WILSON STREET
P O BOX 2659
MADISON WI 53701-2659

Kitty Rhoades
Secretary

State of Wisconsin

Department of Health Services

608-266-1251
FAX: 608-267-2832
TTY: 888-701-1253
dhs.wisconsin.gov

DATE: July 15, 2013

TO: Local and Tribal Health Departments and Contracting Agencies

FROM: Sandy Breitborde, Deputy Administrator
Division of Public Health

RE: 2014 Consolidated Contracting Process

As we enter the calendar year (CY) 2014 contracting season, we continue to face significant fiscal challenges, particularly from the federal level. The following gives guidance on the overall state and federal budget outlooks, the negotiation/monitoring process, and the expenditures and match reporting requirements. Attachment 1 provides information related to the programs, funding sources, funding periods, profile ID numbers, amounts allocated, negotiating/monitoring information and contract administrator names.

This memo provides general information about anticipated CY 2014 funding levels. If you have determined at this time that you intend to refuse program funds that you have accepted in the past, please inform the DPH Program Manager by July 19 of your intent to refuse funds. Once funding levels are approved through the department's CARS Unit, the funding amounts will be entered into the Grants and Contracts (GAC) System.

Fiscal Outlooks

- State Budget – The Division of Public Health had no reductions in General Purpose Revenue (GPR) funding in the 2013-15 biennial budget. The permanent 10% GPR reductions implemented under the provisions of 2011 Act 32 (which began in state fiscal year (SFY) 2012) will continue for SFY 2014 (July 1, 2013 – June 30, 2014). Assume state funding in contracts will remain level unless other program factors impact the distribution of funds.
- Federal Budget -- In general, the guidance that we have received and continue to receive from the federal government related to grant funding is to expect a 5% to 10% reduction in both federal fiscal year (FFY) 13 and FFY14 allocations. Due to possible underspending and carryover requests for many grants, the local health departments will be held harmless from reductions to their current contracted funds. We are still in the process of determining any reductions in FFY14 grant funding, but you should plan for a least an 8% reduction. Note that federal fiscal years run from October 1 to September 30.

Negotiation Process

Historically, negotiations began once the program objectives/dollars had been entered into the Grants and Contracts (GAC) System. DPH staff (whether regionally or centrally located) and local health departments and tribes all had a role in negotiating the contracts. Under the prior administrative structure, all parties were required to maintain a level of knowledge for each program area they negotiated, as well as have knowledge of local factors. All negotiations were completed electronically via the GAC System. Any negotiating party could request a conference call to discuss issues at any time during the process. The regional office contract administrator was responsible for tracking negotiations for local agencies.

For the CY 2014 contracts, the negotiation process will be slightly different. Many of the DPH programs have discontinued the practice of negotiating objectives because of either staff constraints or the federal grant requirements have become very prescriptive leaving little room for the negotiation of objectives. Each program will have the choice of either using GAC to negotiate objectives or continue whatever negotiating practice was used under their prior separate contract. Each program will provide the Bureau of Operations (BOO) with their program objectives, quality criteria, boundary statements and/or scope of work attachment. This information will be posted to the DPH Contract web site. (Note: We are currently in the process of activating and populating the web site. As soon as it is available, we will send out a notification.)

For those programs that have non-negotiated objectives, the related funding amounts will be entered into GAC, those program items will be locked and the contracts posted on the DPH Contracting web site for signature. We believe that this will help with the delivery of funds to the local health departments so that funds can begin to be spent immediately rather than waiting until all other programs' objectives have been negotiated.

For those programs that have objectives that need to be negotiated, once the funding amounts have been entered into GAC, the tribes can begin entering their 2014 objectives into GAC beginning July 15 and the local health departments can begin to enter their specific 2014 objectives into GAC (if the program is using GAC for negotiations) on or about September 16. Ensure that detailed information is entered whenever a template box indicates that input is "required." Remember to highlight the name of the local contract administrator on the "General Contract Information" page of GAC for each program so that the correct person receives notice when negotiation notes are entered. Click the email button on the "Contract Programs" page when all objectives for a program are entered. For example, when all MCH objectives have been entered, you should then select the email button and negotiations can begin.

Depending on the timing, funding amounts that pertain to negotiated objectives could follow along as an amendment to the initial contract. We will do our best to ensure that all "pieces" of the contract go out at the same time; but again we will not hold up the bulk of the funds for one or two programs. We will no longer require two signatures for these types of amendments. Amendments will also be used if there is an increase to existing funding within the contract.

Contract Monitoring Process

Historically, mid-year and end-of-year reviews were entered into GAC by the regional office contract administrator. These reviews provided an opportunity for problem solving with local agencies to assure contracted objectives would be met by year end. The year-end review closed out this process and set the stage for subsequent funding in the upcoming year.

The previous contract administration structure is no longer appropriate due to changes in the Regional Offices as well as programmatic organizational changes. Contract administration requires knowledge of program objectives, resources and processes on an ongoing basis. The dedication of time to remain abreast of various aspects of program expectations and requirements is an ongoing process for programs. With the current organizational restructuring that has occurred within the Regional Offices, contract administration will be performed by program staff for their respective programs/grants.

For those programs that are continuing to require mid-year or end-of-year monitoring, the responsibilities will be assumed by the program staff for their respective programs/grants. See Attachment 1 to determine the correct mid-year and end-of-year reporting mechanism.

Reporting of Expenditures

As you are aware, the Division of Public Health made changes to the way in which grant recipients reported expenditures for the contracts beginning with the CY 2012 contracts. The requirement that State contracts be in line with approved state budget years will continue. Because we are now adding additional funding strings to the consolidated contracts, local health departments and tribes will need to be vigilant about reporting expenditures. See Attachment 1, "Funding Period" column for the differing grant years.

One method is to assume that 1/12th of the total program grant funds should be reimbursed each month (especially if you have salary/fringe costs); another method is to have 25% of the total program grant funds reimbursed over a quarter (three months) of the program funding period. This is especially important if three months of one program funding period and nine months of another program funding period are included in a calendar year contract. DPH does not have the ability to transfer expenditures across funding periods if the expenditures occurred in the previous period. This requires that you, as a contractee, be aware of the time period in which your expenditures occurred and report them in that time period.

2013 Match Report for Maternal and Child Health (MCH) and Program Income Earned/Spent for Reproductive Health Projects

Remember to regularly report your 2013 MCH project match (contract period January 2013-December 2013) and Reproductive Health Program Income Earned/Spent along with your reimbursement reports. The reporting requirements allow the Department to identify to the federal government our match expenditures as well as income earned/spent. Please be aware that agencies that do not meet their MCH Match requirements may be subject to repayment of awarded grant funds.

Use the following profiles to report match and income earned/spent:

- Use profile ID 193002 for MCH Match.
- Use profile ID 193001 for CYSCHN Match
- Use profile ID 193996 for Reproductive Health Program Income Earned
- Use profile ID 193997 for Reproductive Health Program Income Spent

(Note: Please report MCH and CYSCHN match amounts in both CARS and GAC.)

MCH match reporting questions should be directed to Linda Hale (Linda.Hale@wi.gov). Reproductive Health reporting questions should be directed to Michael Vaughn (Michael.Vaughn@wi.gov).

Please continue to report your expenditures on the CARS report form (F-00642). The form is available at the following web site: <http://www.dhs.wisconsin.gov/bfs/CARS/>. Send the completed form by e-mail to DHS600RCars@dhs.wisconsin.gov. The new form only requires that you report in a lump sum; however, you will need to have this lump sum broken down by the different categories (personnel, contracts, etc.) for program purposes if requested. General information on CARS reporting may be found at <http://www.dhs.wisconsin.gov/bfs/CARS/index.htm>.

Thank you for your input and patience as we transitioned our processes over the past year. More information will be coming about program specific funding for each local health department and tribe. Please direct questions about the contract negotiation and reporting process to the Contract Managers on Attachment 1.

Reporting of Expenditures questions should be directed to DHSGACMail@dhs.wisconsin.gov.