

**Wisconsin State Laboratory of Hygiene  
Board of Directors Meeting  
June 23<sup>rd</sup>, 2015  
1:00 P.M – 4:00 P.M.  
2601 Agriculture Drive  
Madison, WI 53718**

**APPROVED MINUTES  
April 21<sup>st</sup>, 2015**

**MEMBERS PRESENT:** Dr. Robert Corliss (Chair), Jeffery Kindrai (Vice-Chair), Charles Warzecha (on behalf of Karen McKeown), Darrell Bazzell, James Morrison, Jack Sullivan, Michelle Wachter, Carrie Lewis, Barry Irmen, Dr. Charles Brokopp

**WSLH STAFF PRESENT:** Dr. Peter Shult, Dr. Daniel Kurtycz, David Webb, Cynda DeMontigny, Linda Johnson, Jan Klawitter, Steve Marshall, Steve Strebel, Kristine Hansbery, and Nathaniel Javid

**DNR STAFF PRESENT:** Steve Geis, Ron Arneson

**GUESTS PRESENT:** None

***Chair Dr. Robert Corliss called the meeting to order at 1:00 P.M.***

**Item 1. APPROVAL OF MINUTES**

Approve the minutes of the April 21, 2015 board meeting as submitted. Jack Sullivan made a motion to approve, seconded by Carrie Lewis. The motion passed on a unanimous vote. Jack Sullivan noted that he was present at the February meeting, although he was marked as absent.

**Item 2. REORGANIZATION OF AGENDA**

There was no reorganization of the agenda.

**Item 3. PUBLIC APPEARANCES**

There were no public appearances.

#### **Item 4. BOARD MEMBERS' MATTERS**

None.

#### **Item 5. FY15 BUDGET REPORT**

Dr. Brokopp provided the FY15 budget report on Marie Ruetten's behalf. This report covers the period of July 1, 2014 through February 28, 2015. Our revenues are about \$900K less than what we had in our budget. This is due to loss of funding and the expenses associated with some employees who were on the WSLH payroll but working at the DHS. GPR funding is slightly down but this is due to timing with reporting. Grant funding is up by \$95K. This is primarily due to a project in newborn screening and some private grants for the Environmental Health Division.

On the expense side, we are under budget by \$1.4M. This is because salary and fringe expenses are below budget and our supplies and services budget is roughly \$500K over budget. The reason for the increase in the supplies and services budget is because of new contracts requiring expenses in the Communicable Disease Division. Our rent payments are under budget.

We are roughly \$166K ahead of budget for the year. Our ending cash balance as of February 28<sup>th</sup> is at \$12.7M. Subtracting our restricted cash (newborn screening surcharge and UW contingency) along with deferred revenue and encumbered payables, we are left with an available unrestricted cash balance of \$1,773,527 as of February 28, 2015.

#### **Item 6. FY16 DRAFT BUDGET**

Dr. Brokopp presented the FY16 WSLH draft budget. The budget is presented in draft form for the Board's information. Between now and the June Board meeting, there will be some slight modifications to this budget. The final budget will be presented in June for the Board's approval. This FY16 budget will begin on July 1<sup>st</sup>, 2015. The proposed budget includes a \$431K revenue increase. We're projecting approximately \$1.6M less in salaries and benefits. Overall, our expenses for FY16 are projected to be \$1.3M less than FY15. Based upon that, we'll be overspent by \$718K on an accrual basis, and \$53K on cash basis.

#### **Item 7. LEGISLATIVE UPDATE & ISSUES**

Chair Dr. Robert Corliss asked Darrell Bazzell for a general UW budget update. Mr. Bazzell mentioned the University of Wisconsin is in-line for significant budget cuts. The annual base cut being proposed across the UW system is \$150M. The UW-Madison

traditional share is \$57M; however, the number reported on campus is \$96M (which includes structural deficits and unpublicized ancillary cuts). To manage a cut of that size, the University is looking at reducing roughly 400 positions which makes up for only one third of the funds lost. Other cuts will be offset through non-resident tuition increases and additional assessments. Chuck Warzecha asked Mr. Bazzell to describe how these cuts will impact the WSLH. Mr. Bazzell responded that the University treats the WSLH similar to the Vet Diagnostic Lab as an attached entity. Therefore, when the campus experiences budget cuts, the cuts are not passed on directly to the laboratories but will nevertheless greatly impact how the University is able to serve and support the laboratory.

Dr. Corliss asked the remaining members of the Board to voice how the cuts will impact their respective agency. Jack Sullivan, WI-DNR, mentioned that the budget proposal shows significant cuts for the DNR. The largest reduction is in their stewardship program at \$80M, which would significantly reduce the DNR's capability with land purchases. A significant amount of position reductions have also been proposed. Chuck Warzecha, DHS, mentioned that a number of position reductions based on vacancies will occur at DHS. DHS has until July 1, 2016 to address the vacancies. Michelle Wachter, DATCP, mentioned that there are no position cuts planned, but vacancies would need to be addressed. Also the DATCP Board would change from an authority to a council. Jeffery Kindrai, Grant County Health Department, noted that they will experience indirect repercussions. Mr. Kindrai expressed concerns for how the cuts will impact the WSLH and the local health departments' relationship since most local public health offices do not have laboratory capacity.

## **Item 9. WSLH SUPPORT FOR OTHER AGENCIES**

- 1) Division Directors, Wisconsin State Laboratory of Hygiene**
- 2) Dr. Charles Brokopp, Director, Wisconsin State Laboratory of Hygiene**

Dr. Charles Brokopp, Director, Wisconsin State Laboratory of Hygiene (WSLH), asked three WSLH Division Directors to describe the ways in which their division supports the WSLH's mission. Dr. Kurtycz, Disease Prevention Division director, described how, from the time it was created in 1903, the WSLH has been a force for driving new technology into the state. The WSLH has been on the forefront of diabetes testing, surgical pathology, clinical chemistry, cervical cancer cytology and genetic testing. These efforts are continued today. The Disease Prevention Division (DPD) cytology services provides the following: women's reproductive and sexual health through laboratory testing for cervical cancer by serving under-insured and un-insured women in Wisconsin. DPD cytology services serves as a liaison with DHS/DPH STD program, and have used state GPR to augment tuition and maintain the school of cytotechnology, one of only 25 schools left in the nation. Cytology services also provide health care education and training throughout Wisconsin through many means of communication. DPD's newborn screening program has evolved with a new tracking system to work with hospitals to improve timeliness of sample submission. We have invested \$300K of WSLH resources

to ensure timely submission of newborn screening samples. There is also a proposal to add five new lysosomal storage diseases to the mandated testing menu in addition to Pompe's Disease. We also have our cytogenetics director, Dr. Jennifer Laffin, participating in the Genetics Advisory Board at the Department of Health. Dr. Kurtycz underscored the necessity of having enough funding in order to continue these services.

Dr. Brokopp introduced WSLH Assistant Director and Environmental Health Division (EHD) Director, David Webb. Mr. Webb mentioned that on a basic level, EHD is dependent on staff resources to survive. This involves maintaining skills and capacity to quickly respond, daily consultation on many levels, agency/customer interaction, expertise to train staff, and point of contact availability. We invest about \$2M annually to replace and update equipment. We are also dependent on funds to maintain capability for emerging challenges, special investigations and physical space to facilitate EPA compliance, and real time access by agency staff for sample drop-off. EHD provides special handling for law enforcement samples, high frequency customer services to agency staff and other partners, training/outreach to agency, external, commercial lab staff on emerging technology, small group training on new methods for new staff, collaborating on efficiencies, custom scientific report writing including project design and implementation, capability maintenance for low volume high complexity testing, and blood lead clinical and remedial testing and consulting.

Communicable Disease Division (CDD) Director, Dr. Pete Shult, noted that the WSLH is acknowledged nationally by our peer laboratories and the CDC as one of the top state public health laboratories in the country. Clinicians and laboratories throughout the state look to the WSLH for leadership. Dr. Shult emphasized that anything that will negatively impact us, will impact our partners negatively as well. The WSLH CDD is key for routine outbreak response including extensive diagnostic capabilities for responses to a large variety of diseases. The WSLH maintains 24/7 diagnostic capabilities for partners, lab liaisons to the CDC and the Wisconsin Clinical Laboratory Network (WCLN), and preparation for non-routine laboratory responses. Dr. Shult mentioned that the cost of completing the test far exceeds the price of the test – this is why we are dependent on our GPR funding to cover the remainder. WSLH CDD is also heavily involved in laboratory-based surveillance by supporting the Wisconsin Department of Public Health and coordinating specimen and data submission and collation, presentation, and sharing. CDD is also involved in the ongoing development of state-of-the-art diagnostic capabilities. The WSLH is also Wisconsin's TB lab with the majority of support coming from WSLH GPR. The WSLH is the state leader in ensuring quality TB/mycobacteriology testing performed in clinical labs. Lastly, the WSLH alone developed and maintains the WCLN. The WCLN is critical to outbreak response, surveillance, and new method development. Our WCLN is a recognized national model for lab network development and collaboration.

Dr. Brokopp describe other ways that the WSLH supports our state. This includes support for the DHS through asbestos, lead, formaldehyde, and radiation testing, support in legionella outbreaks, and providing sampling equipment and supplies for state and local agencies. We also provide support through proficiency testing, electronic reporting,

assistance with IT infrastructure, and access to data via VPN linked to EPIC Hyperspace. The WSLH also provides forensic toxicology for state and local transportation, law enforcement, and coroners/medical examiners. The WSLH supports services for corrections, first responders, public utilities, hospitals, clinics and laboratories.

Dr. Brokopp also highlighted the ways in which the WSLH contributes to UW-Madison. These ways include teaching courses, research collaborations, employment of students, and providing research space and several training fellowships. The WSLH also pays the UW roughly \$1.5M per year for phones, license fees, insurance, municipal services, credit card fees, select agent assessments and network fees. Dr. Brokopp also noted that UW-Madison contributes essential resources and support to the WSLH including administrative support, training, technological services, police services, legal support, travel support and human resources support, among other things.

Dr. Brokopp mentioned that it is in the WSLH's statutory mission to support the DNR and DHS along with our academic mission to teach, train, research, and provide outreach and service. The WSLH would not be able to fulfill these statutory obligations without the necessary state funding.

Dr. Brokopp described the budget issues related to the WSLH that are being considered by the legislative finance committee. The proposed changes include the transfer of the WSLH and Wisconsin Veterinary Diagnostic Laboratory to the Wisconsin Department of Trade and Consumer Protection (DATCP). This shift would ultimately result in a transfer of \$46M and 404 positions. The second component of the proposal includes a transfer of GPR funding: \$3.6M to DHS and \$2.7 to DNR. The transfer would mean that DATCP would need to provide administrative support, and that all grants, contracts, fee revenues and reserves would go to DATCP. Expenditures would also be subject to DOA approval. The WSLH would bill state agencies for all services.

With the impact of a \$6.3M loss of state GPR, the WSLH will not be able to meet the statutory mandate to provide full laboratory support for state agencies. There will be a significant reduction in lab capacity along with a reduction in flexibility to obtain outside funding. The WSLH will be unable to make the \$2.4M annual lease payment. The loss of GPR would result in staff reductions and negatively impact recruitments and retentions.

Dr. Brokopp presented two recommendations for the Board's consideration. He recommended that the WSLH Board take a position to support the following draft motions: 1) The WSLH Board supports the retention of the WSLH at the UW-Madison, 2) The WSLH Board supports retaining state GPR funding in the WSLH's budget so that the WSLH can meet its statutory mandate to provide laboratory services and maintain the capacity to support state and local agencies. The Wisconsin Veterinary Diagnostic Laboratory (WVDL) Board unanimously passed a motion that expressed its desire to have the WVDL remain under the UW-Madison.

After discussion of the two recommendations, Chair Dr. Robert Corliss called for a motion to vote on these two items. Jeffrey Kindrai made the motion to vote on the first motion, seconded by Barry Irmen. The motion was approved by Corliss, Kindrai, Morrison, Lewis, and Irmen while Warzecha, Sullivan, Wachter, and Bazzell abstained. Jeffrey Kindrai made the motion to vote on the second motion, seconded by Barry Irmen. The motion was approved by Corliss, Kindrai, Morrison, Lewis, and Irmen while Warzecha, Sullivan, Wachter, and Bazzell abstained.

## **Item 10. LAB FEE COSTING PLAN & PROPOSED FEE UPDATES**

### **1) Steve Marshall, Assistant Director, Wisconsin State Laboratory of Hygiene**

Steve Marshall described the updated laboratory costing plan to the Board. Mr. Marshall asked the Board to consider these changes now, and we will improve the proposal for the next Board meeting. Mr. Marshall asked the Board to refer to their packet for the specifics on price changes. Increases will be proposed in Biochemical Genetics, Toxicology and the Environmental Health Division. Separate increases are proposed in Occupational Health and Proficiency Testing. The Communicable Disease Division, Cytogenetics, Cytology, and Newborn Screening will see no increase. Jack Sullivan mentioned adding options on homeowner tests (i.e. the homeowner's package). Dave Webb responded that WSLH customer service staff address this by providing a la carte tests to homeowners.

## **Item 11. OCCUPATIONAL HEALTH LAB 2015 FEE SCHEDULE**

### **1) Steve Strebel, Director, Occupational Health Division, Wisconsin State Laboratory of Hygiene**

Steve Strebel discussed with the Board that prices for the Occupational Health Division (OHD) have not increased since 2011. Since the OHD is a fee-for-service lab, he proposed a 5% increase across the board. Jack Sullivan made a motion to approve the 2015 Occupational Health Division's fee schedule effective July 1, 2015. The motion was seconded by Charles Warzecha. The motion was carried and passed unanimously.

## **Item 12. CONTRACTS REPORT**

### **1) Dr. Charles Brokopp, Director, Wisconsin State Laboratory of Hygiene**

Dr. Brokopp presented the contracts report to the Board. There are no current contracts that the Board needs to approve. New contracts for this period include a special project

on the evaluation of drug testing for Mycobacterium tuberculosis, APHL, four contracts with DHS, and two with DNR. Dr. Brokopp asked the Board to refer to the packet for more information on the contracts and thanked the agencies for ongoing support

### **Item 13. DIRECTOR'S REPORT**

#### **1) Dr. Charles Brokopp, Director, Wisconsin State Laboratory of Hygiene**

The next WSLH Board Meeting will take place on June 23<sup>rd</sup>, 2015 at the 2601 Agriculture Drive location. At that meeting, the Board will approve the FY16 budget and review and update legislation. Dr. Brokopp asked the Board to review the packet for recent public and environmental health incidents. We are working with Department of Health on Ebola testing and response and measles testing. We are also engaging with the CDC on a new project that involves genomic sequencing for influenza. Dr. Brokopp also referred the Board to the packet for public water system testing results for January and February 2015. He also mentioned two emeritus appointments were approved by Chancellor Blank for Alan Degnan and Patrick Harding. The WSLH Forensic Toxicology Team was selected to receive a 2015 UW Administrative Improvement Award for their monumental achievements in reducing turn-around time for drug and alcohol testing.

**Chair Dr. Robert Corliss** made a motion to adjourn meeting at 4:00 P.M. **Charles Warzecha** seconded the motion. The motion passed unanimously and the meeting was adjourned.

Respectfully submitted by:



Charles D. Brokopp, DrPH  
Secretary, Wisconsin State Laboratory of Hygiene Board of Directors