MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 14, 2025

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a 2026 contract with the State of Wisconsin for Social Services and Community Programs

FISCAL EFFECT:

☐ No Direct County Fiscal Impact

☐ Existing Staff Time Required

☐ Increase Operating Expenditures
(If checked, check one of two boxes below)

☐ Absorbed Within Agency's Budget

☐ Not Absorbed Within Agency's Budget

☐ Decrease Operating Expenditures

☐ Increase Operating Revenues

☒ Decrease Operating Revenues

☐ Increase Capital Expenditures

☐ Decrease Capital Expenditures

☐ Increase Capital Revenues

☐ Decrease Capital Revenues

☐ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	**Current Year**	**Subsequent Year**
Operating Budget	Expenditure	$0	***Refer to fiscal narrative below**
	Revenue	$0	
	Net Cost	$0	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. [1] If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to sign a 2026 Social Services and Community Programs contract with the State Department of Health Services (DHS). Approval will allow Milwaukee County to receive State revenue for county services for persons with disabilities and their families, older adults as well as those in need of community support and prevention services as mandated by state and/or federal law.

B. The State's Social Services and Community Programs contract includes various separate revenues used to fund DHHS. Approval to sign the 2026 contract will allow Milwaukee County to receive funds.

C. The actual 2026 "Community Aids" contract for DHHS provides an allocation totaling $17,662,282; this amount is $408,272 less than the amount contained in the 2026 DHHS Budget. This decrease is primarily due to the federal funding formula for Title III of the Older Americans Act (OAA) which can fluctuate year over year. Service impacts are not anticipated as a 2025 carryforward of about $340,000 will offset the majority of the budgetary shortfall of $408,272. At this time, the remaining $68,272 is expected to be absorbed within the 2026 budget and DHHS will continue to monitor and report on this revenue as part of its monthly fiscal reporting to the Office of the Comptroller.

Similar to previous years, the 2026 contract for Social Services and Community Programs also requires a match amount of $3,565,149 which is included in the 2026 Budget.

[1] If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

D. At the time this file was submitted, the federal government was operating without an approved FFY2026 budget or Continuing Resolution (CR). While State DHS has not adjusted county contracts in response to this uncertainty, counties are required to adhere to spending controls pending final determinations of funding as part of their 2026 contracts. Once federal revenue grant awards are received, DHS will amend county contracts. If there are any significant reductions in the final 2026 State contract that would cause a net deficit of at least $100,000 in agency 800, DHHS will notify the County Executive, County Board, the Office of the Comptroller, and the Office of Strategy, Budget and Performance (SBP) per Milwaukee County Code of Ordinances 56.02.

Department/Prepared By: Clare O'Brien, DHHS Budget & Policy Director

Authorized Signature Shakita LaGrant-McClain

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CDPB Staff Review? ☐ Yes ☐ No ☒ Not Required