

REVISED
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**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE : September 21, 2011
TO : Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors
FROM : Pamela Bryant, Interim Fiscal and Budget Administrator
SUBJECT: Department of Health and Human Services 2011 Projected Surplus

The 2011 Fiscal Report as of July 31, 2011 that is scheduled to be presented during the September meeting of the Finance and Audit Committee meeting indicates that the projected surplus from prior year in the Department of Health and Human Services (DHHS) is \$3,945,586. Also included in the report is a projected deficit for the Behavioral Health Division of \$3,431,569, for a projected net surplus of \$514,017.

The Department of Health and Human Services finalized the revenue amounts for Youth Aids and Long-term Support programs. The combined amounts for both programs have increased the projected 2011 surplus by \$5.7 million. The 2011 Adopted Budget states the following:

“Since 2003, it has been the policy of Milwaukee County that any new or unanticipated revenue actually received in the current year that is not identified in that year’s budget shall be transferred to the Appropriation for Contingencies (Org. Unit 1945) Budget. This policy shall apply to new revenue sources, unanticipated revenues and revenues from existing sources that are in excess of the amounts included in the current year’s budget. The Department of Administrative Services is authorized and directed to process such fund transfer(s) as necessary if and when such new revenue sources or excess revenues are identified.

The first priority for use of any such revenues is to allow the County to achieve a balanced budget in the current year. The second goal will be to achieve a surplus equal to that in the previous year’s budget. Finally, if it appears that the first two goals will be achieved, such revenue can be used for emergency needs during the current budget year.”

Although it has been the policy of the County to deposit unbudgeted revenues in the Appropriation for Contingencies Budget, previous DHHS surpluses have not always been allocated to the Appropriation for Contingencies Budget. There have been instances where DHHS surpluses have been used for other program needs.

DHHS Current Year Request

Due to the pressing needs of the DHHS and BHD, the DHHS will be requesting to use \$4.0 million to finance the purchase and implementation of a hosted Electronic Medical Records System (\$3.4 million), Joint Commission Consultant (\$240,500), Expansion of Mental Health

Community Based Resources (\$100,000), Intensive Treatment Unit and Women's Treatment Unit (\$100,000) and other miscellaneous services (\$160,000). The DHHS request will be submitted for the October cycle of the Health and Human Needs and Finance and Audit Committees.

Year-end Projection

Based on financial results through July 31, 2011, Milwaukee County's projected year-end fiscal status for 2011 is a deficit of (\$3.2) million. If the \$5.7 million projected surplus is applied to the projected deficit would result in a surplus of \$2.5 million. If the request from DHHS is granted, the County will have a projected deficit of \$1.6 million. It is DAS' understanding that the initiatives will be limited to one-time expenditures. Due to the nature of the programs and services, the DAS is supportive of the request and will work diligently to reconcile the deficit.

Committee Action

This is an informational report only.



Pamela Bryant

Interim Fiscal and Budget Administrator

Attachments

cc: Chris Abele, County Executive
Supervisor John Thomas, Chairman, Finance and Audit Committee
Finance and Audit Committee
Pat Farley, Director, Department of Administrative Services
Scott Manske, Controller
Stephen Cady, Director of Research, County Board
Department Heads