

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/31/12

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Director, Department of Health and Human Services, Requesting Authorization to Enter into a 2013 Contract with the State of Wisconsin for the Operation of the Wisconsin Home Energy Assistance Program (WHEAP)

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input checked="" type="checkbox"/> Decrease Operating Revenues | |

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	-77,057	-231,174
	Revenue	-77,057	-231,174
	Net Cost	0	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. Approval of the request will authorize the Director, DHHS, to sign a Federal Fiscal Year 2013 contract with the State of Wisconsin with automatic extensions for a total period of three years to provide revenue to the County to administer the Wisconsin Home Energy Assistance Program (WHEAP).

B. The total revenue included in the proposed WHEAP contract in the first year of the contract is \$2,450,986, a decrease of \$308,231 from the FFY2012 amended contract of \$2,759,217. Because the State contract is on the federal fiscal year cycle, the total reduction of \$308,231 impacts both calendar years 2012 and 2013. A reduction of about \$77,000 is expected for the last calendar quarter in 2012 with the remaining \$231,000 impacting the first nine months of 2013. This reduction will be absorbed by a reduction to the purchase of service contracts which also run on the federal cycle.

The county will be notified of its allocations for FFY2014 and FFY2015 in late summer prior to the start of those fiscal years. At that time, DHHS will determine the level of funding available for the outside contracts.

C. Entering into the WHEAP State contract will have no tax levy impact because a commensurate reduction will be made to the purchase of service contracts. DHHS is submitting another report to the County Board in the September committee cycle with its recommendations for Energy Assistance Program purchase of service contracts.

D. This fiscal note assumes expenditures cannot exceed the amounts authorized for the purchase of service contracts.

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.

Department/Prepared By Clare O'Brien, DAS-Fiscal and Management Analyst

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No