

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 15, 2025

Original Fiscal Note



SUBJECT: A report from the Executive Director, Department of Health and Human Services (DHHS), requesting authority to establish an interest-bearing escrow account on behalf of Family Self-Sufficiency (FSS) participants as part of the Housing Choice Voucher Program

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" 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 type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input 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		
	Revenue		
	Net Cost		
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.
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- A. The proposed action authorizes DHHS to establish and self-administer a HUD-compliant, interest-bearing escrow account in support of the Family Self-Sufficiency (FSS) program. Milwaukee County will serve as escrow agent and fiduciary, maintaining participant-level balances in accordance with 24 CFR Part 984. If approved, this action will allow the County to launch the FSS program internally and begin enrolling participants, with DHHS maintaining the escrow account under the oversight of the Comptroller and Treasurer.
 - B. There are no direct County tax levy costs associated with establishing or maintaining the escrow account.

Escrow deposits are funded through existing HUD Housing Assistance Payments (HAP) and tenant rent contributions, as authorized under federal regulations. These funds would otherwise be used to pay landlords as rent subsidies and are instead redirected into escrow without increasing the County's total housing assistance budget.

One-time costs to establish the account (e.g., coordination with Treasurer and Comptroller, internal tracking procedures) will be minimal and covered by existing HCV administrative funding.

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.

Ongoing costs for account administration (bank fees, reconciliation, participant reporting) will be absorbed by DHHS Housing Services through existing staffing and HUD administrative funds. Interest accrued will be credited to participants, not retained by the County.

Milwaukee County Housing Services will also pursue HUD FSS Program Coordinator grant funding, which is available on a renewable basis and designed specifically to support staff costs associated with program coordination. If awarded, this funding would cover most or all of the FSS Coordinator salary and benefits.

There are no one-time County costs or contingent funds required for this action. No new County revenue will be generated by the program.

C. For the current year (2025):

There is no anticipated need for additional appropriations. Existing staff capacity within Milwaukee County Housing Services is sufficient to launch and initially administer the program.

For future years:

If HUD FSS Program Coordinator funding is awarded, it will offset the cost of staff support in subsequent years. If such funding is not awarded, the program will continue at a limited scale using existing staffing resources.

D. It is assumed that HUD will continue to permit escrow deposits from Housing Assistance Payment (HAP) funds in accordance with 24 CFR Part 984 and that the FSS program will be governed by the current regulatory structure. It is also assumed the escrow account is opened in compliance with HUD and County financial regulations, with approval and oversight from the Treasurer and Comptroller.

It is further assumed escrow balances will be tracked and managed internally by DHHS using HUD-compliant tools and internal controls, with periodic reporting to HUD and County auditors, and no significant bank fees or system costs will be incurred beyond those manageable within the existing DHHS HCV administrative budget.

Moreover, it is assumed that any disbursements from the escrow account will be limited to eligible participants upon completion of their FSS contracts or HUD-approved interim uses, and all funds will remain restricted for that purpose.

Additionally, it is assumed DHHS will be eligible to apply for and receive FSS Program Coordinator funding through HUD's annual Notice of Funding Opportunity for purposes of scaling the program.

No net increase in voucher program expenditures is expected because escrow deposits represent a reallocation of funds rather than new costs.

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

Authorized Signature: Shakita LaGrant-McClain

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CBDP Review?² ☐ Yes ☐ No ☒ Not Required