

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 10/7/16

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Director, Department of Health and Human Services, requesting retroactive authorization to enter into a 2016 Memorandum of Understanding with the State of Wisconsin Department of Corrections for the procurement of juvenile correctional services

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 checked="" 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 checked="" type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" 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	\$16,221,000	\$12,400,000
	Revenue	\$16,221,000	\$12,400,000
	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. The Department of Health and Human Services – Delinquency and Court Services Division (DCSD) is seeking retroactive authorization to execute a Memorandum of Understanding (MOU) with the State of Wisconsin Department of Corrections for the billing of charges related to juvenile correctional services. The agreement is effective January 1, 2016 and is automatically renewable.

B. This change is the result of the State of Wisconsin 2015-2017 biennial budget bill which transferred administrative and oversight responsibility for the community-based juvenile justice system from the State Department of Corrections (DOC) to the Department of Children and Families (DCF) effective January 1, 2016. This also resulted in a change to the billing process for counties. Previously, DOC withheld part of each county's Youth Aids allocation. Instead, counties are now being billed directly by DOC for services and receiving the offsetting revenue through DCF under their Youth Aids contracts. The MOU reflects this new billing process.

C. The rates charged by the DOC are governed by Wisconsin State Statutes 301.26(4)(d)(2) and are subject to change in subsequent State budgets. Because this change in billing practice was not anticipated in DCSD's 2016 Budget, DHHS submitted a fund transfer to the County Board in May to reflect an estimated increase in expense and revenue of \$16,221,000. The transfer, approved by the County Board, increased expenditures by an estimated \$15,228,580 in State DOC charges as well as \$992,420 in corrective sanctions (community supervision) for a total of \$16,221,000 and increased offsetting Youth Aids revenue by the same amount. The subsequent year anticipates a reduction in DOC charges to \$12.4 million due to a projected decline in the average daily population (ADP) at the State juvenile centers from 125 in the 2016 Budget to 87 assumed in the 2017 Budget.

D. No further assumptions are made.

Department/Prepared By Clare O'Brien, Senior Budget Analyst– DHHS

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.

Authorized Signature

Hilda Alon

Did DAS-Fiscal Staff Review?

Yes

No

Did CDPB Staff Review?

Yes

No

Not Required