

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** July 3, 2012

**To:** Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit  
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit

**From:** Jerome J. Heer, Director of Audits

**Subject:** Wauwatosa Schools Report – Departmental Response to Recommendation (File No. 12-483)

At its meeting on June 21, 2012, the Committee on Finance, Personnel and Audit reviewed our report, "Review of Wauwatosa School District's Reimbursement of Operating Costs Associated with Milwaukee County Department of Health and Human Services (DHHS) Schools for the 2010-11 School Year," where it was discussed with no action taken.

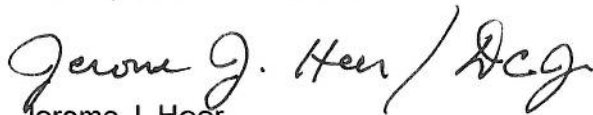
The report was issued without a management response to our recommendations to expedite receipt of the balance of rent due from the School District. We have since requested a response from DHHS and DAS to the second of the two recommendations, repeated below for your reference. No response was requested with respect to the first recommendation because the balance due from the district had already been collected.

*"Continue negotiation efforts with the School District to achieve a new contract with language changes that assures the County receives its prorated share of any future early reimbursements made to the School District from DPI on a timely basis and is relieved of any financial responsibility or ensure it is provided a more equitable sharing of funding shortfalls if the DPI (State) does not fully reimburse program costs, and to reflect changes involving the arrangement between the County and the School District occurring since its execution in 1996."*

Attached for your review is a joint response from Department of Health and Human Services and Department of Administrative Services management, describing progress made toward implementation of this recommendation.

We have no concerns with this response and we plan to report on the status of this item with the issuance of our next report in June 2013.

This report is informational.

  
Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors  
Finance, Personnel and Audit Committee Members  
Chris Abele, Milwaukee County Executive  
Scott Manske, Comptroller  
Hector Colon, Director, Department of Health and Human Services  
Patrick Farley, Director, Department of Administrative Services  
Kimberly Walker, Corporation Counsel, Office of Corporation Counsel  
Kelly Bablitch, Chief of Staff, County Board Staff  
Steve Cady, Fiscal & Budget Analyst, County Board Staff  
Carol Mueller, Chief Committee Clerk, County Board Staff

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

DATE: June 29, 2012

TO: Jerome J. Heer, Director of Audits

FROM: Pat Farley, Director, Department of Administrative Services  
Hector Colon, Director, Department of Human Services

**SUBJECT: Departmental Response to Audit: Review of Wauwatosa School District's Reimbursements of Operating Costs Associated with Milwaukee County Department on Health and Human Services Schools**

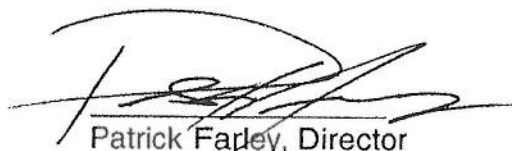
**Background**

Based on Audit's earlier reviews of the Wauwatosa School District's reimbursements to Milwaukee County of operating costs associated with the Department of Health and Human Services schools for the 2009-10 school year, the County served notice to not renew the agreement. It was the County's expectation that a new, updated agreement would be negotiated to better serve the interests of both parties.

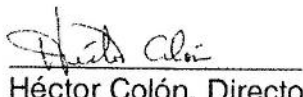
**Update**

On February 10, 2012, Corporation Counsel submitted a letter to Phillip Ertl, Superintendent of the Wauwatosa School District with a draft agreement for review. Thereafter, Corporation Counsel received a letter from attorneys representing the district stating that, in effect, they were fine with proceeding without a contract.

After the Fourth of July holiday representatives from Corporation Counsel, Department of Health and Human Services and the Department of Administrative Services will meet to discuss the County's alternatives in this matter.



Patrick Farley, Director  
Department of Administrative Services



Héctor Colón, Director  
Department of Health & Human Services