

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 13, 2019

TO: Supervisor Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Mary Jo Meyers, Director, Department of Health and Human Services
Prepared by Shakita LaGrant, Assistant Administrator, Disabilities Services Division

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to amend 2019 Disabilities Services Division purchase of service contracts with Birth to 3 agencies

Issue

The Director, Department of Health and Human Services (DHHS), is requesting authorization for DHHS to amend 2019 purchase of service (POS) contracts with the Birth to 3 provider agencies within the Disabilities Services Division (DSD).

Background and Rationale

The Birth to 3 Program is an entitlement and provides critical early intervention services to children age zero to three years who demonstrate developmental delays. Provided services are critical to the identification of early intervention strategies that can assist children to reach their maximum potential and actively participate in their communities. Services delivered by this program are provided by contracted community-based agencies that have significant expertise in this area.

Birth to 3 services continue to be invaluable to families who have a child with a developmental delay. Provider agencies are key partners in the process through the delivery of effective early intervention services in partnership with families and Milwaukee County.

Program Budget & Maintenance of Effort Requirement

The program reflects a total budget of about \$5.4 million for 2019. This budget is support by a variety of revenue sources: tax levy, Potawatomi, Basic County Allocation (BCA) as well as State funding (see chart below for a breakdown).

Revenues	Amount
BCA	1,698,542
Potawatomi Revenue	350,000
Tax Levy	684,758
State Birth to 3 Allocation	2,685,321
Total Revenue	\$ 5,418,621

Unfortunately, the State funding has remained stagnant for the last several years. Further, DHHS's Birth to 3 allocation received a 5 percent funding cut of nearly \$200,000 in 2010. Despite the challenging fiscal situation, DHHS must sustain a county funding threshold of \$2,289,182 as part of a federal maintenance of effort (MOE) requirement. This means that the total financial commitment in county funds such as tax levy, Potawatomi, and BCA must be maintained to this level. Otherwise, the Birth to 3 allocation of \$2,685,321 will be reduced commensurately by the State.

For 2019, the budget includes five full-time equivalent (FTE) positions. During the past year, the program experienced unprecedented staff turnover of DSD Human Service Workers due to retirements and resignations of employees seeking more competitive salaries. As a result, from February 2019 to September 2019, the program was operated by one staff person which led to underspending in the administration of the program.

As of November 4, DSD has filled four of the five positions and expects to final the fifth position early 2020. Due to the vacancies during the year, the program is projected to be underspent by about \$80,000. For this reason, DHHS is recommending that these funds be allocated to Birth to 3 provider agencies. Due to increased demand for services, these provider agencies generally incur costs that exceed their contract amounts and are not fully reimbursed given budget limitations.

The following table below shows the increase in Birth to 3 referrals over the last several years:

Birth to 3 Referrals	
2014	2,965
2015	2,916
2016	3,714
2017	4,142
2018	3,669
2019 Projected	4,000

The recommended contract amendments as shown below would allocate one-time funding budgeted in 2019 as a result of projected underspending. The funding was allocated utilizing the same percentage basis of the providers' 2019 original contracts.

Agency	2019 Contract	2019 Recommended Amendment	Adjusted 2019 Contract
Curative	\$2,079,218	\$36,759	\$2,115,977
Milwaukee Center for Independence	\$517,241	\$9,144	\$526,385
Penfield	\$1,382,394	\$24,440	\$1,406,834
St. Francis	\$546,253	\$9,657	\$555,910
Total	\$4,525,106	\$80,000	\$4,605,106

It should be noted that agencies will need to continue to maintain compliance with federal indicators to keep pace with the high number of new referrals. In addition, DSD will conduct ongoing monitoring of agency performance on quality Birth to 3 measures including the annual parental survey and family outcomes.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or her designee, to increase 2019 purchase of service contracts in the amounts specified in the above table and detailed on the attached resolution.

Fiscal Effect

Funding for these POS contract increases is included in DSD's 2019 Adopted Budget. There is no additional tax levy impact associated with this request. A fiscal note form is attached.

 for
Mary Jo Meyers, Director
Department of Health and Human Services

cc: County Executive Chris Abele
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