

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** September 25, 2014

Original Fiscal Note ☒

Substitute Fiscal Note ☐

**SUBJECT:** Request for authorization to contract with Employee Benefits Corporation for FSA administration for January 2015 - December 2017

### 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<br>(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 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	0	0
	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. <sup>1</sup> 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/interpretations that were utilized to provide the information on this form.

A.) This item authorizes the Benefits Division to contract with EBC for administration of the County's FSA plan from January 2015 - December 2017

B.) There is no impact to the current year, other than the time of existing staff utilized in implementation and communication to employees and retirees. The contract is for a base rate of \$3.10 per enrolled participant per month. At current enrollment, the total cost is estimated at approximately \$82,000 per year. This cost is offset by an agreement with Ceridian for a reduction in their fees as a result of eliminating FSA services from their contract.

C.) There is no impact to the current year. All costs in subsequent years will be reflected in the org.1950 (non-departmental fringe benefits) budgets. The expenditures in org. 1921 would be reduced as a result of the offsetting Ceridian rate concession

D.) The cost projections for 2015 through 2017 are derived by applying the County's current enrollment to the proposed contract terms. Changes in enrollment will have a corresponding positive or negative impact on the projections.

Department/Prepared By Matthew Hanchek, Director of Benefits, Human Resources

Authorized Signature



Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CDBP Review?<sup>2</sup> ☒ Yes ☐ No ☐ Not Required

<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.