

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 14, 2025

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant-McClain, Executive Director, DHHS

Subject: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a 2026 contract with the State of Wisconsin for Social Services and Community Programs

File Type: Action Report

REQUEST

DHHS is seeking approval of its 2026 Social Services and Community Programs (State/County) contract which reflects a total of \$17,662,282 in revenue to support a variety of programs and services across the department. The county cannot receive 2026 revenues from the State until this contract is signed.

POLICY

Section 46.031 of the Wisconsin Statutes requires counties to execute an annual contract with the State Department of Health Services (DHS) for "Social Services and Community Programs." The contract, also referred to as Community Aids, provides state and federal funding for services provided by DHHS to persons with disabilities and their families, older adults as well as those in need of community support and prevention services as mandated by State and/or Federal law.

In addition, under 59.52(31), departments must obtain authorization from the County Board in order to execute contracts in excess of \$300,000.

Wisconsin State Statutes:	46.031, 59.52(31)
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BACKGROUND

The single largest revenue source for DHHS are State and Federal funds that are forwarded to the department under the Social Services state contract, commonly referred to as “Community Aids.” Revenues identified in this report fund programs in Aging and Disabilities Services (ADS), Behavioral Health Services (BHS), Children, Youth, and Family Services (CYFS), and Housing Services. Revenues related to BHS are approved separately by the Mental Health Board.

Community Aids – Basic County Allocation (BCA)

The Basic County Allocation (BCA) is a type of block grant provided to counties that is not earmarked to serve a specific target population. Counties can determine how much funding to provide to each of the populations eligible to be served with these funds: persons with developmental disabilities, physical disabilities, mental health issues and older adults.

The allocation is funded with 81 percent general purpose revenue (GPR), 12 percent Federal Social Services Block Grant (SSBG), and 7 percent Federal Temporary Assistance for Needy Family (TANF) funds. The preliminary 2026 basic county allocation award level is based on the estimated Federal Fiscal Year (FFY) 2026 SSBG award level; the actual award level depends on action by Congress for the FFY 2026 federal budget.

The 2026 DHHS Budget includes \$5,381,228 of BCA for ADS, Children, Youth and Family Services (CYFS) and Housing Services. This amount is consistent with the 2026 DHHS Budget.

Background on Earmarked Revenue Sources

The State’s Social Services contract also contains revenue of \$12,281,054 that is earmarked to specific programs. Compared to the 2026 DHHS Budget, this amount is \$408,272 lower. This decrease is primarily due to federal funding formulas for Title III of the Older Americans Act (OAA) which can fluctuate year over year. Service impacts are not anticipated as a 2025 carryforward of about \$340,000 will offset the majority of the budgetary shortfall of \$408,272.

Federal Funding Award Notification

It is important to note that DHS funds many of the programs within this contract with federal grants. At the time this file was submitted, the federal government was operating without an approved FFY2026 budget or Continuing Resolution (CR). While State DHS has not adjusted county contracts in response to this uncertainty, counties are required to adhere to spending controls pending final determinations of funding. Once federal revenue grant awards are received, DHS will amend county contracts.

DHHS has notified the County Treasurer regarding this situation to ensure the county can maintain proper cash flow. No cash flow issues are anticipated at this time.

Please see the attached table which provides an itemization of all the grants under this contract.

ALIGNMENT TO STRATEGIC PLAN

This request aligns with the goal of enhancing the County's fiscal health and sustainability. The revenues contained in the Social Services and Community Programs Contract are a significant source of funding for DHHS allowing it to operate programs and services that are vital to our participants.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Director, Department of Health and Human Services, to execute the 2026 Social Services and Community Programs contract with the State Department of Health Services, and any addenda to this contract.

FISCAL EFFECT

The 2026 State Social Services and Community Programs contract which includes BCA and earmarked revenues totals \$17,662,282 and reflects a net decrease of \$408,272 compared to the 2026 DHHS Budget. Similar to previous years, the 2026 contract for Social Services and Community Programs requires a match amount of \$3,565,149 which is included in the 2026 Budget. A fiscal note form is attached.

TERMS

The contract is effective January 1, 2026 to December 31, 2026.

VIRTUAL MEETING INVITES

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PREPARED BY:

Clare O'Brien, DHHS Budget and Policy Director

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant-McClain, Director, Department of Health & Human Services

ATTACHMENTS:

Attachment 1 – 2026 State Social Services/Community Aids Revenue Table

cc: County Executive David Crowley
Sup. Willie Johnson, Jr., Chair, Finance Committee
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County
Steve Cady, Research Director, Comptroller's Office
Maddie Fruehe, Budget and Management Analyst, SBP