

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/22/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Acting Director, Department of Health and Human Services, requesting the authorization to enter into the 2012 contract with the State of Wisconsin for Social Services and Community Programs

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input checked="" type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

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		
	Revenue		182,175
	Net Cost		-182,175
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. Authorization is requested to sign the 2012 Social Services and Community Programs contracts with the state Departments of Health Services and Children and Families. Approval will allow Milwaukee County to receive State revenue for county services to persons with disabilities, substance abuse problems and juvenile delinquents and their families as mandated by State and/or Federal law.

B. The state's Social Services and Community Programs contracts include various separate revenues used to fund DHHS (including BHD). Approval to sign the 2012 contracts will allow Milwaukee County to receive funds.

C. DHHS staff has compared revenues in the State Advisory notification to revenues that were anticipated in the 2012 Recommended Budget. The majority of anticipated revenues are basically consistent with budgeted revenues but some of the earmarked revenues are lower than budget and may require service reductions in certain programs operated by BHD.

The state funding notice reflects a net reduction in revenue of \$477,308 compared to the 2012 Recommended Budget (see Attachment 1). This is the result of the State notice reflecting:

1) An additional \$182,175 in net Basic County Aids (BCA) revenue of \$32,373,052 compared to \$32,190,877 in the 2012 Recommended Budget. This additional revenue would provide for a tax levy surplus. The overall BCA amount has been reduced to reflect the \$8,305,873 BCA intercept for Family Care as well as a \$2.7 million intercept for the operation of the State Income Maintenance Program. The \$2.7 million reduction in BCA is not contained in DHHS' 2012 Budget. Rather, \$2.7 million in tax levy is budgeted to cover this revenue reduction. A fund transfer will be submitted in 2012 to reduce BCA and allocate tax levy.

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.

2) An additional \$356,400 in Children's Long Term Support revenue compared to the 2012 Recommended Budget. All expenditures incurred in the CLTS program are 100 percent offset with revenue so this variance will not impact the budget by producing a surplus.

3) A \$1 million net reduction in BHD revenue compared to the 2012 Recommended Budget. The 2012 BHD Budget includes \$920,000 for an IV Drug grant and \$68,800 for an AODA Day Care/Services in Treatment grant. For the IV Drug grant, the maximum amount is now \$750,000 instead of \$920,000. Given that the maximum amount of the IV Drug grant is \$170,000 less than the 2012 Budget, service reductions are possible even if BHD and the outside agency receive the full \$750,000. As of this writing, BHD has not received notification on the status of the grant.

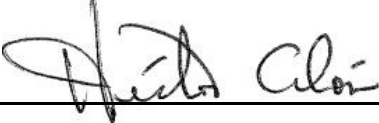
The AODA Day Care/Services in Treatment grant for \$68,800 is a pass-through grant to an outside agency. The agency has applied for this grant and is awaiting notification.

BHD's allocation of the TANF grant is approximately \$50,000 less than was included in the 2012 Budget. Service reductions are possible to account for this change. Conversely, the 2012 BHD allocation for several other funding sources is more beneficial than was assumed in the 2012 Budget by approximately \$23,000.

The only tax levy impact anticipated in items 1 to 3 is a surplus in BCA revenue. The other changes to revenue are not anticipated to impact tax levy but could cause a service reduction.

D. There were no assumptions made. The fiscal information was taken from the State's initial 2012 contract advisory notification.

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

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No