

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 25, 2013

TO: Supervisor Marina Dimitrijevic, Chairwoman – Milwaukee County Board

FROM: Héctor Colón, Director, Department of Health and Human Services

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting authorization to enter into a 2014 contract with the State of Wisconsin for Social Services and Community Programs**

Issue

Sections 46.031 and 49.325 of the Wisconsin Statutes require counties to execute annual contracts with the State Departments of Health Services (DHS) and Children and Families (DCF) for “Social Services and Community Programs.” The contracts, also referred to as Community Aids, provide State and Federal funding for county services to persons with disabilities, substance abuse problems and juvenile delinquents and their families as mandated by State and/or Federal law.

County ordinances require that departments obtain authorization from the County Board in order to execute contracts. The Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to sign the 2014 contracts with DHS and DCF for the provision of social services and community programs mandated by state law. The county cannot receive 2014 revenues from the State until this contract is signed.

Background

The single largest revenue source for DHHS are State and Federal funds that are forwarded to the Department under the Social Services and Community Programs state contract, commonly referred to as “Community Aids.”

While DHHS and the Department on Aging have a number of revenue sources in common (e.g. Community Aids), separate contracts are executed with the State for each department. This report only covers the contract with the Department of Health and Human Services (DHHS). Revenues allocated to DHHS under this contract fund programs in the Behavioral Health, Disabilities Services, and Delinquency and Court Services Divisions.

In 2014, Milwaukee County also will have separate contracts with the State Department of Administration for administration of the Wisconsin Home Energy Assistance Program (approved by the County Board in September 2013) and the Department of Corrections for Youth Aids.

At this time, DHHS has not received the actual 2014 “Community Aids” contract from the State. However, DHHS has received an advisory notification of 2014 allocations, and this has been utilized to identify the fiscal effect of the expected contract (allocations are posted at <http://www.dhs.wisconsin.gov/sca/> and <http://dcf.wisconsin.gov/contractsgrants>).

State Allocations and Fiscal Effect (See Attachment 1)

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 are able to determine how much funding to provide to each of the populations eligible to be served with these funds: persons with mental illness, developmental disabilities, physical disabilities, substance abuse problems and delinquent children.

The 2014 Budget includes \$32,190,877 of BCA for BHD, DSD and DCSD. This amount has been adjusted to reflect the \$8.3 million intercepted by the State for the Family Care program as well as a reduction of \$2.7 million for the State-operated Income Maintenance Program. The State’s Advisory Notification of the 2014 BCA funding level is \$32,022,299,¹ which is about \$340,000 lower than the 2013 State contract and \$168,578 lower than the 2014 DHHS Budget. The State reduced the County’s BCA allocation by 1 percent as a result of the federal sequester reductions. This adjustment creates a tax levy gap of \$168,578.

Changes to Earmarked Revenue Sources

AODA Juvenile Justice

This grant has traditionally supported personnel (administrative coordinator and clerical staff) and all costs associated with AODA assessments and treatment through the fee-for-service network and related expenses. For 2014, DCSD has proposed additional activity to include support for providing the Celebrating Families curriculum to participants involved in the Family Drug Treatment Court, a quality improvement training for network providers, and a mini-grant program for network agencies to support quality improvement/system change projects.

The preliminary State notification reflects the same contract amount of \$453,554 as 2013. In preparing its 2014 budget, however, the State initially informed DCSD that it would be competing for this grant in 2014 and a reduced pool of money would be available statewide. Therefore, DCSD budgeted a reduction of \$53,554. Since that time, the State indicated that the full allocation would be provided but that the funds would be up for competitive bid for 2015.

¹ This amount does not include the \$38.8 million in County BCA funding that is transferred each year to the State Bureau of Child Welfare per State legislation that was adopted when the State assumed responsibility for the Child Welfare function in Milwaukee County. It also reflects the reduction for the \$8.3 million Family Care intercept and \$2.7 million for the IM Program.

Children's Long Term Support Programs (CLTS)

As shown in Attachment 1, the State allocation for the Children's Long-Term Support (CLTS) program, administered in the Disabilities Services Division, is \$11,161,012 which is the same as the 2013 contract amount. This reflects \$8,081,080 for autism services and \$3,079,932 in non-autism services.

Although Milwaukee County receives a specific allocation for these services and processes the payments, actual services are administered by the State. For the past few years, the State has utilized a third party administrator (TPA) to pay for service costs associated with the CLTS program. Although the State contract identifies specific allocations by service type to Milwaukee County totaling \$11.1 million, only revenues related to case management and administration, anticipated to be \$971,792, are posted to the county's financial system and are included in the 2014 Budget. This compares to case management and administration revenues of \$560,854 in the 2013 Budget. These revenues were increased by \$410,938 in the 2014 Budget based on actual experience.

Birth to Three Program

As shown in Attachment 1, the State allocation for the Birth to Three program, administered in the Disabilities Services Division, is \$2,685,321 which is the same as the 2014 Budget.

Behavioral Health Division

As shown in Attachment 1, the 2014 Budget for BHD earmarked revenues anticipates basically the same amount of revenue as contained in the State's preliminary allocation. These funds support services in the Wiser Choice fee-for-service network and the mental health purchase of service contracts within BHD's Community Services Branch. Compared to the 2014 Budget, an additional \$30,000 is included in the preliminary allocation which will result in increased direct client services.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, Department of Health and Human Services, to execute the 2014 Social Services and Community Programs contracts from the State Departments of Health Services and Children and Families, and any addenda to those contracts, in order for the County to obtain the State Community Aids revenue. The 2014 Social Services and Community Programs contracts provide total revenue of approximately \$63.5 million.

Fiscal Impact

DHHS staff has compared revenues in the State's Advisory Notification to revenues that were anticipated in the 2014 Budget. Based on the notification, the contract is expected to include net revenue of \$63,477,145 (Community Aids of \$32,022,299, earmarked revenues of \$21,265,626, and a Children's Long Term Support (CLTS) allocation for a third party

administrator of \$10,189,220) after adjusting for a Family Care intercept amount of \$8,305,873 and Income Maintenance intercept amount of \$2,700,000. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Don Tyler, Director, DAS
Josh Fudge, Fiscal & Budget Administrator, DAS
Matt Fortman, Fiscal & Management Analyst, DAS
Steve Cady, Fiscal and Budget Analyst, County Board Staff
Janelle Jensen, Committee Clerk, County Board Staff