

**-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION**

DATE : November 20, 2012

TO : Marina Dimitrijevic, Chair, County Board of Supervisors

FROM : Craig Kammholz, Fiscal and Budget Administrator, Department of Administrative Services

SUBJECT : A resolution to create a County-controlled Workforce Development Trust Fund for unexpended year-end appropriations and modify the existing Milwaukee County Ready To Work Contract agreement to include an addendum with language establishing a County-controlled Workforce Development Trust Fund:

REQUEST

Create a County-controlled trust fund for unexpended year-end County appropriations designated for services provided by the Wisconsin Regional Training Partnership/Building Industry Group Skilled Trades Employment Program (WRTP/BIG STEP) as established by an August 1, 2012 executed agreement resulting from the adopted 2012 Capital Project WO624 - Workforce & Economic Development.

BACKGROUND/ANALYSIS

The 2012 Adopted Capital Budget included project WO624 - Workforce & Economic Development (project), directing Milwaukee County (County) to enter into an agreement with WRTP/BIG STEP to provide educational training and on-the-job work experience to Milwaukee County residents. The County executed the agreement with WRTP/BIG STEP on August 1, 2012 with termination on or before January 31, 2014 (termination dependent on deliverables).

Funding for the agreement is derived from County land sales of \$1,000,000. A July 2012 appropriation fund transfer established budget authority for the agreement within the Department of Administrative Services – Economic Development Division’s operating budget¹. However, State Statute 59.60(11) prohibits the carryover of unexpended operating appropriations from the current budget year into the subsequent budget year. As a result, an approximate \$722,000 expenditure authority balance for the agreement would lapse to the County’s bottom-line, leaving no expenditure authority for payment to WRTP/BIG STEP for the balance of services yet to be provided (per terms of the agreement).²

¹ The Workforce Development project does not meet capital requirements, therefore, expenditure authority was established within the DAS-ED operating budget through the July 2012 appropriation fund transfer.

² As of November 5, 2012, approximately \$278,000 has been expended and/or encumbered for the agreement with WRTP/BIG STEP.

In order to allow for the year to year carryover of unexpended appropriations related to the agreement with WRTP/BIG STEP, a separate trust fund should be established through resolution. This would allow for any unexpended appropriations at year-end to be temporarily transferred from the DAS-ED operating budget to the trust fund and then re-establish expenditure authority the following year through a fund transfer from the trust fund back to the DAS-ED operating budget.

A trust fund is not part of the original agreement and would need to be included as an addendum. Additionally, any proposed resolution should also direct the DAS-ED Director to negotiate an addendum to the existing agreement that includes language establishing a County-controlled Workforce Development Trust Fund.

FISCAL NOTE

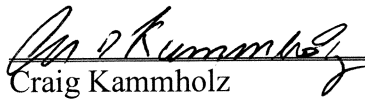
This request, if approved, initiates a resolution that will transfer any year-end unexpended appropriation balance from the DAS-ED operating budget into a newly created Workforce Development Trust Fund for the duration of the agreement. Assuming approval of this request, the estimated 2012 year-end unexpended appropriation of \$722,000 will be transferred into the Workforce Development Trust Fund.

DAS-Fiscal Affairs will administratively transfer funds from and to the Workforce Development Trust Fund per the terms of the agreement.

RECOMMENDATION

Upon consultation with the Office of the Comptroller, the Department of Administrative Services (DAS) – Fiscal Affairs recommends the creation of the County-controlled trust fund for the Workforce Development Fund and that DAS-Fiscal Affairs be provided the authority to administratively transfer appropriations accordingly. Additionally, it is recommended that the DAS – Economic Development Director be directed to negotiate an addendum to the existing agreement that includes language establishing a County-controlled Workforce Development Trust Fund.

Prepared by:
Vince Masterson



Craig Kammholz

Fiscal and Budget Administrator, Department of Administrative Services

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