

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: April 22, 2026

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

From: Shakita LaGrant-McClain, Executive Director, DHHS

Subject: Report from the Executive Director, Department of Health and Human Services, providing an informational update on the 2026 State/County contract spending controls

File Type: Informational

REQUEST

DHHS is providing an update on the spending controls included in the 2026 Social Services and Community Programs (State/County) contract with the State of Wisconsin Department of Health Services (DHS) which was approved by the County Board under File 25-757 in December 2025.

POLICY

Section 46.031 of the Wisconsin Statutes requires counties to execute an annual contract with State 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. Revenues related to BHS are approved separately by the Mental Health Board.

Wisconsin State Statutes:	46.031, 59.52(31)
Milwaukee County Board Files	26-313, 25-717

BACKGROUND

Since the beginning of 2026, DHHS has been providing regular updates to the County Board on the status of the federal funding that is contained within this contract which reflects a total allocation of \$63,596,588. At the time File 25-757 was submitted, the federal government was operating without an approved FFY2026 budget or Continuing Resolution (CR). While the State had not adjusted county contracts in response to this uncertainty, counties were required to adhere to spending controls pending final federal Notice of Awards (NOAs) of funding. These controls primarily impacted federal grants tied to mental health services and older adults (Older Americans Act). DHHS raised concern that if these controls were to stay in place beyond early Q2 2026, some services may need to be paused or discontinued.

DHS also indicated that funding controls would be relaxed or removed if and when federal funds became available.

Latest Update

In early April, DHHS received notification from DHS that it was lifting fiscal controls for grants that were subject to the tightest controls: Community Mental Health Services Block Grant, the Substance Use Prevention, Treatment, and Recovery Services Block Grant, the Social Services Block Grant and Title III Older Americans Act funding.

DHS is currently amending 2026 county contracts to reflect the removal of these restrictions. With the controls lifted, DHHS is unlikely to request that vendors pause program services.

DHHS will continue to update the County Board as necessary on this issue.

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.

FISCAL EFFECT

This report is informational and has no fiscal impact.

TERMS

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

VIRTUAL MEETING INVITES

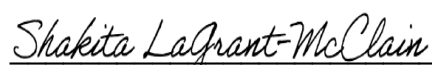
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PREPARED BY:

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APPROVED BY:



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Department of Health & Human Services

ATTACHMENTS:

None

cc: County Executive David Crowley
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Director of Legislative Services, Office of the County Clerk