

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 8/16/24

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director of the Office of Strategy, Budget and Performance, requesting authorization to process administrative appropriation transfers which are intended to offset a potential \$19 million projected deficit in 2024:

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" 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 the 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	\$17,444,000	\$0
	Revenue	\$17,444,000	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

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 resolution is requested to address a potential \$19 million deficit in 2024. This includes a net total of \$17,444,000 in proposed budget adjustments. The report also identifies \$1,555,000 of anticipated changes to departmental revenue and expenditure projections. From the \$17,444,000 of budget adjustments:

- Tax levy is reduced by \$9,054,469 amongst various projects and operating items, and reallocated to offset projected departmental and non-departmental deficits.
- \$2,200,000 million of federal revenue is recognized in Transit to offset a \$2,200,000 million tax levy reduction.
- There is an increase in the debt service reserve contribution of \$5,226,778 to pay for debt expenses and reallocate an equal amount of funds to cover projected deficits in departmental or non departmental accounts.
- \$100,000 of ARPA Local ARPA Local Assistance and Tribal Consistency Funds are recognized and allocated to offset increased public safety operations expenses
- \$3,362,753 of ARPA state and local fiscal recovery funds are reallocated to public health and safety operations costs (or other costs eligible for ARPA reimbursement)
- This report also increases the Office of the Sheriff budget by \$300,000 to support a study of Sheriff operations, to be performed by an external vendor with expertise in operational consulting for law enforcement agencies.

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 Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Office of Strategy, Budget and Performance

Authorized Signature *JOSEPH WAMERS*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required