



## Office of the Comptroller

Scott B. Manske, Comptroller

DATE: March 8, 2022

TO: Supervisor Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller  
Cynthia (C.J.) Pahl, Financial Services Manager

SUBJECT: 2022 Fiscal Projection for Milwaukee County – (For Information Only)

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### Policy Issue

Wisconsin Statutes Section 59.255(2) and County Ordinance Section 56.02(2) require the Comptroller to provide a monthly update of the fiscal condition of the County.

### 2022 Year-end Fiscal Projection as of January 31, 2022

With only one month of fiscal activity reported, it is too early to issue a projection on the year-end position of the County. As of period 1, all departments except the Department of Health and Human Services are reporting at least break even. The following fiscal items have been identified and will be monitored throughout the year:

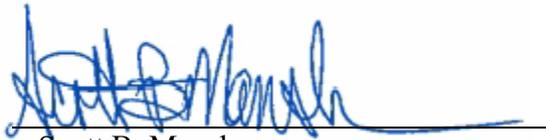
- **2022 Sales Tax Surplus:** 2021 sales tax receipts totaled \$92.0 million, which exceeds the 2022 budgeted amount by \$2.0 million. It is likely that 2022 sales tax will generate a surplus of \$3.0 million.
- **Centralized Salary Abatement:** Org 1972 – Wages and Benefits Modification – includes a centralized salary abatement of \$2.6 million, which reduces the overall County budget for salaries by \$2.6 million. This amount will need to be offset either through departmental salary surpluses or other surpluses achieved in the budget.
- **Correctional Officer Premium Pay:** Pursuant to File 21-941, the actual cost of correctional officer premium pay should be paid by any available surplus prior to the use of ARPA funding. The projected cost of the correctional officer premium pay is \$4.0 million. Any projected surplus will first be reduced by \$4.0 million in accordance with File 21-941.
- **Department of Health and Human Services:** DHHS issued a deficit report on February 22, 2022, projecting a deficit of \$4.6 million due to a higher than budgeted census at Lincoln Hills, Copper Lake Schools, and Mendota Juvenile Treatment Center. Offsetting this deficit is underspending for placements of youth within the Wraparound Program of approximately \$1.6 million.
- **Utilities:** The cost of utilities and gas is expected to increase substantially in 2022. Any deficits relating to utilities (gas, steam, electric) and fuel would be reported in the user departments. Departments and the Comptroller's Office will monitor costs closely and will report out issues in subsequent reports.

The Contingency Fund's balance, if unused, falls to the bottom line at the end of the fiscal year and is available to offset any potential issues. As of today, the Contingency Fund has an unallocated balance of \$4,950,464 as shown in the table on the following page.

Unallocated Contingency Fund	
<b>2022 Adopted Balance</b>	<b>\$ 5,000,464</b>
<i>Approved Actions</i>	
	File #21-985 MATC FAST Fund \$ (50,000)
<b>Current Available Balance</b>	<b>\$ 4,950,464</b>

### Committee Action

This is an informational report only.



Scott B. Manske  
Comptroller



Cynthia (CJ) Pahl, Financial Services Manager  
Office of the Comptroller

- cc: David Crowley, County Executive  
Supervisor Jason Haas, Chairman, Finance & Audit Committee  
Finance & Audit Committee  
Joseph Lamers, Director, Office on Strategy, Budget, and Performance  
Shanin Brown, Committee Coordinator, Office of the County Clerk  
Stephen Cady, Research Director, Office of the Comptroller