

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 8, 2011

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

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

SUBJECT: **Report from the Acting Director, Department of Health and Human Services, requesting the authorization to enter into the 2012 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 Acting Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to sign the 2012 contracts with DHS and DCF for the provision of social services and community programs mandated by state law. The county cannot receive 2012 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. Revenues allocated to DHHS under this contract fund programs in the Behavioral Health, Disabilities Services, and Delinquency and Court Services Divisions.

In 2012, Milwaukee County also will have separate contracts with the state Department of Administration for administration of the Wisconsin Home Energy Assistance Program and the Department of Corrections for Youth Aids. In addition, there will be separate contracts with State DHS and DCF for the lease for the Marcia P. Cogg's Center and shared services provided by the county for the State operated Income Maintenance and Child Care programs.

At this time, DHHS has not received the actual 2012 “Community Aids” contract from the State. However, DHHS has received an advisory notification of 2012 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/social_human_services_contracts/default.htm).

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 2012 Budget includes \$34,890,877 of BCA for BHD, DSD and DCSD. The State's Advisory Notification of the 2012 BCA funding level is \$32,373,052,¹ which is \$2,517,825 lower than the County budget. This reflects a reduction of \$2.7 million being intercepted by the State to support the Income Maintenance program and an increase in BCA of \$182,175 for a net overall reduction of \$2,517,825. The 2012 DHHS Budget includes tax levy of \$2.7 million rather than a reduction in BCA. A fund transfer will be submitted in 2012 to make this adjustment to be consistent with the State reduction. Therefore, the overall fiscal effect is a surplus of \$182,175 in BCA.

Attachment 1 to this report includes a summary of all the funding provided under the state contract.

Social Services Revenue Sources

Children's Long Term Support Programs (CLTS)

As shown in Attachment 1, the state allocation for the Children's Long-Term Support program, administered in the Disabilities Services Division, is \$10,152,068, which is \$356,400 higher than the \$9,795,668 contained in the 2012 DHHS Budget. However, all revenue claimed must be matched with an equal amount of expenditures so this variance will not produce a surplus for the department but could potentially increase the amount of services provided to clients.

Behavioral Health Division

As shown in Attachment 1, there is about \$1 million in budgeted revenues that are not contained in the State's 2012 allocation amount for BHD at this time due to the State's issuance of [a](#) Request for Proposals (RFP) for two grants. The 2012 BHD Budget includes \$920,000 for an IV Drug grant and \$68,800 for an AODA Day Care/Services in Treatment grant based on amounts received in prior years. At the time of budget development, BHD was not aware that the State would be issuing an RFP for the abovementioned grants.

For the IV Drug grant, the maximum amount available is now \$750,000 compared to the \$920,000 BHD received in 2011. BHD has applied for a \$500,000 component of the IV Drug grant for treatment

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.

services, and it is our understanding that an outside agency with which BHD contracts has applied for the remaining \$250,000, meant to fund prevention services. Given that the maximum amount of the IV Drug grant is \$170,000 less than the 2012 Budget, service reductions are possible even if BHD and the outside agency receive the full \$750,000. As of this writing, neither BHD nor the outside agency has received notification on the status of the IV Drug grant. Related expenditures will also be decreased based on the RFP award so the net tax levy impact will be zero. If necessary, a fund transfer will be submitted later in the year.

Moreover, the AODA Day Care/Services in Treatment grant for \$68,800 is a pass-through grant to an outside agency. BHD did not apply for this grant for 2012 because it is our understanding that the outside agency applied and is awaiting notification from the State. Again, related expenditures will be decreased resulting in a net tax levy impact of zero.

BHD's allocation of the TANF grant is approximately \$544,405 less than the 2011 allocation, which is \$50,000 less than the amount included in the 2012 Budget. It is likely that service reductions will need to be made to account for this change, although some funding has been added to the Recommended 2012 Budget to offset this reduction. BHD will continue to monitor Board actions and bring contract allocation recommendations with the final allocation to the Board in the December cycle.

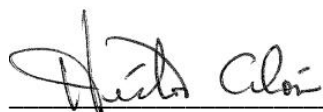
Conversely, the 2012 BHD allocation for several other funding sources is more beneficial than was assumed in the 2012 Budget by approximately \$23,000. Overall, BHD is projecting that there is no tax levy impact from all of these changes.

Recommendation

It is recommended that the County Board of Supervisors authorize the DHHS Acting Director to execute the 2012 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 2012 Social Services and Community Programs contracts provide total revenue of approximately \$62.3 million.

Fiscal Impact

DHHS staff has compared revenues in the State's Advisory Notification to revenues that were anticipated in the 2012 Budget. Based on the notification, the contract is expected to include net revenue of \$62,327,679 (Community Aids of \$32,373,052 and earmarked revenues of \$29,954,627) after adjusting for a Family Care intercept amount of \$8,305,873 and Income Maintenance intercept of \$2.7 million. A fiscal note form is attached.



Héctor Colón, Acting Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Terrence Cooley, Chief of Staff – County Board
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Pamela Bryant, Fiscal and Budget Administrator – DAS
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