

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: November 26, 2012

TO: Supervisor Marina Dimitrijevic, Chairwoman – Milwaukee County Board

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

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting authorization to enter into a 2013 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 Director, Department of Health and Human Services (DHHS), is therefore requesting authorization to sign the 2013 contracts with DHS and DCF for the provision of social services and community programs mandated by state law. The county cannot receive 2013 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 (DHHS). Revenues allocated to DHHS under this contract fund programs in the Behavioral Health, Disabilities Services, and Delinquency and Court Services Divisions.

In 2013, 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 of the Marcia P. Coggs 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 2013 “Community Aids” contract from the State. However, DHHS has received an advisory notification of 2013 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>).

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 2013 Budget includes \$32,190,877 of BCA for BHD, DSD and DCSD. This amount has been adjusted to reflect the \$8.3 million intercepted by the State for the Family Care program as well as a reduction of \$2.7 million for the State-operated Income Maintenance Program. The State's Advisory Notification of the 2013 BCA funding level is \$32,361,946,¹ which is \$171,069 higher than the County budget.

Changes to Earmarked Revenue Sources

Children's Long Term Support Programs (CLTS)

As shown in Attachment 1, the State allocation for the Children's Long-Term Support (CLTS) program, administered in the Disabilities Services Division, is \$11,161,010. This reflects \$8,087,747 for Autism services and \$3,073,263 in non-Autism services.

The 2013 State contract for CLTS is \$909,063 higher than the 2012 contract. The State increased its allocation to the CLTS Autism service component of the program. Although Milwaukee County receives a specific allocation for autism services and processes the payments, these services are administered by the State.

For the past few years, the State has utilized a third party administrator (TPA) to pay for service costs associated with the CLTS program. Although the State contract identifies specific allocations by service type to Milwaukee County totaling \$11.1 million, only revenues related to case management and administration, anticipated to be \$560,854, are posted to the county's financial system and are included in the 2013 Budget.

Birth to Three Program

As shown in Attachment 1, the State allocation for the Birth to Three program, administered in the Disabilities Services Division, is \$2,685,321. Although the allocation for Birth to 3 is about \$15,000 less than the 2013 Budget, the department anticipates receiving the full allocation based on the 2012 actual revenue amount and has discussed this issue with the State.

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. It also reflects the reduction for the \$8.3 million Family Care intercept and \$2.7 million for the IM Program.

Behavioral Health Division

As shown in Attachment 1, the 2013 Budget anticipates basically the same amount of revenue as contained in the State's preliminary allocation. Compared to the 2013 Budget, an additional \$30,000 is included in the preliminary allocation which will result in increased direct client services.


The 2013 State allocation for the IV Drug grant is \$500,000 higher than the 2012 allocation. This is due to a change in methodology which required BHD to apply for the grant in 2012, BHD was awarded the grant and in 2013 BHD is the designated recipient of this grant.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, Department of Health and Human Services, to execute the 2013 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 2013 Social Services and Community Programs contracts provide total revenue of approximately \$63.8 million.

Fiscal Impact

DHHS staff has compared revenues in the State's Advisory Notification to revenues that were anticipated in the 2013 Budget. Based on the notification, the contract is expected to include net revenue of \$63,816,790 (Community Aids of \$32,361,946, earmarked revenues of \$20,854,688, and the TPA Adjustment of \$10,600,156) after adjusting for a Family Care intercept amount of \$8,305,873 and Income Maintenance intercept amount of \$2,700,000. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
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