

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** December 15, 2021Original Fiscal Note Substitute Fiscal Note

SUBJECT: From the Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services requesting authorization of \$500,000 of Federal American Rescue Plan Act of 2021 funds to establish a digital transformation assessment project and set aside of \$10 million to execute the assessment's digital transformation roadmap.

FISCAL EFFECT:

- No Direct County Fiscal Impact Increase Capital Expenditures
- Existing Staff Time Required Decrease Capital Expenditures
- Increase Operating Expenditures (If checked, check one of two boxes below) Increase Capital Revenues
- Absorbed Within Agency's Budget Decrease Capital Revenues
- Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures Use of contingent funds
- Increase Operating Revenues
- Decrease Operating Revenues

Indicate below the dollar change from 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		
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure	\$500,000	TBD – Based on Assessment Output
	Revenue		
	Net Cost		

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.

A \$500,000 allocation from the County's American Rescue Plan Act (ARPA) funds is requested to provide third party consulting resources, which will be procured via the County's standard bid process, to perform a digital transformation assessment to develop a digital transformation roadmap for the County to move from traditional processes to more automated and digital processes.

Secondarily, the request is to set aside \$10M in ARPA funds for the execution of the roadmap developed as a part of the initial assessment. However, the Information Management Services Division (IMSD), Department of Administrative Services (DAS) will request authorization for those funds prior to executing additional project work.

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.

Once the assessment is completed, IMSD and the associated business departments will work with the ARPA Task Force to obtain approval for the execution of the roadmap's identified digital transformation projects. The identified projects will, at a minimum, include the following information:

- Digital transformation project description, department, and desired goal (e.g., revenue generation / recapture, operational cost savings, operational efficiencies, etc.)
- Planned one-time project costs
- Return on Investment (ROI) calculations, including future maintenance costs (e.g., hardware, software, personnel, etc.)
- Summary of project risks
- Other items as the assessment may recommend

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.

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.

There are sufficient funds in the County's ARPA program to fund the \$500,000 assessment request and the \$10M proposed follow-on roadmap execution. There is no tax levy impact for 2022.

Spending of the \$10M may occur over multiple years. The Fiscal Note for the future request to spend these funds will include a more detailed outline of timings based on the delivered digital transformation roadmap.

- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

IMSD conducted background research and met with two consulting firms who provide similar services to other government organizations. Based on the results, IMSD estimated the \$500,000 for the initial assessment. Additionally, the consulting firms recommended reserving 5% to 10% of ARPA funds for the digital transformation roadmap, and IMSD estimated \$10M.

Department: Information Management Services Division, Department of Administrative Services

Prepared By: Lynn J. Fyhrlund – Director and Chief Information Officer

Authorized Signature: 

Did DAS-Fiscal Staff Review? Yes No
Did CDPB Staff Review? Yes No Not Required