

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 12, 2022

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A report from the Director, Department of Health and Human Services (DHHS), and the Director, Department of Administrative Services (DAS), requesting the release of previously-allocated American Rescue Plan Act (ARPA) funding for the construction of a new administrative building for DHHS

FISCAL EFFECT:

- | | |
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| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input 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 type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input checked="" type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input checked="" type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

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	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$32,335,694	\$4,671,262
	Revenue	\$32,335,694	\$4,671,262
	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. Approval of this resolution will release a total of \$32,335,694 in American Rescue Plan Act (ARPA) funds to capital project WS0126 - DHHS Marcia P. Coggs Human Services Center. The resolution also seeks approval of new construction as the preferred method for replacing the existing facility at the current location.
- B. The total estimated construction budget is \$42,210,582. The Milwaukee County ARPA Task Force recommended a total allocation of \$32,335,694 out of Milwaukee County's ARPA award amount of \$183,696,189 at its meeting on December 2, 2021. The remaining funding sources are identified in the table below and include an anticipated \$4.7 million in the 2023 Recommended Capital Improvements Budget.

Total Construction Budget	\$42,210,582
<u>Funding Sources</u>	
ARPA Commitment	\$32,335,694
Existing Capital Funding in WS0126	\$5,203,626
2023 Recommended Capital Budget	\$4,671,262

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.

- C. Costs are anticipated to be incurred over the ARPA grant award term. The resolution authorizes the execution of a fund transfer by the Department of Administrative Services-Strategy, Budget and Performance (SBP) and the Office of the Comptroller to increase expenditures by \$32,335,694 to capital project WS0126. The resolution anticipates that funding will be disbursed from the County's allocation of ARPA funds.
- D. This fiscal note assumes that the remaining \$4.7 million to fund the capital project will be included in the 2023 Recommended Capital Improvements Budget and ultimately be approved by the County Board in the 2023 Adopted Capital Improvements Budget.

Department/Prepared By: Clare O'Brien, DHHS Budget & Policy Director

Authorized Signature *Shakita LaGrant-McClain*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required