

**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

DATE : March 24, 2017

TO : Chris Abele, Milwaukee County Executive

FROM : Steven R. Kreklow, Director, Office of Performance, Strategy and Budget,  
Department of Administrative Services

SUBJECT : 2018 Federal Proposed Budget Blueprint

The Federal Office of Management and Budget recently released *America First – A Budget Blueprint to Make America Great Again*. This document is a very high level review of President Trump’s proposal for the 2018 Federal Budget. The actions listed in the 2018 proposed budget blueprint are only provided in very limited detail and do not provide a complete understanding of the comprehensive 2018 Federal Budget. Additionally, other legislative processes may change the 2018 budget proposal as the proposed budget is further debated in Congress. My initial review indicates the County could lose \$65.3 million in funds for federally supported programs.

The table below provides a preliminary general overview of some notable federal funding sources which support Milwaukee County programs and are proposed to be eliminated in the 2018 Federal Budget Blueprint.

<b>Milwaukee County Department</b>	<b>Federal Program Proposed to be Eliminated</b>	<b>Preliminary Perceived Impact to Milwaukee County Revenue</b>
District Attorney	HUD CDBG Program	Potential loss of funding for three State Prosecutors
Department of Transportation	Federal New Start Program	Potential loss of funding source for Bus Rapid Transit (BRT) Project (estimated \$36.0 M loss of funding)
Department of Health and Human Services	LIHEAP Energy Program	Potential loss of \$25.6 M per year for Program Administration, Energy Benefits, Energy Crisis Assistance and Furnace Replacement/Repairs.
Department of Health and Human Services	HUD Home Repair Program	Potential loss of \$2.0 M per year
Department of Health and Human Services	HUD Block Grant Program	Potential loss of \$1.4 M per year

In addition to the elimination of programs, the 2018 Federal Budget Blueprint also proposes reductions to federal funding sources that currently support Milwaukee County. At this time there is not enough detail provided to understand how a reduction to these sources would impact Milwaukee County allocations. A few examples of programs relevant to Milwaukee County that the 2018 Federal Budget Blueprint proposes reductions for include FEMA Emergency Management Performance Grants (EMPG), FEMA Disaster Recovery Grants, FEMA Pre-Disaster Mitigation Grants, State and Local Homeland Security Grants, other HUD programs, and Foodwise. At this

point additional research and detail is needed in order to fully understand the fiscal impact that these proposed changes could have on Milwaukee County.

There are other programs proposed for elimination which do not have a direct revenue impact on Milwaukee County. However, if these programs were eliminated there potentially could be an impact on Milwaukee County residents and Milwaukee County operations. Examples of these programs include the National and Community Service Corporation, Community Services Block Grant, Community Development Block Grant, United States Interagency Council on Homelessness and the Neighborhood Reinvestment Corporation (Neighbor Works America).

Other potential legislative changes being considered at this time that could impact Milwaukee County revenue sources include reforms to Medicaid, changes to the Affordable Health Care Act (ACA), or adoption of the American Health Care Act (AHCA). Based on recently proposed federal legislation related to these programs, it is conjectured that the proposed changes would have a significant impact on the revenue at the Behavioral Health Division. Due to the complexity of these programs, additional analysis would need to be conducted to have a complete understanding these proposed changes.

The proposed changes outlined in this memo have not been adopted at this time. There will be additional actions in the legislative process which provide more detailed information about these proposed changes. Additionally, further legislative action may change the proposed federal 2018 budget. Our office will continue to monitor developments and provide additional updates about possible impacts to Milwaukee County as more information becomes available.



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