

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 14, 2025

Original Fiscal Note ☒

Substitute Fiscal Note ☐

SUBJECT: A report from the Executive Director, Department of Health and Human Services, requesting authorization to amend **2025** fee-for-service contracts with community vendors for Children, Youth and Family Services (CYFS)

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 - 2025	Subsequent Year
Operating Budget	Expenditure	\$7,071,000	
	Revenue	\$7,071,000	
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	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. DHHS is requesting authorization to amend three fee-for-service (FFS) agreements for Group Home Providers (GH). Original 2025 contracts for 22 FFS agreements were for \$99,000 each for a total of \$2,178,000 and each contract was amended in the May cycle (Report 25-321) to \$250,000 each for a total increase of \$3,322,000. The three additional requested contract increases total \$500,000 over current amended amounts.

There are also five Residential Treatment Center (RTC) agreements that require additional funding based on actuals and projected usage through 2025. The requested increase totals of \$6,550,000 over current amended amounts to ensure sufficient funding through the end of 2025.

Lastly, there is one clinical service contract for youth staying in the detention center that is projected to require an additional \$21,000 in funding based on actuals and projected usage through 2025.

- B. Approval of this request will enable CYFS to amend 2025 contracts based on 2025 utilization. Actual costs for each contract will depend on the number of youth ordered to out-of-home care and the facilities that the court chooses for each placement. Due to the youth being court ordered to these programs, CYFS is required to enter into a contract with the facility and oversee the placement of the youth (DOC 938.36).
- C. The total anticipated cost for both the GH and RTC contracts is now about \$13 million which reflects an increase of about \$4.7 million over the 2025 Budget. The budget included \$8.3 million for out of home care. As mentioned in May, about 70% of this increased amount is due

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.

to increased GH and RTC daily rates which are set by the state and the remaining 30% of the increase is due to increased utilization. The additional \$21,000 in clinical services was included in the 2025 budget.

At this time, the fiscal projection for CYFS anticipates absorbing this increased out-of-home care cost within the existing 2025 budget due to savings from lower DOC correctional placements and reduced cost of placements at Mendota, Lincoln Hills and Copper Lake. The period 9 projection anticipates just over a \$99,000 surplus which includes this additional cost.

- D. This fiscal note assumes that the total contract amounts for each provider is sufficient for 2025 placement needs. Actual contract amounts will depend on 2025 utilization which is difficult to predict accurately. This fiscal note also assumes a 15% increase in FFS costs for 2026.

Department/Prepared By: Pam Matthews, Sr. Budget & Management Analyst

Authorized Signature Shakita LaGrant-McClain

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CBDP Review? ☐ Yes ☐ No ☒ Not Required