

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/10/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Interim Director, Department of Health and Human Services, requesting authorization to enter into 2011 contracts with the State of Wisconsin for reimbursement for county staff performing Income Maintenance and Child Care program administration under State management.

FISCAL EFFECT:

- | | |
|---|--|
| <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 checked="" type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input 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
	Revenue	85,550	0
	Net Cost	-85,550	0
Capital Improvement Budget	Expenditure		
	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.
- 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. Authorization is requested to sign the 2011 contracts with the State Department of Health Services for the Income Maintenance program and with the State Department of Children and Families for the Child Day Care program. Approval will allow Milwaukee County to receive State reimbursement revenue for administration of this program for county employees performing program administration under State management. In addition, approval would also execute a short-term lease (January 1 to December 31, 2011) with DHS. The lease is included as an attachment to the DHS contract.

B. The lease revenue included in the 2011 Adopted Budget is \$1,565,606 and the revenue anticipated in the lease is \$1,701,156 which reflects an increase of \$135,550. In addition, the county will incur an unbudgeted \$50,000 charge from DHS for eligibility services performed for the Interim Disability Assistance Program (IDAP). Therefore, the net additional unbudgeted revenue is \$85,550.

C. The 2011 Income Maintenance contract would reimburse the County \$21,309,824 less the statutorily required minimum County Income Maintenance contribution of \$2.7 million. This contribution is included in the 2011 Budget.

The 2010 Child Care contract would provide 100% reimbursement to the County for \$6,202,859 in personnel costs for county Child Care employees under State management.

A total of \$531,853 in Shared Services revenue is included in the 2011 Budget. Shared services are provided to the State by county employees in the areas of Human Resources, Record Center Services, Medical Transportation administration and Mail Services. The ability to earn the full revenue, however, is dependent upon 100% time reporting by county staff as well as the budgeted hourly rates reflecting 2011 actual costs. The contract requires the budgeted rates charged for shared services be reconciled against actual costs throughout the calendar year.

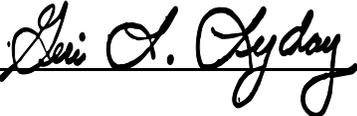
¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Finally, due to the delay in finalizing the contracts, Milwaukee County has not been reimbursed for its 2011 costs estimated at about \$15 million (January - May). Once the contracts are executed, DHHS can begin receiving reimbursement.

D. The fiscal note assumes that the State will occupy the full 86,152 square feet of space for the entire year. However, the lease allows DHS to vacate contiguous office space in excess of 5,000 square feet with at least 90 days written notice. If this should occur, this will negatively impact the 2011 anticipated lease revenue.

In addition, the fiscal note assumes that the 100% time reporting will be completed by county staff and actual hourly rates will be consistent with budgeted hourly rates.

Department/Prepared By Clare O'Brien, DAS assigned to DHHS

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No