

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 5/31/11

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Interim Director, Department of Health and Human Services, Requesting Authorization to Enter into a 2011 Lease and Options to Extend for Space for the Behavioral Health Division's Community Support Program

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> 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	14,752	-8,983
	Revenue	0	0
	Net Cost	14,752	-8,983
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 lease for space to house the Community Support Program at its south side location at 1201 and 1207 W. Mitchell Street in Milwaukee. The 2011 amended lease reflects a term of May 1, 2011 to April 30, 2012 with options of one-year extensions thru April 30, 2016. Total square footage is 7,520.

B. The annual lease amount under the existing lease is \$81,600 or \$6,800 monthly. The new lease reflects an annual lease amount of \$84,048 or \$7,004 monthly. An additional cost of \$14,760 is included in the lease for new carpeting. The base rent and carpeting bring the total 2011 calendar year cost to \$96,352.

C. BHD's 2011 Budget includes \$81,600 for space rental for CSP's south side location. The total calendar year cost for the lease in 2011 is \$96,352, which reflects an increase of \$14,752 over the 2011 Budget. The increase reflects the one-time cost for new carpeting. The 2011 county calendar year cost incorporates the first four months under the current lease (\$6,800/month) and the last eight months (\$7,004+\$1,640/month) under the new lease which includes base rent and the carpeting. The additional cost over the 2011 budget will be absorbed within BHD. The 2012 calendar year cost for the lease is \$87,369 which is \$8,983 less than the 2011 cost because the majority of the one-time cost for the carpeting is being paid for in 2011. The lease extensions increase an average of 3% per year.

D. There are no assumptions included in the fiscal note.

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.

Department/Prepared By Clare O'Brien, Department of Health and Human Services (DAS)

Authorized Signature

Levi A. Sydnor

Did DAS-Fiscal Staff Review?

Yes

No