

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: July 5, 2011

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Interim Director, Department of Health and Human Services, Requesting Authorization to Use 2010 Behavioral Health Division Capital Budget Project Funding for Patient Furniture

FISCAL EFFECT:

- | | |
|---|---|
| <input checked="" 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 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	0	
	Net Cost	0	
Capital Improvement Budget	Expenditure	600,000	
	Revenue		
	Net Cost	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) The Interim Director, Department of Health and Human Services, is requesting authorization to use 2010 Behavioral Health Division Capital Budget Project Funding for patient furniture.

B) BHD is requesting \$600,000 to purchase 141 sets of patient care furniture for the BHD. Existing furniture on units is predominately from 1979, when the facility was constructed.

At the July 2010 meetings of the Committees on Health and Human Needs and the Finance and Audit, the Board approved expenditure authority for \$1,825,890 in 2010 BHD Capital Funds for Statement of Deficiency (SOD) repairs. To date, \$1,173,939, including personnel, equipment, and materials costs have been spent on the SOD repairs. Of this amount, approximately \$600,000 was spent out of the 2010 BHD operating budget. An additional amount of \$300,000 is earmarked for Dietary related updates associated with the SOD. This leaves approximately \$950,000 in funding. The table below summarizes SOD spending:

SOD Capital Funding	
Original Allocation	\$1,825,890
SOD Spending YTD	(\$1,173,939)
Non- Bondable portion of SOD Spending*	\$600,000
Dietary Investments	(\$300,000)
Remaining Balance	\$951,951

*Note: The \$600,000 was included in the 2010 Operating year-end close for BHD.

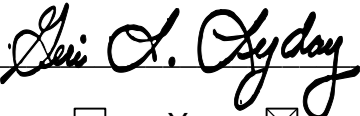
¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

BHD has worked with DAS Capital Finance Manager to determine that the patient furniture is bond eligible and will qualify as a capital expense. Therefore, BHD is requesting that \$600,000 of the remaining \$951,951 in Capital funds originally approved for the SOD be used for patient furniture.

C) The total 2010 BHD Capital project balance would be reduced by \$600,000. No increase in tax levy results from these changes.

D. No assumptions/interpretations.

Department/Prepared By Milwaukee County DHHS, Alex Kotze, Budget Manager

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No