

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 2/7/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Report from the Director, Department of Health and Human Services, requesting authorization to amend various 2012 Purchase of Service Contracts for programs within the Delinquency and Court Services Division.

**FISCAL EFFECT:**

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|--|--|
| <input checked="" 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 type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	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. <sup>1</sup> 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 Director of the Department of Health and Human Services (DHHS) is requesting authorization to amend various 2012 Delinquency and Court Services Division (DCSD) Purchase of Service contracts that have a 2012 term that ends on June 30th.

Approval of this request will allow the Director of DHHS to extend purchase of service contracts to continue provision of contracted Re-entry Coordination, Level 2 In-Home Monitoring and Targeted Monitoring services for the period January 1, 2012 through December 31, 2012.

B. Total 2012 expenditures included in this request are \$2,761,380, representing an increase of \$1,380,690 over the amount approved in December 2011.

DHHS received the 2012 Contract from the State Department of Corrections (DOC), and the actual variance to DCSD's 2012 Adopted Budget results in a budgeted revenue shortfall of \$789,447. Based on 2011 final year-end DOC 18-month projections indicating a surplus for 2012 of over \$600,000, approximately \$200,000 of savings from the December DCSD contract changes and other emerging initiatives, DHHS is confident that the reductions at the State level can be absorbed within the DHHS budget in 2012.

C. There is no tax levy impact associated with approval of this request in 2012 as funds sufficient to cover the expenditures associated with these contracts were included as part of


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<sup>1</sup> 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.

DCSD's 2012 Budget, and because DHHS believes that the additional State reduction in Youth Aids can be absorbed within the 2012 DHHS budget.

D. No assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No