

REVISED

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 25, 2013

Original Fiscal Note ☐

Substitute Fiscal Note ☒

SUBJECT: A SUBSTITUTE resolution authorizing the expenditure of funds for the purposes of assisting and encouraging the enrollment of Milwaukee County residents in accessing public and private health insurance including but not limited to the federally mandated health insurance Marketplace that begins October 1, 2013

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 type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input checked="" 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	0	0
	Revenue	0	0
	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.

Approval of this resolution will authorize the expenditure of funds for the purposes of assisting and encouraging the enrollment of Milwaukee County residents in accessing public and private health insurance including but not limited to the federally mandated health insurance Marketplace that begins October 1, 2013. The source of the funds is identified departmental surpluses located within Org. 8000 – Department of Health and Human Services.

The County Executive has already authorized the Director of DHHS to expend \$279,000 this year, with up to an additional \$100,000 in 2014, for contracts with entities that will assist in the enrollment effort. It is understood that the monies for these contracts will come from identified surpluses elsewhere in the department. The Office of the Comptroller reported that DHHS has an estimated surplus for 2013 of approximately \$2.37 million based on a July 30, 2013, report. This includes a projected deficit in Org. Unit 6300 – Behavioral Health Division.

This resolution would authorize and direct the transfer of these surplus funds to a cost center within DHHS that can also include any expenditures made for the enrollment effort. In addition, this resolution directs the transfer of an additional \$350,000 in departmental surpluses to the new cost center to make funds available for the enrollment effort, if needed. No additional County Board approval is necessary to effectuate the transfer of the aforementioned funds.

The resolution also authorizes DHHS to enter into any new contracts with entities for the purpose of helping enroll at-risk members of the community into health insurance programs. No further approval of the County Board is required, provided that the Office of the Comptroller verify that the use of the funds is within the scope of this resolution.

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.

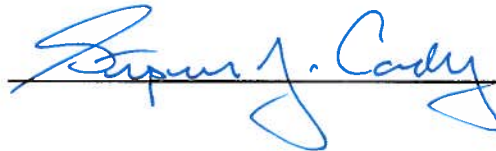
The resolution requires that the Office of the Comptroller and Department of Administrative Services, working in conjunction with the Department of Health and Human Services, shall develop accountability, oversight and regular reporting requirements that shall be included in the scope of services agreements with the organizations prior to the release of the funds.

The fiscal impact of this resolution is \$0, because it does not require additional monies above what was appropriated in the 2013 Adopted Budget. However, to the extent that surplus funds that were originally earmarked for one purpose are redirected to efforts to enroll at-risk individuals into health insurance plans, then it otherwise reduces the amount of surplus that would have been achieved.

The Office of the Comptroller indicates that the initial \$229,000 for this initiative (\$99,000 to IMPACT 211 and \$130,000 to Winged Victory) was accounted for by DHHS when the department projected its \$2.37 million surplus as of July 31, 2013. Therefore, the extra \$150,000 proposed by DHHS (\$60,000 to CHAP and \$90,000 to Covering Kids and Families) would reduce the projected surplus by \$150,000. In addition, if any of the additional \$350,000 of surplus is expended for this initiative, it would reduce the projected surplus within DHHS as well.²

Department/Prepared By Stephen Cady, Fiscal and Budget Analyst, County Board

Authorized Signature



Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CDBP Review?² ☐ Yes ☐ No ☒ Not Required

² This paragraph was added after the Committee on Finance, Personnel and Audit met on September 25, 2013, based on input from the Office of the Comptroller and to better reflect the fiscal impact of this resolution.