



**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

Office of the Comptroller

DATE : June 2, 2014
TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors
FROM : Scott B. Manske, Comptroller
SUBJECT: 2014 Fiscal Projection for Milwaukee County – (April 2014) **(For Information Only)**

Policy Issue

County Ordinance 56.02(2) was modified to reflect changes adopted under 2011 Wisconsin Act 62 which created the Office of the Comptroller and requires a monthly update of the fiscal condition of the County to the County Board. To comply with this ordinance, the Comptroller is providing the County Board with a monthly update to the projection of 2014 year-end fiscal report that was submitted to the County Board and County Executive during the May 2014 cycle of the County Board.

Updated 2014 Year-end Fiscal Projection – April 2014

Period	County Projected Year End Position	Annual Projection	Change from Prior Projection
January 2014	Breakeven	\$0	\$0
February 2014	Breakeven	\$0	\$0
March 2014	Surplus	\$3.5 million	\$3.5 million
April 2014 (Current Period)	Surplus	\$2.6 million	(\$0.9 million)

Based on financial results through April 30, 2014 and quarterly reports submitted by departments, Milwaukee County's projected 2014 year-end fiscal status is a projected surplus of \$2.6 million. The projected surplus assumes that the available balance in the contingency fund of \$4.1 million is applied to offset departmental and non-departmental deficits. To the extent the contingency fund is used during the year for other purposes, the projected surplus will decrease.

The following table reports significant changes in departments' projected year end. Attachment A lists department's projected year end as of the first quarter and as of April 30, 2014.

Departments with a significant change from prior report

Org Unit	Department	Prior as of 1st Quarter	Current as of April 30	Change
1150	DAS - Risk Management	\$0	(\$1,200,000)	(\$1,200,000)
4300	House of Correction	(\$986,600)	(\$1,496,800)	(\$510,000)
6300	Behavioral Health Division	\$0	(\$2,300,000)	(\$2,300,000)
8000	Dept. of Health & Human Services	\$0	\$3,000,000	\$3,000,000

DAS – Risk Management

The DAS – Risk Management Division is currently projecting an expenditure deficit of approximately (\$1.2) million in Worker's Compensation claims for 2014. In 2013, \$5.0 million was spent on Worker's Compensation claims and the division is on pace to spend a similar amount in 2014. The 2014 Adopted Budget contained funding of \$3.8 million for Worker's Compensation. The 2014 Adopted Budget anticipated the outsourcing of the Worker's Compensation Program. The Division has experienced a delay in the implementation of the outsourcing due to the Courthouse Fire and the replacement of the Risk Manager. The Division indicates that the Request for Proposals has been released.

House of Correction (HOC)

The HOC is currently projecting a deficit of (\$1.5) million for 2014.

This is an increase in the deficit of (\$0.5) million since the 1st Quarter report and is due to a reduction in the projected revenue surplus of (\$0.3) million and an increase in the projected expenditure deficit for utilities of (\$0.2) million.

Behavioral Health Division (BHD)

BHD is projecting an overall deficit of (\$2.3) million in 2014.

The delay in the closure of the Hilltop facility will result in a deficit of (\$0.7) million. The 2014 Adopted budget anticipated the complete closure of the Hilltop facility by November 2014 with declining populations throughout 2014. On an annual basis, this delay will result in an expenditure deficit of (\$2.6) million in increased personnel and contractual services costs which are partially offset by continuing Hilltop patient revenues of \$1.9 million.

BHD is currently projecting a revenue surplus of \$1.1 million due to higher than expected net patient revenue of \$0.4 million and additional Medicaid revenue not included in the

budget of \$0.6 million. These revenue surpluses are partially offset by a projected revenue deficit of (\$1.6) million due to lower State Plan Amendment revenue than budget.

BHD is projecting an expenditure deficit of (\$1.1) million due to increased overtime and contractual expenses as a result of staffing shortages. BHD is working to fill open positions.

Department of Health and Human Services (DHHS)

DHHS is projecting a surplus of \$3.0 million for 2014.

Revenue is projected to deficit by (\$1.3) million due to a deficit of (\$2.8) million in Wraparound revenue, resulting from slower census growth than anticipated and (\$1.0) million in patient health care revenue for the CSP and Day Treatment. A projected Youth Aids surplus of \$2.5 million partially offsets these deficits.

DHHS is projecting an expenditure surplus of \$4.3 million due to a savings of \$1.0 million resulting from vacancies in multiple divisions throughout the agency and \$3.3 million in Wraparound client services resulting from slower census growth than anticipated

Committee Action

This is an informational report only. This report should be referred to and reviewed by the Finance and Audit Committee.



Scott B. Manske
Comptroller

Attachments

cc: Chris Abele, County Executive
Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Audit & Personnel
Committee
Supervisor David Cullen, Co-Chairman, Finance, Audit & Personnel
Committee
Finance, Audit and Personnel Committee
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Director, Office of Performance, Strategy and Budget
Janelle Jensen, Committee Clerk, County Clerk
Department Heads

ATTACHMENT A				
Dept	Department Name	1st Quarter Projection	April 30, 2013 Projection	Change
1040	Community Business Development Partners	(97,300)	(95,000)	2,300
1140	Department of Human Resources	(200)	7,852	8,052
1150	Risk Management	-	(1,200,000)	(1,200,000)
2000	Combined Courts	(158,100)	(184,985)	(26,885)
3090	Treasurer	-	50,647	50,647
3400	Register of Deeds	(401,000)	(375,374)	25,626
3700	Comptroller	93,200	93,200	-
4000	Sheriff	(3,827,700)	(3,827,700)	-
4300	House of Correction	(986,600)	(1,496,758)	(510,158)
4500	District Attorney	53,700	-	(53,700)
4900	Medical Examiner	(71,000)	(71,000)	-
5100	DOT-Highway	-	74,378	
5300	DOT - Fleet	(350,800)	(350,000)	800
5500	DAS - Water Utility	-	-	-
5600	DOT-Transit/Paratransit System	2,588,800	2,588,800	-
6300	Behavioral Health Division	-	(2,300,000)	(2,300,000)
7900	Department on Aging	-	-	-
7990	Department of Family Care (CMO)	(5,270,200)	(5,270,200)	-
7990	Contribution to Family Care Reserve	5,270,200	5,270,200	-
8000	Department of Health and Human Services	-	3,000,000	3,000,000
9000	Department of Parks, Recreation & Culture	-	-	-
9500	Zoological Department	(149,700)	(61,819)	87,881
	Other	69,726	69,426	(300)
	Departmental Total	(3,236,974)	(4,078,333)	(915,737)
120	Capital Projects	-	-	-
1945	Unallocated Contingency Fund	4,116,098	4,116,098	-
1950	Fringe Benefits	3,300,000	3,300,000	-
1991	Reserve for Delinquent Property Taxes	-	-	-
1992	Earnings on Investments	(711,411)	(711,411)	-
1993	State Shared Revenue	-	-	-
1996	Sales Tax Revenue	-	-	-
9960	Debt Service Fund/Froedtert Lease Payment	-	-	-
	Non-Departmental	6,704,687	6,704,687	-
	Projected County Surplus (Deficit)	3,467,713	2,626,354	(915,737)