

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: February 18, 2016
To: Theodore Lipscomb, Sr., Chair, County Board of Supervisors
From: Steven Kreklow, Director, Office of Performance, Strategy, & Budget
Subject: 1% Reductions per Amendment 1A070 to the 2016 Milwaukee County Budget

BACKGROUND

Amendment 1A070 to the 2016 Milwaukee County Budget added funds to the Appropriation for Contingencies and reduced expenditures in various departments and offices with the net effect of reducing tax levy. The amendment states that the reductions are to be absorbed via administration as opposed to service cuts, and potential methods of addressing the reductions include:

- Holding positions vacant
- Managing unclassified pay
- Requests to the County Board to release funds from the Appropriation for Contingencies

DISCUSSION

The departments and offices affected by amendment 1A070 were asked to review their budgets and operations to determine the potential impact of the expenditure reductions and the ability to address them via corrective measures, including but not limited to the options provided in the amendment. Specifically, the following six questions were asked:

1. Is your department able to absorb the reduction without any reduction in services?
2. If so, how will the reduction be absorbed?
3. If not, what services will be impacted? Are any position reductions or lay-offs necessary?
4. Are any internal department fund transfers necessary as a result of the amendment?
5. If your department is not able to absorb the reduction without service impacts, how much of a transfer from the appropriation for contingencies will be necessary to avoid reductions in services?
6. Is your plan for addressing the 1% reduction sustainable or will you need a corresponding increase in your 2017 budget?

The responses received by DAS-PSB are shown in Appendix A.

SUMMARY

There are 23 departments and offices impacted by the 1% reductions, and these are divided into the five following categories based on their responses to DAS-PSB. DAS-Fiscal Affairs has divisions in two different categories, and these divisions are indicated with a *.

Category # of Department/Offices

1. (0) Able to absorb the reductions in a sustainable manner
2. (11) Believe they can absorb the reductions in 2016, but will need funding restored in 2017
 - Government Affairs
 - Personnel Review Board
 - Ethics Board
 - Corporation Counsel
 - Election Commission
 - County Clerk
 - County Treasurer
 - Comptroller's Office
 - Register of Deeds
 - DOT – Director's Office
 - UW-Extension
 - DAS – Procurement*
 - DAS – Community Business Development Partners*
 - DAS – Performance, Strategy, & Budget*
3. (7) Are unable to absorb the reductions without loss of services or ability to perform required functions, and thus requested funds from the contingency fund totaling \$1,429,948
 - Human Resources
 - DAS – Risk Management
 - DAS – Office for Persons with Disabilities*
 - DAS – Economic Development*
 - DAS – Facilities Management*
 - DAS – Central Business Office*
 - DAS – Information Management Services Division
 - Medical Examiner
 - DOT – Fleet Management
 - Department on Aging
 - Zoological Department
4. (1) Is a separate unit that has an agreement with the County to provide annual funding through 2023, requiring funds from contingency in the amount of \$4,860
 - War Memorial
5. (3) Are separate units who receive funding from the County and will see reductions in County support for 2016 totaling \$7,523
 - Milwaukee County Historical Society
 - Charles Allis/Villa Terrace
 - Milwaukee County Fund for the Performing Arts

FISCAL NOTE

The total amount of the 1% departmental reductions per amendment 1A070 was \$1,692,669. Although several areas have indicated that they are able to absorb their portion of the reduction for 2016, the remaining departments are requesting \$1,434,808 from the appropriation for contingencies to allow the continuation of operations without layoffs and/or reductions in services to other County departments and the general public. The current contingency balance is sufficient to permit these transfers.

RECOMMENDATION

To meet the needs of the affected departments and to ensure the uninterrupted delivery of services both within the County and to outside users, the Department of Administrative Services - Office of Performance, Strategy, and Budget recommends that \$1,434,808 be set aside for these departments by transferring this total from the unallocated contingency account to the allocated contingency account. In the event that the transfer of these funds to individual departments becomes necessary as the year progresses, a transfer request can be made at a future date.



Steve Kreklow

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