

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: October 31, 2016

TO: Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services

SUBJECT: **Informational report from the Director, Department of Health and Human Services, providing an update on the department's fiscal status**

Issue

On October 26, the department requested permission from the Chairman to submit a fund transfer as part of the October cycle. This permission was sought because the fund transfer submittal deadline had already passed. In response, the Chairman granted the department's request and asked for an informational report outlining the department's fiscal status.

Background

The department's request for a fund transfer was not the result of either fiscal mismanagement or overspending. The department has a longstanding track record of delivering tax levy surpluses to the county's bottom line. In 2015, DHHS realized a \$3.8 million tax levy surplus and in 2014, it realized a \$4.9 million surplus. And as of September 2016, DHHS is anticipating another surplus of about \$2.9 million.

A fund transfer was requested for the October cycle to provide additional expenditure authority to the department's services and commodity accounts. Additional costs had been incurred in these accounts primarily related to the Energy Assistance Program which is offset 100 percent by State and federal revenue. Staff thought it prudent to pursue a fund transfer to avoid a potential disruption of payments to providers.

The \$1.2 million fund transfer primarily impacts the Energy Assistance Program as well as the Delinquency and Courts Service Division (DCSD) and is explained below:

Energy Program & DCSD Contracts

The State has encouraged Milwaukee County to augment its marketing and outreach campaign to expand the number of eligible households participating in the Energy Assistance Program for the first time. The program provides assistance for heating and electric costs and energy crisis situations and is 100 percent funded by State and federal revenues through a contract with the State Department of Administration.

Milwaukee County was one of the only counties in the state to realize an increase (+4 percent) in the number of applicants, while the rest of the state saw a decrease of over 10 percent for federal

fiscal year (FFY) 2016. The total number of energy assistance applications increased from 60,720 in FFY2015 to 63,231 FFY2016. The goal is to reach 70,000 households in FFY2017.

Of the \$1.2 million fund transfer amount, \$941,817 is related to the Energy Program. Subsequent to the 2016 Adopted Budget, the State issued amendments totaling \$941,817 which increased the total revenue to \$3,378,915. The State generally amends the department's Energy contract throughout the year and the original budget is based on the county's base allocation.

This additional revenue is being used to amend existing contracts with the community agencies that operate the program as well as increase funds budgeted for advertising and community outreach.

The remaining \$250,000 of the \$1.2 million fund transfer would provide for additional expenditure authority for professional services contracts in DCSD's budget. The scope of these contracts include program development, technical assistance and staff training to promote fair, effective, and age-appropriate treatment of youth. Funding is coming from anticipated underspending in corrections charges for juveniles held at the State institutes due to a declining Average Daily Population (ADP). The 2016 budgeted ADP is 125 compared to a year-to-date average ADP of 85.

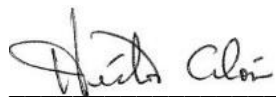
Contracts Under \$100,000

The Chairman further requested that DHHS provide a summary of contracts under \$100,000 that the department entered this year that were not explicitly authorized by the County Board as part of specific budget or legislative action. These contracts primarily reflect the following initiatives: increased organizational effectiveness; employee engagement work; expanding alternatives for DCSD; ending chronic homelessness and energy assistance. Please see Attachment 1 for detail.

Recommendation

This report is for information only. No action is required.

Respectfully Submitted,



Héctor Colón, Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
County Supervisor Peggy West, Chair, Finance & Audit Committee
Supervisor Supreme Moore-Omokunde, County Board
Teig Whaley-Smith, Director, DAS
Scott Manske, Comptroller, Office of the Comptroller
Steve Kreklow, Director, Office of Performance, Strategy & Budget
Steve Cady, Research Director, Comptroller's Office
Lisa Wozny, Budget Analyst - DAS

APPROPRIATION TRANSFER REQUEST							FISCAL YEAR	DEPT. NO.	INSTRUCTIONS: REFER TO MILW. COUNTY ADMINISTRATIVE MANUAL SECTION 4.05 FOR INSTRUCTIONS ON PREPARING THIS FORM.		
1699 R4E MILWAUKEE COUNTY							2016	8000			
DEPARTMENT NAME Department of Health and Human Services											
Were Appropriations Requested Below Denied For The Current Budget?							No		No		
	Line No.	ACCOUNT DISTRIBUTION						OBJECT CODE DESCRIPTION	Transfer Request	DOA Account Modification	
		Fund	Agency	Org. Unit	Revenue/ Object	Activity	Project				
TO (Credit)		0001	800	8438	7910			Office Supplies	\$ 1,000		
		0001	800	8911	6148			Professional Services	\$ 250,000		
		0001	800	8438	6050			Contract Services	\$ 142,000		
		0001	800	8438	6803			Auto Allowance	\$ 1,000		
		0001	800	8438	6080			Postage	\$ 3,500		
		0001	800	8438	6409			Printing	\$ 7,000		
		0001	800	8438	6809			Conference Expenses	\$ 2,500		
		0001	800	8438	6999			Sundry Services	\$ 4,500		
		0001	800	8438	6030			Advertising	\$ 61,000		
		0001	800	8438	7999			Sundry Supplies	\$ 10,000		
		0001	800	8438	8123			Purchase of Service Contracts	\$ 709,317		
TO TOTALS (Credit) \$ 1,191,817.00 \$ -											
FROM (Debit)		0001	800	8438	2263			LIHEAP Revenue	\$ 941,817		
		0001	800	8951	8133			Vendor # 3 Payments	\$ 250,000		
FROM TOTALS (Debit) \$ 1,191,817.00 \$ -											

E X P L A N A T I O N

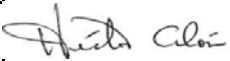
Transfer of \$1,191,817 is requested by the Director, Department of Health and Human Services (DHHS), to recognize the receipt of revenue and associated expenditures related to the Energy Assistance Program and professional services contracts within the Delinquency and Court Services Division (DCSD).

The 2016 Adopted Budget reflects total revenue of \$2,437,098 for the Energy Assistance Program. The program provides assistance for heating and electric costs and energy crisis situations and is 100 percent funded by State and federal revenues through a contract with the State Department of Administration. Subsequent to the 2016 Adopted Budget, the State issued amendments totaling \$941,817 which increased the total revenue to \$3,378,915. The State generally amends the department's Energy contract throughout the year and the original budget is based on the county's base allocation.

This additional revenue is being used to amend existing contracts with the community agencies that operate the program as well as increase funds budgeted for advertising and community outreach. The State has encouraged Milwaukee County to augment its marketing and outreach campaign to expand the number of eligible households participating in the program for the first time. For federal fiscal year (FFY) 2016, Milwaukee County was one of the only counties in the state to realize an increase (+4%) in the number of applicants, while the rest of the state saw a decrease of over 10%. The total number of energy assistance applications increased from 60,720 in FFY2015 to 63,231 FFY2016. The goal is to reach 70,000 households in FFY2017.

This fund transfer also establishes additional funding of \$250,000 for professional services contracts in DCSD's budget for program development, technical assistance and staff training to promote fair, effective, and age-appropriate treatment of youth. Funding for this is coming from anticipated underspending in corrections charges for juveniles held at the State institutes due to a declining Average Daily Population (ADP). The 2016 budgeted ADP is 125 compared to a year-to-date average ADP of 85.

This fund transfer has no tax levy impact.

TYPE OF TRANSFER							TRANSFER NO.		
	AP			EB			RB		
IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH ADDITIONAL PAGES.									
DATE OF REQUEST			SIGNATURE OF DEPARTMENT HEAD					TITLE	
10/28/2016								Director, DHHS	
A c t i o n			Dept. of Administration		County Executive		Finance Committee		County Board
	DATE								
	APPROVE								
	DISAPPROVE								
	MODIFY								

2016 DHHS Executed Contracts for <\$100,000

Attachment 1

Vendor	Amount
Alternatives in Psych Consultation	\$90,569
Blue Rock WI, LLC	\$19,700
Cathedral Center	\$55,000
Community Advocates	\$25,000
Community Planning & Development Advisors	\$14,825
Grand Ave Club	\$65,000
Hope House	\$55,000
Jim Beer, LLC	\$20,000
Kane Communication	\$11,666
Kane Communication	\$99,900
LaCausa	\$15,634
Laura Almond	\$7,100
Media Spirits	\$62,000
Mediaspirits	\$20,000
Medical College	\$38,461
Meta House	\$36,705
Milwaukee Area Time Exchange	\$20,000
Most Worshipful Prince Hall	\$82,550
Pathfinders Milwaukee	\$61,727
Patina Solutions Group	\$99,000
Racine County Juvenile Detention Center	\$95,000
Roeschen's Healthcare, LLC	\$23,000
Salvation Army	\$55,000
United Methodist Children Services	\$20,000
UW Board of Regents	\$19,766
Vangard Group	\$99,900
Wauwatosa School District	\$36,000
West Care	\$55,000
WI Community Services	\$99,900
Subtotal	\$1,403,403