

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 12/28/2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to enter into a State/County contract for Community Youth and Family Aids in the amount of \$42,272,979 for 2019

FISCAL EFFECT:

- | | |
|--|--|
| <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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue		
	Net Cost	\$0	\$0
Capital Improvement Budget	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. 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.

A. Section 301.031 of the Wisconsin Statutes requires counties to execute an annual contract with the State Department of Children and Families (DCF) for the "Community Youth and Family Aids Program." This program provides State funding for County services to youth offenders as mandated by State and/or Federal law. The Director, Department of Health and Human Services (DHHS), is requesting authorization to enter into a 2019 contract with the State for the provision of youth justice services mandated by State law.

B. The 2019 contract provides \$42,272,979 in Youth Aids funding, which is \$355,956 lower than budgeted in 2019. The reduction in the contract is the result of the Youth Aids formulae and Early Intervention funding. A decline in placements to Lincoln Hills contributes to \$202,000 of the total reduction. From 2015 to 2017, the number of placements declined by 46 percent.

The remaining amount of the decrease, \$153,000, is due to Early Intervention funding. These funds were not included in the 2019 Youth Aids contract. DCF indicated that the Early Intervention funds had already been included in a 2018 amendment for \$3 million which DHHS applied to 2018 Detention Center costs. The resulting tax levy savings was then transferred to create a capital project approved by the County Board (File No. 18-633) for the construction of a secure youth facility due to the closure of Lincoln Hills as directed by Wisconsin Act 185.

C. The revenue shortfall of \$355,956 will be covered by a savings in the charge from the Wraparound Program for DYFS youth. This savings is due to a decline in enrollment which reflects a reduced charge of about \$400,000 for 2019.

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.

D. No further assumptions are made. The revenue amount is reflected in the State contract.

Department/Prepared By Clare O'Brien, Senior Budget Analyst – DHHS

Authorized Signature  _____

Did DAS-Fiscal Staff Review? Yes No

Did CDPB Staff Review? Yes No Not Required