

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 08/16/19

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Requesting approval to create the non-departmental operating budget 1936 – ERP Project Internal Charges to record charges for temporary staff who will be backfilling positions for staff who are working on the implementation of the new enterprise system and 2019 charges for the 5 IMSD positions created for managing the system.

**FISCAL EFFECT:**

- |   |   |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures            |
| <input type="checkbox"/> Existing Staff Time Required   | <input checked="" type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	See Explanation	See Explanation
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	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.<sup>1</sup> 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. To assist with the efficient monitoring of the implementation and fiscal monitoring of Capital Project WO602 – Enterprise Platform Modernization (ERP Project), the Office of the Comptroller and the Executive Steering Committee are requesting that the County Board of Supervisors direct the Office of the Comptroller and the Department of Administrative Services – Performance, Strategy and Budget to create non-departmental operating budget 1936 – ERP Project Internal Charges to record charges for temporary staff who will be backfilling positions for staff who are working on the implementation of the new enterprise system and 2019 charges for the 5 IMSD positions created for managing the system. In addition, DAS-PSB and the Office of the Comptroller are requesting authorization and direction to administratively transfer funds based on actual expenses for backfill staff to the newly created non-departmental. Financing will be provided from existing cash within the ERP Project.
  - B. The resolution would reallocate a not-to-exceed amount of \$1,432,164 in funds from the ERP Project to the newly created non-departmental organization unit 1936 – ERP Project Internal Charges.

Costs for staff or contracted positions that are directly working on the project will be charged to the organizational unit to the extent of their direct charges or backfill costs incurred.

Only backfill expenses for departments with deficits will be included in the ERP Project Internal Charges operating budget. Backfill expenses for departments with surpluses will be absorbed within the department's operating budget.

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<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Future administrative transfers for backfill expenses are permitted as long as there are sufficient funds within the ERP Project and they do not exceed the not-to-exceed amount of \$1,432,164.

- C. There would be no 2019 budget impact since charges to the project will be limited to the budget amount that is financed from available cash within the ERP Project. The resolution allows for future transfers but they are limited by the availability of funds in the ERP Project.
- D. The five DAS-IMSD positions created to work on the ERP Project will be financed out of the DAS-IMSD operations budget in 2020 and future years.

Department/Prepared By Pamela Bryant

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required

