

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 12/27/19

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A report from the Director, Department of Health and Human Services, providing a plan for capital project WS12601 – DHHS Relocation and requesting release of capital funding from contingency

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	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	
	Revenue	0	
	Net Cost	0	

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. The Department of Health and Human Services is seeking approval to release \$660,000 in capital funding contained in the 2020 Capital Budget for WS12601 - DHHS Relocation from an allocated contingency account.

B. This funding would support the costs of a real estate consultant to identify sites and negotiate lease terms as well as a design consultant to provide detailed planning for new leased locations for approximately 400 to 450 employees in the Director's Office, BHD Administration, Support Services, Disabilities Services, Housing, Youth & Family Services (community services only), Department on Aging, BHD Community Access to Recovery Services and Wraparound. Any remaining funding would be utilized for the build out of new space.

C. Through this planning effort, the build out and ongoing lease costs will be identified. An initial estimate for build out costs developed by the Facilities Management Division is about \$8.2 million. Based on the number of its employees being relocated, a portion of these costs would be supported by the reserve maintained by the Behavioral Health Division. Funding for the balance of these costs will need to be identified either through the capital budget and/or financed through the annual lease.

D. The costs of the build out and ongoing lease will be determined through the upcoming planning phase and DHHS will work with DAS-Facilities and Economic Development to determine how to best finance these costs.

E. No assumptions are made.

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.

Department/Prepared By Clare O'Brien, Budget and Operations Manager

Authorized Signature _____



Did DAS-Fiscal Staff Review? Yes No

Did CDPB Staff Review? Yes No Not Required