

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** July 13, 2020

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** CARES Act – Coronavirus Relief Fund Allocation

**FISCAL EFFECT:**

- No Direct County Fiscal Impact
  - Existing Staff Time Required
- Increase Operating Expenditures  
(If checked, check one of two boxes below)
  - Absorbed Within Agency’s Budget
  - Not Absorbed Within Agency’s Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- Use of contingent funds

*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	\$47,428,492	\$0
	Revenue	\$47,428,492	\$0
	Net Cost	\$0	#0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$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. <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.

This file requests to increase the budget by \$47,428,492 in order to account for Federal and State funding allocations from the CARES Act Coronavirus Relief Fund (CRF). The County has received a total CARES Act CRF allocation of \$77,428,492, including \$62,044,048 from the federal government and \$15,384,444 from the State of Wisconsin. From this amount, \$30 million has already been budgeted for emergency operating costs and (\$20M) for housing and homeless services (\$20M) expenditures. This file requests to increase the budget to recognize the balance of CARES Act CRF funds allocated to Milwaukee County.

The report attached to this file provides a proposed allocation for the full \$77.4 million grant allocation. \$24.8 million is proposed to be used for life safety measures including personal protective equipment (PPE), cleaning and sanitation, sick and leave time costs, IT and facilities costs necessary for telework and for re-opening operations to enable compliance with COVID-19 public health precautions. \$25.5 million is proposed for emergency operating costs, such as the added cost of isolation and social distancing in the jail and house of correction, costs associated with establishment of Emergency Operating Centers, and public health and public safety costs substantially dedicated to mitigating COVID-19. \$27.1 million is recommended to be allocated towards economic support and public health programs which are eligible under the grant, including funding for housing and homeless services (\$15M), small business grants (\$7M), public health and mental health services (\$1.6M), and employment programs (\$3.5M).

This funding is available for expenses incurred from March 1, 2020 through December 30, 2020. Guidance provided by the Department of the Treasury states that if funds are not used by December 30, 2020, those funds must be returned to the Department of the Treasury.

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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.

Given that the funding is only available for 2020, the allocation associated with this file is for one-time expenses and expenses which are limited to 2020. The fund covers the cost of PPE and cleaning costs incurred in 2020 related to COVID-19. IT and facilities costs which are necessary to enable compliance with COVID-19 public health precautions Emergency public safety and public health related operating costs which are dedicated to mitigating COVID-19 are eligible for reimbursement in 2020 under the fund. Emergency operating costs, including public safety and public health costs, which are substantially dedicated to mitigating COVID-19 are eligible for reimbursement under the fund. Economic support payments made from the fund must be distributed 2020.

The fund provides reimbursement for expenses to improve telework capabilities to enable compliance with COVID-19 public health precautions. In regard to ongoing impacts, if the impacts of COVID-19 continue into future years, and telework and remote infrastructure needs remain in place, there is a potential for on-going IT costs in order to support subscription fees and ongoing maintenance costs. Conversely, there is potential for expanded remote work capabilities to result in savings related to buildings, space, and utilities costs. The ongoing impact of IT infrastructure needs related to COVID-19 will not be known until the County reaches final stages of re-opening and/or operations return to a normal state.

The recommended funding is based on a combination of factors including: the allocations received from the State and Federal government, fund eligibility guidance provided by the Department of the Treasury, COVID-19 emergency operating costs which are being incurred, and anticipated needs in the community for economic support programs.

Department/Prepared By DAS-PSB  
DocuSigned by:  
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04FBF7B7700140A

Did DAS-Fiscal Staff Review?  Yes  No  
Did CDBP Review?<sup>2</sup>  Yes  No  Not Required