



Milwaukee County

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From the Interim Director, Department of Health and Human Services (DHHS), submitting an informational report regarding the 2011 Contracts for the Income Maintenance and Child Care Programs.
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Background

In 2009, Wisconsin Act 15 authorized the State Department of Health Services (DHS) to assume responsibility for managing the administration of the State's Income Maintenance (IM) program in Milwaukee County. This involved the establishment of a Milwaukee County Enrollment Services unit (MILES) to determine eligibility and administer the Food Share and BadgerCare public assistance programs. Section 49.825 (2)(d)(1) provides for the reimbursement to the County of all approved, allowable costs related to the County staff assigned to this unit in excess of the county's minimum required contribution of \$2.7 million. In addition, subsection (2)(c) authorizes DHS to enter into a contract with the County that provides for the performance by the County of any administrative functions under this subsection.

Similarly, Wisconsin Act 28 created section 49.826 of the statutes authorizing the Department of Children and Families (DCF) to establish a child care provider services unit (Milwaukee Early Care Administration - MECA) to support the Wisconsin Shares child care subsidy program. Section 49.826 (2)(c) provides that DCF shall reimburse the county for all approved, allowable costs that are incurred by the county.

The first State/County contracts for Income Maintenance (IM) and Child Care authorized by these statutory changes were executed in early 2010 and covered calendar year 2010. As of January 2011, the 2011 contracts with DHS and DCF have not been finalized. DHHS has met internally to review the contracts and is negotiating with the State on the specific terms. The purpose of this report is to update the County Board on the changes included in the draft contracts.

DHS IM Contract Changes

The DHS proposed contract is identified as Appendix AL - 2 to the 2011 State County Contract Covering Social Services, Community Programs and Income Maintenance. The appendix has two major sections: 1) Shared Services and Staff and 2) State/County Lease Agreement. The contract also includes a document describing the operational procedures between IMSD and State DHS.

The major changes to the Shared Services and State/County Lease sections in 2011 compared to 2010 are as follows:

1) **Shared Services and Staff**

Per Wisconsin Statute 49.825, the county will provide shared services and staff to assist the State in its administration of the public assistance programs. Shared services involve payroll and benefits services, record center and staffing and contract management billed using an hourly rate and charged based on monthly time reporting.

New language is included in this section requiring the county to reconcile quarterly based on actual costs and units of service for each shared service provided. If the amounts paid are above the actual rates, the county will refund the difference to the State. The scope of the specific shared service is the same as 2010 unless otherwise noted.

- a) **Record Center and Staffing:** DHHS will continue to maintain its existing Records Center located at 3700 W. Michigan Ave. for inactive IM and Child Care case files. The contract provides for reimbursement for one staff person and space rental. As part of the 2011 contract, the space rental charge of \$115,121 will now also include transportation costs related to moving records as well as supplies such as boxes.
- b) **Information Technology (IT) Services:** The IT services provided by the Information Management Services Division (IMSD) to the State are now identified as part of an attachment to the contract. In 2010, the cost for IMSD services was included in the monthly Coggs space rental charge. For 2011, the contract reimburses these costs based on a flat fee charged per active computer device. IMSD is currently negotiating the fee and services with the State.
- c) **Wisconsin Medicaid Transportation:** For 2010, the county processed and paid invoices related to common carrier transportation services for the Wisconsin Medicaid and BadgerCare Plus Standard Plan. Beginning in July, the State plans to use a transportation broker to arrange for these Medicaid transports. The State is seeking to continue county services until June 30, 2011. However, if this initiative is not implemented by then, the State could amend the contract beyond this date to continue county services. The State fully reimburses the County for all transportation provider costs as well as administrative costs related to this service.
- d) **General Assistance Burials:** The county pays for a portion of a county staff person responsible for conducting the eligibility review on individuals applying to the county's General Assistance Burials program. In 2010, the county reimbursed the State \$24,000 or approximately 25 percent of the cost of the individual. In 2011, the contract reflects an increased charge of \$40,000 to the county.
- e) **Interim Disability Assistance Program (IDAP):** In 2010, the State provided eligibility services to the county for IDAP at no cost with one dedicated FTE. The cost to the county for 2011 is \$100,000 for two FTEs.

2) **State/County Lease Agreement**

This proposed lease reflects approximately 75,850 square feet of space in the Marcia P. Coggs Human Services Center from January 1, 2011 through December 31, 2011. This reflects an increase in square footage of 1,350 feet compared to 2010. All references to a long-term lease have been removed. The 2010 contract included a statement indicating that the State and county would discuss the terms of continued space needs and occupancy including a space design plan and any capital investment that would be needed. The State has indicated that if the county and state agree to longer term changes to the Coggs Center, the contract can be amended at that time.

The 2011 contract also includes new language allowing the State to end the space use agreement by providing at least 30 days written notice to the county.

Finally, the 2011 contract requires that DHHS provide a monthly report to the State identifying incidents that occur at the Coggs Center involving the physical structure or security as well as plans to remedy the situation.

The lease reflects a monthly payment from the State of \$132,356 for building operations. This compares to \$131,917 per month negotiated in 2010 for building operations only. For 2010, the State's total lease payment was \$241,356 which included Coggs building operations for \$131,917 and IMSD phone and IT services for \$109,439. As mentioned previously, IT services are covered under the shared services section of the contract and are no longer part of the State's lease payment.

DCF Child Care Contract Changes

The DCF proposed contract is a separate contract. There are no major changes to this contract for 2011 compared to 2010. However, hourly rates for all of the shared services are still being negotiated.

Fiscal Effect

The County is reimbursed based on monthly invoices submitted to the State for personnel costs for County employees, shared services and space rental. Specific payroll information must be submitted for the reimbursement of County employees assigned to Income Maintenance and Child Care. The shared services portion of the invoice is reimbursed based on 100 percent time reporting by DHHS payroll, DAS fiscal services, records center and contract management staff and the agreed upon hourly rate. As mentioned previously, the 2011 hourly rates for these services are still being negotiated.

Wisconsin Statute 49.825 provides for the reimbursement of costs for county Income Maintenance staff assigned to the Milwaukee Enrollment Services (MILES) unit less the minimum county contribution of \$2.7 million. This contribution is included in the 2011 Adopted Budget. The salary and fringe costs for county Child Care program staff are 100 percent reimbursed by DCF.

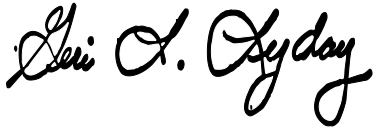
The space rental revenue included in the contract is \$132,356 monthly or \$1,588,272 annually. The 2011 Adopted Budget assumes \$1,565,606 in State rental revenue.

The new charge for IDAP of \$100,000 and \$16,000 increase for eligibility services for the GA Burials program were not included in

the 2011 Adopted Budget.

Recommendation

This is an informational report only. Once the 2011 contracts with DCF and DHS are finalized, DHHS will provide a report to the County Board seeking authorization to execute 2011 contracts with the Department of Health Services (DHS) and Department of Children and Families (DCF).



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