



Budget Summary

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2015 Budget FAQ's

A budgetary best-practice recommended by the Government Finance Officers Association (GFOA) is to provide a list of the questions that might be most frequently asked about this year's budget. This is the familiar term FAQs. Some of the most pertinent questions related to the budget are as follows:

How much would this budget raise my property taxes?

The change in individual property tax bills is subject to a number of factors, including changes across the County in equalized values, and tax levy changes made by local governments, the State of Wisconsin, and other taxing districts.

The cost to operate County government makes up approximately 17 percent of the total property taxes levied, so other units of government and taxing districts combined have a significant impact on your individual property tax bill. However, the 2015 budget includes an increase of 1.3 percent in the County's overall property tax levy over 2014 to \$283 million. This means that individual tax payers will see a change in the County's share of taxes on their bills, due to a combination of changes in equalized value across the County and in the total amount of tax levied.

What fees would increase, and why?

It is prudent to charge fees for some County services, such as discretionary programs, to reduce the property tax levy burden, or on other programs where recipients generally have an ability to pay. Many of the fees the County charges are actually set by the State of Wisconsin, such as recording fees for mortgage documents. Fees are a relatively small part of the County's total operating revenue.

As costs to provide services continually rise and support from the State and Federal governments do not keep pace, it is sometimes necessary to raise fees to generate additional non-tax levy revenues. In 2015, there are fee increases in the following areas (see the specific departmental narratives for additional detail):

- **Parks, Recreation & Culture:** Several fee increases are necessary in 2015 to provide additional support for discretionary programs that enhance our quality of life, including:
 - Daily admissions and annual passes increase at the County's pools.
 - Daily admissions and annual passes increase at the County's two community centers.
 - Permits for leagues, field rentals and building rentals.
 - New daily and yearly pass fees for cross country skiing trails to offset trail maintenance.
- **Medical Examiner:** The fee charged for autopsies referred to the County increase slightly.
- **Office for Persons with Disabilities:** Building rental and camp rates increase between 10 and 25 percent.

Why is a Department of Emergency Management being created?

Emergency management includes a wide variety of programs that are critical to public safety in Milwaukee County. These services include:

- Provision of the countywide public safety radio network, which is utilized by most of the first responders in Milwaukee County. This system is being upgraded in partnership with Waukesha County.
- Coordination of Emergency Medical Services (EMS) among municipal and private service providers and hospitals. Milwaukee County provides dispatch coordination with hospitals, technical advice, training, and a subsidy to municipalities for EMS services.

- Emergency Management Services, which includes coordination of and training for first responders during natural disasters, accidents, or attacks.
- 911 communications and law enforcement dispatch, which answers many cellular 911 calls made in the County and helps dispatch law enforcement officers.



Dispatch Center at General Mitchell Int'l Airport, Courtesy of Andre Simms, Budget Analyst with the Department of Administrative Services

Prior to the 2015 budget these services were provided in three different departments, including the Office of the Sheriff, the Department of Administrative Services, and the Department of Health and Human Services. Additionally there is no clear guidance on who is responsible for many of the assets (facilities, communication equipment, etc.) in the current structure. This decentralized structure leads to a lack of coordination and communication between the County and municipalities that rely on these

services, and within the County itself, a situation that introduces risk, wastes time and taxpayer resources.

During development of the 2015 budget, other models for providing these services were examined and it was generally found that in similar Wisconsin counties such as Dane, Waukesha and Brown, these services are consolidated into a single department under the County Executive. There was also communication with County management and staff that provide these services, many first responders and local officials, who generally support the consolidation idea because of the weaknesses identified above.

A business plan has been developed for the new department. This plan, and more information on the analysis of this issue, can be found on the Office of Performance, Strategy & Budget's Budget Blog at: <http://www.milwaukeecountypsb.com>

What services would be provided through new service models instead of County employees in this budget and why? Are any services being brought "in-house"?

The County faces significant ongoing fiscal pressures that force it to examine how all of its services are provided. In some cases, a private or non-profit firm can provide more efficient and better quality services for the County at costs far lower than would result by using County employees. Currently, the County contracts out with many service providers to best deliver services to our community in the most efficient way. Reasons for this vary from organizations having specialized expertise and training to the heavy burden of the County's fringe benefit costs. Savings can also result if the County pays for outcomes, not simply time spent.

The 2015 budget includes several significant service model changes, listed below. Please see the individual department's budget narrative for additional detail on each initiative.

- **Behavioral Health:** The Community Support Program Downtown and Southside locations will have all 290 caseloads assumed by community providers through a purchase of service contract. The initiative will produce tax levy savings of \$559,132 including personnel, other expenditures and revenue reductions. This initiative includes the purchase of community slots, including continued implementation of the Assertive Community Treatment (ACT)/Integrated Dual Disorder Treatment (IDDT) models begun in 2014.
- **Child Support Services:** The 2015 Budget includes the transition of call center operations from County Staff to the Wisconsin Support Collections Trust Fund. This effort will allow several County staff to transition to more value-added child support services.

- **House of Correction:** Medical and mental health services for inmates are currently being provided on a hybrid basis by both a service provider and County staff. The service provider has shown to be an effective and cost-efficient in its efforts, and therefore will take over the entire medical and mental health unit in 2015.

What changes are being made to address the County's long-term fiscal imbalance?

It has been well-documented that Milwaukee County faces a significant long-term fiscal imbalance. The Office of the Comptroller [has estimated](#) that over the five-year period from 2015 to 2019, the annual structural deficit will increase from \$32 million in 2015 to \$94 million if no sustainable, long-term decisions are made to the County's current operations.

There are many items included in the 2015 budget designed to specifically address this imbalance:

- **Providing Services Differently:** As noted above, utilizing service providers or other municipalities can result in significant long-term savings for the County. The 2015 Budget includes utilization of new service models in Behavioral Health, Facilities Management, the House of Correction, and other areas.
- **Reducing the County's Footprint:** The 2015 Budget includes a significant reduction in its outstanding maintenance requirements by reducing infrastructure that is outdated and expensive to maintain by:
 - Closing and demolishing the **City Campus** facility, which is significantly inefficient as office space, expensive to maintain and has significant capital needs.
 - Demolishing the **Estabrook Dam** and replacing it with a more environmentally-friendly option that also reduces ongoing maintenance costs.
 - Planning for the sale of the **O'Donnell** parking structure, which has significant operating costs and capital improvement needs¹.
- **Efficiency Measures:** The 2015 budget includes significant changes to how the County provides many of its internal administrative functions, with the goal of providing significant time and cost savings in the long-term. These efforts include:
 - Centralization of information technology procurement and maintenance to ensure standardization and better vendor management.
 - Centralization of the procurement process with a new paperless, online "E-procurement" system that will enable all County employees to purchase from preferred vendors at competitive and standardized prices.
 - Ongoing utilization of Continuous Improvement processes that adopt lean-management principles.
 - Strengthening financial management policies that will direct large, unanticipated one-time revenues to projects that enhance efficiency, drive economic development, and build debt reserves for the future pre-payment of debt obligations.
- **Increased Benefit Cost Sharing:** Fringe benefits, mainly health insurance and pension, continue to represent a major cost driver for the County. The 2015 budget continues efforts to make employees and retirees more accountable for their health care utilization by increasing premiums and deductibles to compare with other functional organizations.
- **Building Reserves:** The County borrows several millions of dollars annually to finance its capital improvement program. Interest rates have a significant impact on debt service costs over a long period of time, which can make less resources available for operating County programs. One of the ways the County can reduce its debt service is by achieving a high credit rating. Rating agencies judge the soundness of the County's finances and one important aspect of stability is

¹ On December 18, 2014, the Milwaukee County Board of Supervisors voted to reject the sale of O'Donnell Park.

having reserves. The 2015 Budget works towards this goal by building up the Debt Service Reserve cash balance to nearly \$13 million, the highest level in recent history.

- **Utilize One-Time Revenues Properly:** The use of one-time, non-recurring revenues to finance ongoing, long-term operations is not sustainable. The 2015 Budget includes the use of approximately \$1.3 million in one-time revenues to fund ongoing health care costs, but otherwise generally continues to implement sound financial policies regarding the use of one-time revenues by requiring that they be directed towards economic development initiatives, projects that enhance efficiency through the Innovation Fund, and towards the Debt Service Reserve for the future defeasance of debt.

Why is Information Technology Being Centralized?

The County has a decentralized process for the procurement and management of information technology (IT). Budgets for the purchase of hardware, software, consulting, or other IT-related items are provided to individual departments. Departments may utilize these funds to purchase any IT-related items, so long as they stay within their expenditure budgets. This means many departments do not work proactively with the Information Management Services Division (DAS-IMSD) to ensure its IT purchases are compatible with other County systems, not duplicative, or the most cost-effective option.

The current decentralized structure has led to:

- Multiple versions and licenses of the same software package across departments. DAS-IMSD estimates that the County currently has **more than 10,000** software applications and/or application versions for its 4,600 employees.
- Different departments use different systems to do the same thing. For instance, several different software solutions are utilized across the County to manage facility maintenance efforts. None of the solutions talk to one another, meaning departments cannot share information on maintenance needs; the County does not have comprehensive information on its maintenance efforts; and many of the solutions do not provide sufficient data for performance measurement or other analysis.
- Individual departments often purchase a solution and then inform DAS-IMSD that it needs to be supported. This sets DAS-IMSD up to fail its customers when it is not brought in on the front end of the purchase and/or it may not have the resources or ability to support the department in the timeframe desired.

By failing to view IT from a countywide viewpoint, it is extremely difficult to provide adequate, cost-effective, and appropriate human and capital resources in DAS-IMSD.

This decentralized structure does not conform to budgeting best practices. The Government Finance Officers Association (GFOA) has developed best practices for IT budgeting and project management. In summary, the GFOA recommends centralizing IT budgets within the

organization's IT agency, requiring departments to submit business cases for significant IT projects, and taking an organization-wide view of how IT is utilized.



Photo of Motorola radio system for Milwaukee County courtesy of Andre Simms, Budget Analyst in the Department of Administrative Services

Based on these issues, the 2015 Budget places accountability for ensuring that IT purchases are made on a Countywide strategic basis, and in the most cost-effective manner, on the County's Chief Information Officer within DAS-IMSD.

What are the key capital investments being made in this budget?

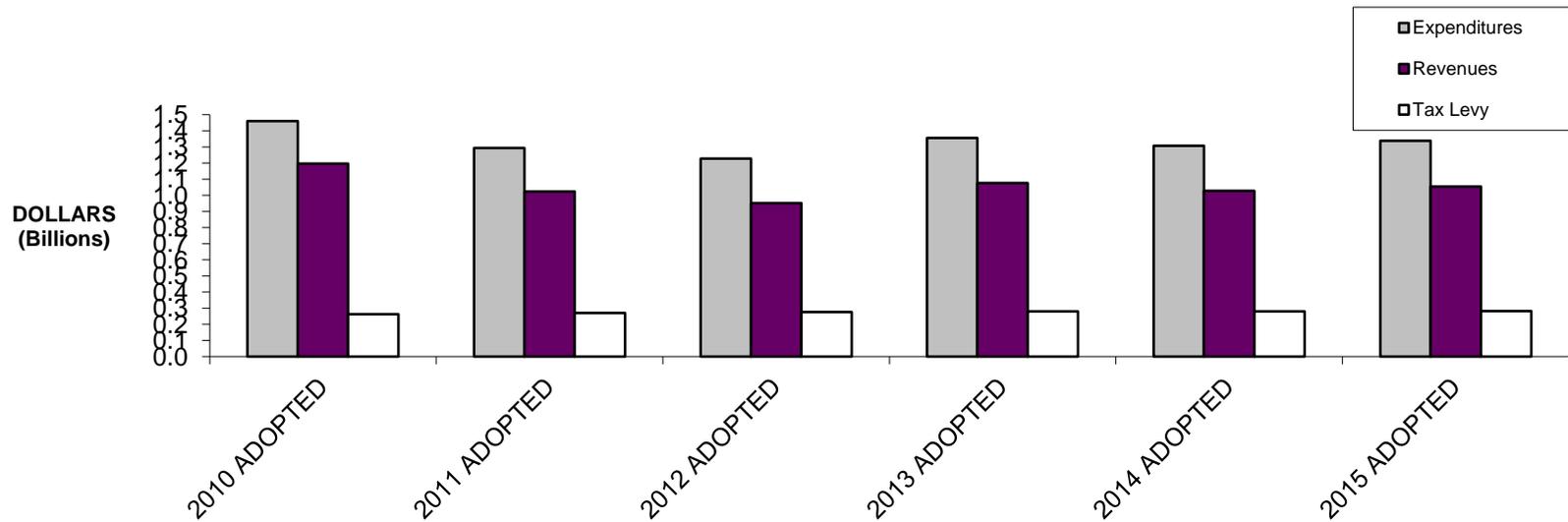
The 2015 Capital Budget includes more than \$90 million in capital investments in the County's infrastructure. The 2015 capital budget continues to emphasize improving safety in County facilities and managing long-term costs by eliminating outdated assets and technology. The Capital Budget adheres to the County's bonding cap. Highlights of the capital budget include:

- While not a capital improvement item, the 2015 Budget plans for the possible sale of the O'Donnell Park parking structure, which will significantly reduce ongoing operating costs and avoid eventual replacement costs of \$57 million to \$76 million².
- \$10.1 million in funding to improve the condition of County highways and bridges.
- \$3.8 million in funding to demolish the City Campus office building and make it ready for re-development.
- \$20.3 million for improvements to infrastructure in the Parks including:
 - The Estabrook Dam would be demolished, an environmentally-friendly option that reduces the County's ongoing maintenance costs.
 - \$3.8 million to complete the reconstruction of a heavily-utilized section of the Menomonee River Parkway in Wauwatosa.
 - \$3.2 million to repair the Milwaukee River Parkway.
 - \$830,000 to improve the Oak Leaf Trail in Grant Park.
 - \$550,000 to repair the historic suspension bridge in Hoyt Park.
 - \$9.1 million for yet-to-be determined parks Capital projects.
- \$1.8 million in funding to purchase election machines for each municipality. This project is part of an innovative agreement that will save costs at both the County and municipal levels. The project is part of a proposed agreement where the City of Milwaukee's election commission would provide programming services for the County and all 18 municipalities, while the municipalities would reimburse the County for approximately 30 percent of the election machine costs. This agreement will result in reduced programming costs for municipalities and the County; the estimated net savings including the capital investment is \$3 million over a 12-year period.
- \$4.2 million to make improvements to the War Memorial.
- \$2 million to continue upgrading the County's public safety radio system in cooperation with Waukesha County to a new digital format.
- \$4.8 million to continue to the bus replacement program in the Transit system
- \$2.8 million to continue to improve the County's outdated information technology systems, including planning funds for a project that would transition several applications off of obsolete mainframe technology, and improvements to the County's disaster recovery capabilities.

² On December 18, 2014, the Milwaukee County Board of Supervisors voted to reject the sale of O'Donnell Park.

ADOPTED 2015 BUDGET FOR GENERAL COUNTY PURPOSES

	2014 ADOPTED	2015 ADOPTED	CHANGE	PERCENT
EXPENDITURE	\$1,306,950,614	\$1,337,729,019	\$30,778,405	2.35%
REVENUE	<u>1,027,629,418</u>	<u>1,054,743,894</u>	<u>27,114,476</u>	<u>2.64%</u>
TAX LEVY	\$279,321,196	\$282,985,125	\$3,663,929	1.31%



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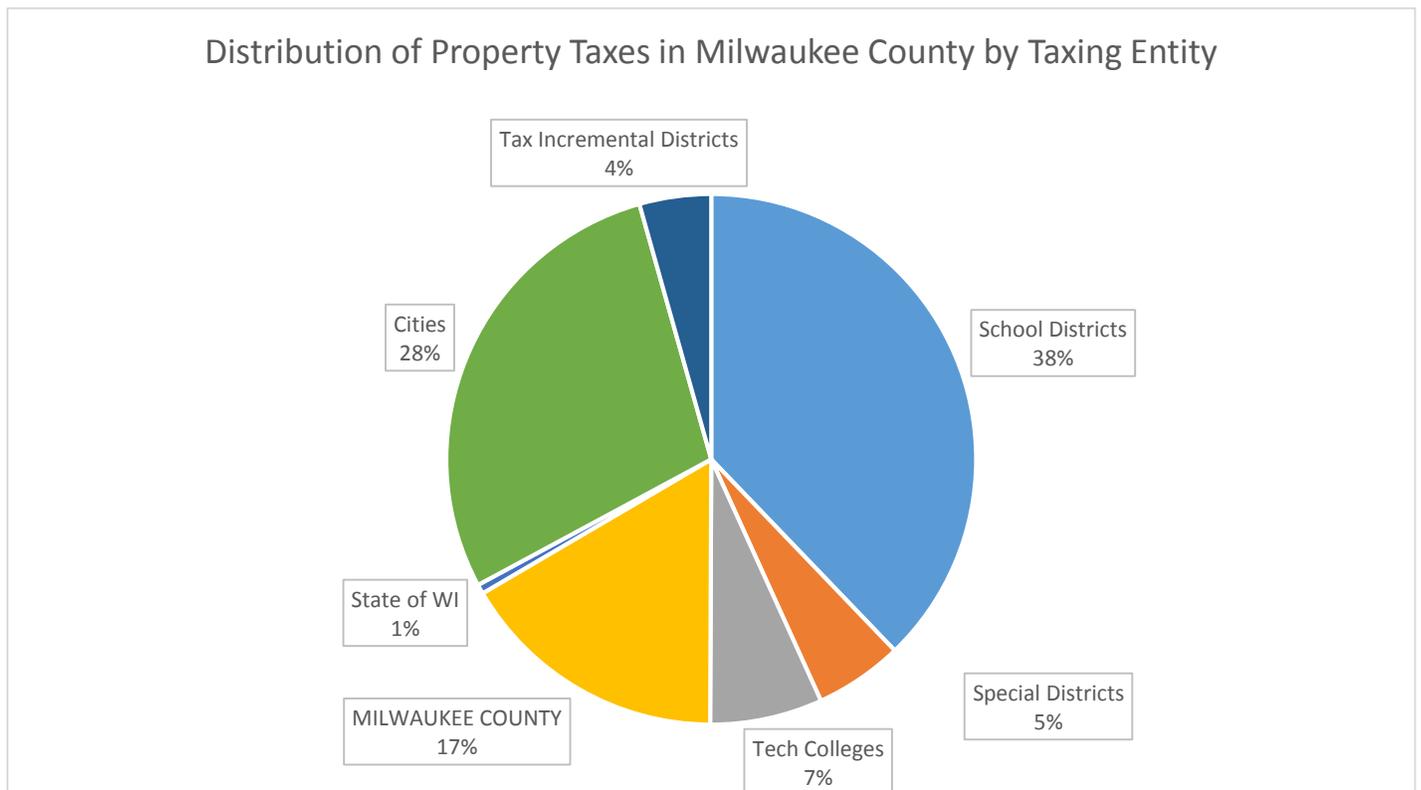
County Share of Property Taxes

The 2015 Budget for Milwaukee County levies approximately \$283 million in taxes on property during the year, an increase of \$3.6 million or 1.3 percent over the 2014 Adopted Budget.

In 2014, according to data gathered by the Public Policy Forum, citizens and business will pay a total of approximately \$1.7 billion in property taxes to the various taxing entities in the County. These entities include:

- Milwaukee County government
- Municipal governments (cities & villages)
- School Districts
- Technical Colleges
- The State of Wisconsin
- Special Districts (such as the Milwaukee Metropolitan Sewerage District or the Southeast Wisconsin Regional Planning Commission)
- Tax Incremental Finance Districts

Of this \$1.7 billion total, Milwaukee County government makes up about 17 percent in 2014.



2015 Budget Assumptions

The Department of Administrative Services - Office of Performance, Strategy and Budget (PSB) and the County Executive utilized the most recent version of the "Municast" five-year forecast, produced by the Office of the Comptroller, to develop broad assumptions about the 2015 budget as a foundation when starting to develop the County budget. The figures below represent some of the significant known or estimated items that would have to be considered when *starting* the budget process.

Employee and Retiree Fringe Benefits

After increasing rapidly in the early 2000's, the rate of growth in health care costs has slowed significantly (see the Long Range Fiscal Forecast section for additional detail). This has been due to a variety of factors, including market factors and changes in plan design that have made the County's health care consumers more cost-conscious.

The five-year forecast assumes a 3.5 percent increase in health insurance costs over the 2014 budget, down from 4.9 percent the previous year. This reduced rate of growth results from a surplus in health care costs in 2013. By using the lower 2013 base, the assumption resulted in an increase of approximately \$4.2 million in additional cost over the 2014 budget, rising from \$120.2 million to \$124.4 million.

Regarding pension costs, the spring 2014 valuation of the Employee Retirement System (ERS) indicates costs will rise by \$9.8 million, or 16 percent. The large increase is due largely to the end of the 5-year period of amortization of a \$45 million settlement in 2010 as well as actuarial data updates. The "normal cost", the value of benefits being earned by existing employees, decreases by \$900,000, while the amortization of the unfunded liability increases by \$10.7 million. Active employee pension contributions decline by \$100,000 or 1 percent. Principal and interest payments on Pension Obligation Bonds issued in 2009 are also considered fringe benefits, and are essentially unchanged from 2014 at \$33 million.

Salaries & Wages

The five-year forecast assumes a 2.5 increase in total salaries and wages for 2015. This includes the full-year cost of the 1 percent cost of living adjustment provided in April 2014, plus step increases and another cost of living adjustment in January 2015 for a total expenditure impact of approximately \$5.3 million.

State Aids & Federal Revenues

State aids made up approximately 19 percent of County revenue in the 2014 Adopted Budget. The five-year forecast and 2015 base budget assumed no change in state aids; due to uncertainty over the federal fiscal outlook, all federal revenues were also assumed to remain flat in the base budget.

Living Wage Ordinance

In 2014 the Milwaukee County Board passed an ordinance that requires many Milwaukee County contractors to provide pay rates of at least \$11.32 per hour. The Office of the Comptroller estimated that this ordinance would have a tax levy impact of approximately \$1.5 million in 2015, though that analysis was based on a higher minimum wage rate than was ultimately adopted and included in the Behavioral Health Division, which is no longer subject to the ordinance. The Comptroller's estimate also included a cost of \$2.6 million in costs to the Family Care program, which would have to be financed with the program's reserve as increased State support is not available.

Sales Tax

The five-year forecast assumed local option sales tax revenues would increase by 1.8 percent over the 2014 Adopted Budget, an increase of \$1.03 million. This assumption is based on continuing to finance approximately \$9.4 million in capital projects with sales tax revenues, leaving approximately \$58.1 million in sales tax proceeds available for the operating budget.

Inflation

The five-year forecast assumes a 1.8 percent inflation rate, based on early 2013 data provided by the Wisconsin Department of Revenue and the U.S. Department of Commerce – Bureau of Economic Analysis.

Debt Service

The five-year forecast projected that Debt Service, not including Pension Obligation Bond debt, was projected to decline by 24 percent, or \$18 million, in 2015, due mainly to the completion of debt service payments on outstanding debt that was refinanced in 2003.

Performance Budgeting

Overview

The Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB), began to develop a comprehensive, Countywide strategic planning effort in 2012. The goal of this strategic planning process will be to identify desirable community outcomes, and link these to core business functions and measurable program outcomes across departments.

This endeavor builds on prior strategic planning efforts. In the late 1990s, the County embarked on a comprehensive strategic planning effort that included the creation of performance measures. Many of these performance measures were included in the 2003 Adopted Budget; however the effort to implement strategic planning and performance measurement was discontinued. In 2009, the County created the Long Range Strategic Plan Steering Committee, which explored performance measures and created long term strategic goals related to employee fringe benefits and facilities planning.

Mission Statement & Strategic Outcomes

The County is now integrating its budget process with a larger move towards performance management. Components of the County's mission statement, developed through a strategic planning process in the 1990s, have been incorporated into a set of Strategic Outcomes. The County's mission statement reads as follows:

“Milwaukee County Government will provide high quality, responsive services that enhance self-sufficiency, personal safety, economic opportunity and quality of life for all its people.”

Based on the Mission Statement and the strategic planning process, the Strategic Outcomes to be achieved by Milwaukee County are as follows:

- High Quality, Responsive Services
- Enhancement of Self-Sufficiency
- Enhancement of Personal Safety
- Enhancement of Economic Opportunity
- Enhancement of Quality of Life

The Milwaukee County Budget links each program area within its departments with one of these Strategic Outcomes where appropriate. For instance, the Operations Division at the Zoo is targeted at the Strategic Outcome of enhanced quality of life, and the Department of Child Support Services will work towards the Strategic Outcome of enhanced self-sufficiency. The chart below shows how every distinct program area by department is linked to a component of the Mission Statement. Note only the primary Strategic Outcome is listed, but that many services achieve multiple Strategic Outcomes (for instance, those programs that primarily achieve Personal Safety certainly contribute to Quality of Life). For administrative program areas that primarily support other County operations, the Strategic Outcome will be listed as “Administrative”.

Performance Measures

In addition to linking service areas with Strategic Outcomes, the County budget shows how well the service is being provided. DAS-PSB works continuously with departments to develop performance measures in as many service areas as possible. The goal is to create a collaborative process whereby departments create their own performance measures as a way of challenging their management and staff to continue exemplary performance or improve on their existing performance levels.

The County seeks to develop performance measures that SMART goals, meaning goals that are:

S = Specific

M = Measureable

A = Achievable

R = Relevant
T = Time-Bound

DAS-PSB and the departments make every effort to create iterative performance measures that meet these criteria. Performance measures differ from activity data, which are also shown (when available) in the service-area narratives. Activity data are an important measure of *how much* of a service is provided, but do not inform policymakers or the public *how well* that service is provided. “How well” a service is provided can be a measure of quality – such as ratings on customer surveys or attainment of a positive audit finding, or a measure of efficiency – such as how long it takes to perform a task.

Long Range Fiscal Analysis

Since 2009, Milwaukee County has utilized a five-year model to forecast future expenditures and revenues, grouped by type. This analysis provides taxpayers, policymakers and the public with an insight into the fiscal situation faced by the County.

This analysis has consistently shown that the County faces a long-term structural deficit. When the model was first utilized after passage of the 2009 budget, it projected that if annual budgets were balanced using only one-time measures, the County would face a \$79 million deficit in 2010 that would grow to \$153 million by 2014. Expenditures were forecast to grow by 6.1 percent annually while revenues would rise by only 3.7 percent annually.

The forecast showed that labor costs, especially fringe benefits, were a major driver of this structural imbalance. It projected that with no changes in headcount or benefits policies, fringe benefits would rise from \$212 million in 2009 to \$340 million in 2014. Fringe benefits as a share of total county expenditures would rise from 16 percent to 20 percent. The analysis also showed that the County faces a significant lack of revenue flexibility, with a high reliance on State and Federal revenues and limited discretionary alternatives other than property taxes, which are capped by State law.

With the County's revenue flexibility limited by State law, managing expenditures is the only significant option to achieve fiscal sustainability. Therefore, beginning in 2010, the County has made significant structural changes, including in wage and benefit structure, such as:

- Realigning the share of health care costs borne by employees and retirees.
- Requiring, as mandated 2011 Wisconsin Act 10, employees to contribute to their defined benefit pension plan.
- Stabilizing pension costs by issuing Pension Obligation Bonds in 2009.
- Reducing headcount through a variety of policy changes, such as the State takeover of the Income Maintenance program, selectively contracting certain services such as housekeeping, consolidations of duties, and other position reductions.
- Mainstreaming overtime, sick leave policies, and other risk-type policies such as workers' compensation, to reduce payouts and liability accruals.

The impact of these structural changes is shown in table 1 on the next page, which compares the forecasted structural imbalance for the five-year period of 2014-2018 after the passage of each annual budget since 2012. Compared to the forecast in 2009, fringe benefits are budgeted at \$189.2 million in 2015, or 14 percent of total expenditures.

Table 1 – Change in County’s Projected Structural Deficit Since 2009 Due to Policy and Economic Changes:



Source: Office of the Comptroller

Expenditures Continue to Grow Faster than Revenues

Table 1 above illustrates the impact these decisions had on the forecasted structural deficit, demonstrating that the structural deficit is growing at a lower rate than it was four years ago. The model now shows that:

- Expenditures are now forecast to rise 4.7 percent annually, an improvement from 6.1 percent in the 2009 forecast, but still outstripping revenue growth.
- Much of the expenditure growth remains due to fringe benefit costs. The June 2014 [five-year forecast report from the Office of the Comptroller](#) estimates that,

“Fringe Benefits including pension and healthcare will grow 21.8 percent during the five-year forecast period. This is less than the five-year forecast projections in 2012 and 2013 of 36 percent and 29 percent, respectively, but still remains a significant financial obligation for the County. Fringe benefits for healthcare are projected to grow annually by about 7.5 percent, totaling \$102.9 million or 31.5 percent over the five-year period”.

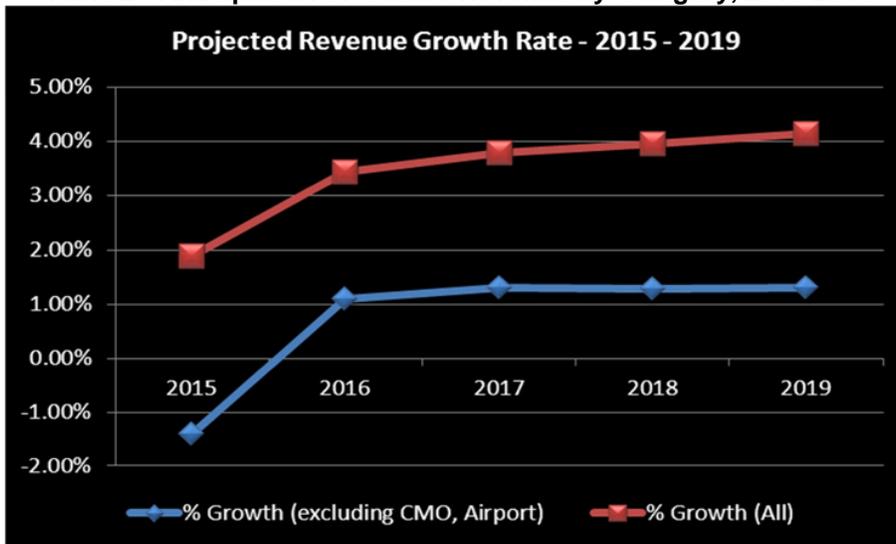
Revenue Growth Continues to be Constrained

The County continues to operate under strict tax levy caps, and new sources of revenue are limited. Revenues are projected to rise by 3.4 percent annually - essentially unchanged from the 2009 forecast.

The most recent [five-year forecast report from the Office of the Comptroller](#) forecasts that:

“Low growth rates are attributable to mostly flat revenue projections for State and Federal resources, as well as discretionary resources that are mostly forecasted to grow at CPI over the forecast period. This suggests that the County will be able to do little with respect to revenue and managing the structural deficit, unless new revenue sources become available”.

Table 2 - Anticipated Forecasted Revenue by Category, 2015-2018

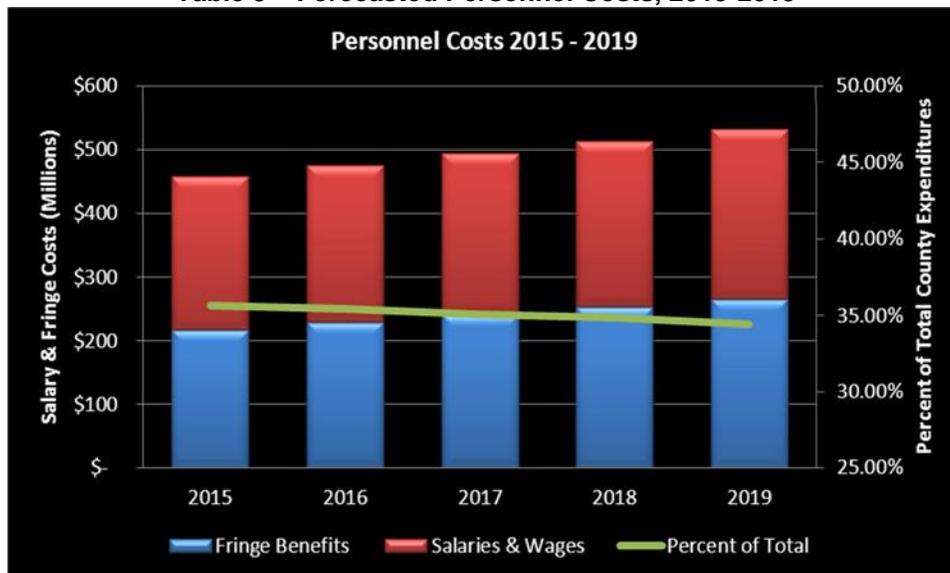


Source: Office of the Comptroller. CMO = Care Management Organization, or Dept. of Family Care

Personnel Costs Remain a Key Driver

While recent fiscal policy has “bent the structural deficit curve”, the County continues to need to make significant structural changes to achieve long-term sustainability.

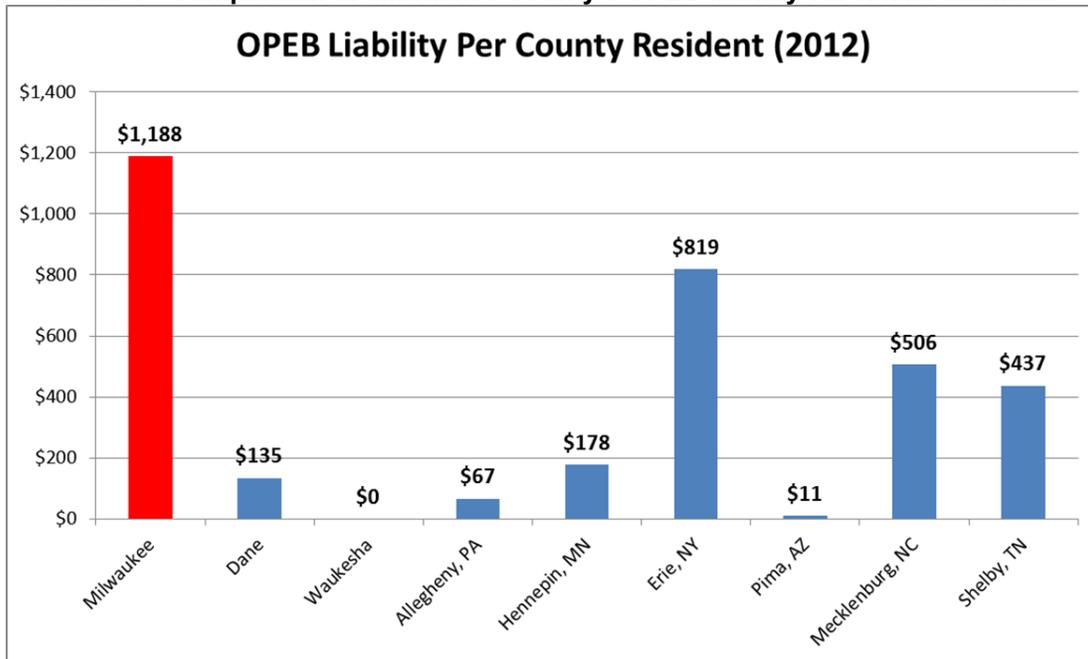
Table 3 – Forecasted Personnel Costs, 2015-2019



Source: Office of the Comptroller

This trend is apparent when considering the County’s outstanding liabilities owed to current and future retirees. As of the end of 2012, the County had a liability for “other post-employment benefit costs (OPEB)” of approximately \$1.2 billion. This liability is mainly in the form of health insurance benefits promised to current and future retirees. On a per-capita basis, the County’s OPEB liability is approximately \$1,188 per Milwaukee County resident, far higher than similar counties in Wisconsin and nationwide.

Table 4 – Comparison of Milwaukee County’s OPEB liability vs. similar counties



Source: Office of Performance, Strategy & Budget Analysis

Debt Reduction is a Key Driver to Sustainability

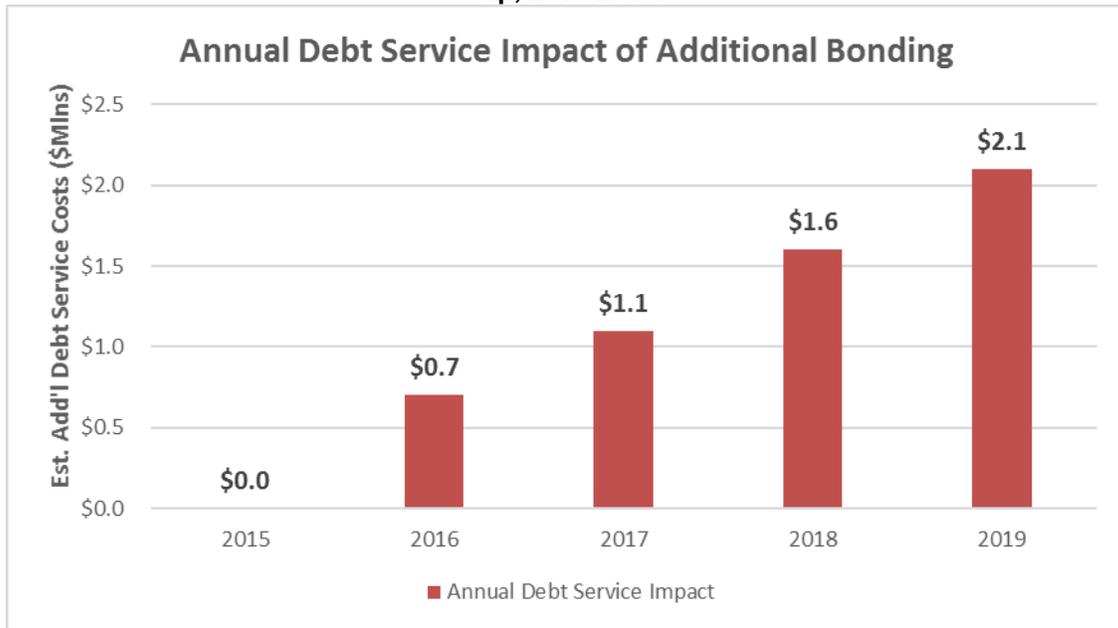
Servicing debt continues to be a drag on the County and channels resources away from funding core services. The County’s general obligation debt service costs decline by \$14.3 million in 2015 and, assuming continued adherence to the present general obligation bonding levels, should remain relatively flat in the coming years (note this table does not include pension obligation bond debt service, which is considered with fringe benefits).

The Office for Performance, Strategy and Budget (PSB) has worked with the Office of the Comptroller to determine the magnitude on the property tax levy of an annual increase in bonding of \$5 million over the current cap. The result would be an annual tax levy increase of approximately \$500,000 to \$700,000, resulting in a cumulative increase of \$2.1 million by 2019.

General obligation bonding debt service is funded by the Sales Tax in Milwaukee County. After funding debt service, surplus sales tax revenues are allocated to cash finance capital projects. This amount is approximately \$11 million in 2015. This level of sales tax funding enables the County to utilize cash financing for approximately 29 percent of its share of total capital project costs (net of federal, state, or other outside financing); in excess of the policy goal of 20 percent.

Any remaining sales tax revenue is then allocated to the operating budget to fund programs. Utilizing non-debt funds for capital projects minimizes future debt service obligations, which makes more sales tax funding available to support capital improvements or programs in the operating budget. In 2015, excess sales tax revenue of \$11 million is available to finance capital projects while \$21 million is available to support general operations. Conversely, issuing additional debt results in higher future debt service costs, which reduce the amount of excess sales tax available to support programing in the operating budget.

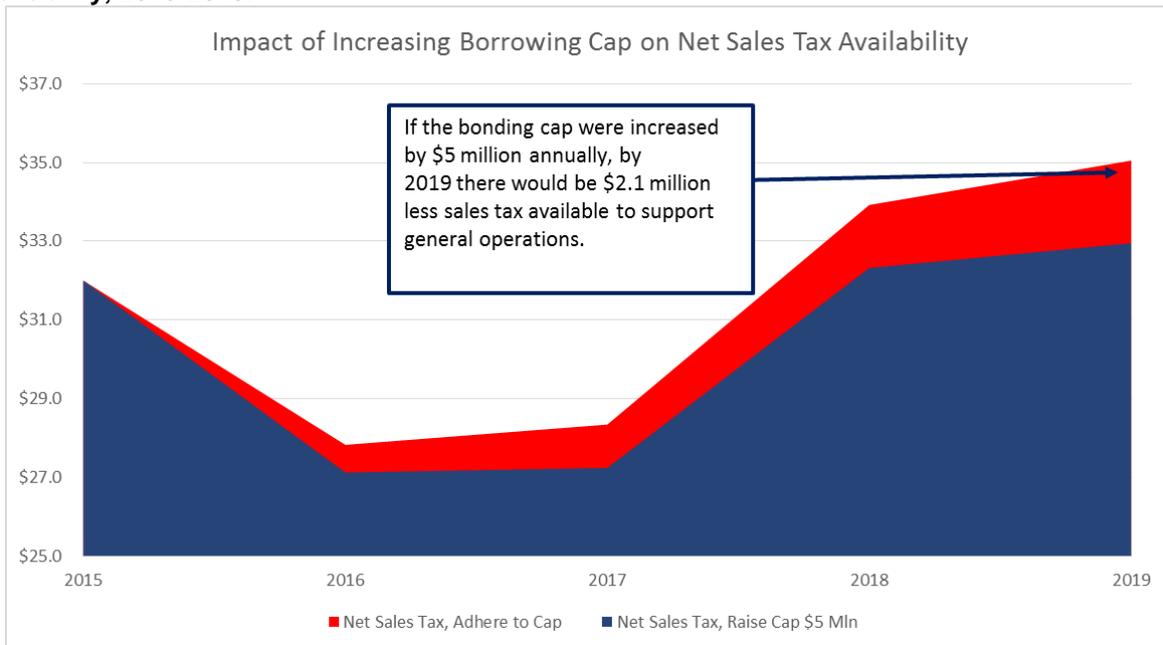
Table 5 – Impact on Tax-Supported Debt Service of borrowing additional \$5 million over current cap, 2015-2019.



Source: Joint analysis by the Office of Performance, Strategy & Budget & Office of the Comptroller

Based on the chart above, if the self-imposed bonding cap were raised by \$5 million, the cumulative impact on sales tax required to support debt service obligations would result in additional debt service costs of \$2.1 million by 2019. This results in less sales tax to support the operating budget by 2019 as shown in chart 6 below:

Table 6 – Impact of borrowing additional \$5 million over current cap on excess sales tax availability, 2015-2019.



Source: Analysis by the Office of Performance, Strategy & Budget based on Office of the Comptroller's Five-Year Forecast

County Continues to Face Fiscal Challenges

The forecast shows that the County has made significant progress in addressing its fiscal imbalance each year since the forecast model was introduced, even during a prolonged period of tepid economic growth. In the long term revenues are still forecast to rise less rapidly than expenditures, mainly due to recent trends in and uncertainty regarding state and federal revenues. While the rate of growth of expenditures has dropped significantly, mainly due to fringe benefit changes described above, the County will continue to face fiscal pressures due to this imbalance.

This situation requires, over the coming years, continued examination of service levels and delivery models, the prudent use of one-time revenues to drive operational efficiencies that reduce costs, and a continual focus on reducing debt. Additionally, a thorough examination of the County's facilities is necessary in order to reduce the County's future capital requirements and bring future needs in line with the County's ability to support capital funding. The County does not have the fiscal flexibility to add additional debt service to adequately address the deferred maintenance that has accumulated over decades. Therefore, the County must prioritize its facilities and focus on those that deliver core services and those that operate in the most cost-efficient manner. This will allow the County to eliminate underutilized facilities that have high operating costs and facilities that would require significant capital expenditure to maintain.

2015 Expenditure Analysis

Overview

The 2015 gross expenditure budget is \$1,337,729,019, an increase of \$30,778,406 or 2 percent from the 2014 Adopted Budget. The 2015 expenditure budget includes \$1,247,627,259 for departmental and non-departmental operations and debt service, and \$90,101,760 for capital projects. In comparison with the 2014 Adopted Budget, operating budget expenditures increase by \$20,710,865 or 2 percent, and capital budget expenditures increase by \$10,067,541 or 13 percent.

The 2015 budget reduces the number of expenditure appropriation units by which budgetary control is exercised from nine to eight. Two appropriation units utilized in 2014, services and commodities, are merged in 2015 into "Operation Costs". This level of budgetary control is in line with the level of controls utilized by other large counties in Wisconsin. For instance, Waukesha County utilizes four appropriation units, while Dane County has no such units. This structure will provide increased flexibility for departments to manage their expenditure budgets and reduce the need for fund transfers that can delay operations. The new structure also meets Generally Accepted Accounting Principles. For the purpose of the budget narrative, the appropriation unit "Other Charges" is also included with Operation Costs due to its similar nature.

Budget Narrative Appropriation Units	Included Budgetary Control Appropriation Units:
Personal Services	Personal Services
Operation Costs	Operation Costs Other Charges
Debt & Depreciation	Debt & Depreciation
Capital Outlay	Capital Outlay Capital Contra
Interdept Charges	Internal Service Charges Abatements

A comparison of countywide totals for 2013 actual, 2014 Budget, and the 2015 Budget, including operating and capital expenditures, for these combined appropriation units are shown below:

APPROPRIATION UNIT	2013 Actual(a)	2014 Budget	2015 Budget	\$ Change from 2014	% Change from 2014
Personal Services(b)	\$427,771,871	\$432,440,530	\$429,060,966	(\$3,379,564)	-1%
Operation Costs (c)	\$688,748,534	\$704,613,333	\$735,287,248	\$30,673,915	4%
Debt & Depreciation	\$372,744,204	\$129,218,584	\$118,968,585	(\$10,249,999)	-8%
Capital Outlay	\$141,018,537	\$79,462,195	\$93,735,762	\$14,273,567	18%
Internal Service Charges (c)	\$10,792,245	(\$38,784,029)	(\$39,323,542)	(\$539,513)	1%
TOTAL Expenditures	\$1,641,075,391	\$1,306,950,613	\$1,337,729,019	\$30,778,406	2%

(a) = 2013 actual expenditures do not include encumbrances carried forward into 2014

(b) = Active and Legacy fringe benefits are budgeted centrally in organization 1950 - Employee Fringe Benefits and then allocated to departmental budgets. These costs are budgeted in the Personal Service appropriation unit in both the departments and in Organization 1950, which includes an abatement to prevent the double-counting. For the purposes of this table, this abatement has been moved out of the Abatements appropriation unit and into the Personal Services appropriation to give a more accurate portrayal of actual costs.

(c) = In 2015, the object used to adjust for internal service charges in Org Unit 1930 is transferred from the Operation Cost to the Internal Service Charges appropriation unit. 2013 and 2014 data is re-stated for comparative purposes.

2015 Expenditure Highlights by Category

Personal Services, including the abatement related to employee/retiree fringe benefits discussed above, decline by \$3.4 million, or 1 percent, from the 2014 Adopted Budget. This change is mainly due to a reduction in the number of budgeted positions Countywide by approximately 140 FTE. Significant staffing reductions include the transition from inpatient hospital services in the Behavioral Health Division to a system of community-based care in the Behavioral Health Community Services division of the Department of Health and Human Services (BHCS), reductions in the Department of Administrative Services, and reductions in the Office of the Sheriff. Countywide reductions in staffing result in reduced salary and social security expenditures of \$4.9 million.

Gross fringe benefit costs increase by \$2.5 million, from \$189 million in 2014 to \$191.5 million. Pension costs increase by \$8.4 million, mainly because the five-year amortization period on a \$45 million award related to pension benefits expired in 2014. Health care costs decrease by \$6.2 million, mainly as a result of reduced prescription drug benefit costs, which decline by 20 percent or \$6 million to \$23.6 million. Health care benefits decline by \$3 million due to the implementation of voluntary Medicare Advantage plans for age 65+ retirees, an increase in deductibles of \$1.2 million, and an estimated surplus of nearly \$5 million on the 2014 base cost.

Operation Costs increase by \$30.7 million or 4 percent due to a variety of factors, including:

- Purchase of service contracts in the Community Services Branch of the Behavioral Health Division increase by \$11.8 million, including an \$8.8 million increase due to a change in the Medicaid billing model that allows the Community Services Branch to submit claims on behalf of the community providers operating mental health programs. An increase of \$1.4 million provides for the purchase of community slots due to the outsourcing of the Community Support Program.
- Inmate medical and mental health services provided by the House of Correction are transitioned to a fully-contracted basis in 2015, for an increase of \$5.5 million.
- Property insurance premiums budgeted in Risk Management increase by \$1 million, and workers' compensation costs increase by \$2.5 million.
- Transit expenditures increase by \$7.9 million, mainly due to the implementation of new service to business parks as required by a settlement with the Wisconsin Department of Transportation related to the Zoo Interchange project, as well as reduced fare costs for seniors and individuals with disabilities.

An additional significant increase in Operation Costs is in the House of Correction, which includes full-year funding of the contract with Armor for inmate medical and mental health services. This arrangement, replaces county-funded positions with contracted positions through attrition and results in a net increase in operating costs of approximately \$6.4 million in 2014. Another significant increase is related to the transition to community-based services for individuals with mental illnesses, which largely offset the associated staffing reductions referenced above and results in increases over 2013 of approximately \$4.8 million.

Capital Outlay increases by \$14.3 million or 18 percent over to 2014. The capital budget increases by \$10.1 million or 13 percent over 2014. This is mainly related to the creation of a \$9.2 million capital project for unspecified capital projects. Operating Capital Outlay, not including items related to Capital Outlay/Depreciation Contra (see the Non-Departmental Expenditure narrative, agency 1940, for additional detail), including funding for major maintenance, increases by \$5.1 million.

Internal Service Charges including the net total of abatements and crosscharges between County departments declines by \$539,513 or 1 percent in 2015. This figure includes a re-statement of previous years based on changing how the offset for interdepartmental charges is budgeted.

2015 Expenditure Highlights by Functional Area

Below are summaries of major changes within most departments or organizational units by Functional Area for the Operating Budget. Please review the specific organizational or capital project narrative for more detailed information. If a department is not listed it is because its expenditure budget did not change materially (less than 2 percent) from the 2014 Adopted Budget.

Legislative & Executive

Expenditures decrease by \$548,527 or 14 percent in the **Office of the County Board** mainly due to a reallocation of legacy fringe benefits due to the reduced number of budgeted positions from previous years.

Expenditures in the **Office of the County Executive** increase by \$28,496 or 2 percent as a result of cost-to-continue factors.

The expenditure increase of \$35,934 or 10 percent in the **Office of Government Affairs** is almost entirely related to the allocation of interdepartmental charges and legacy fringe benefits for the first time in 2015. It did not have such expenditures budgeted in 2014 because it was a new department.

Expenditures in the **Office of Veterans' Services** decline by \$11,673 or 4 percent mainly due to the unfunding of one vacant position.

General Government

Expenses decrease in the **Election Commission** by \$302,064 or 30 percent from the 2014 Adopted Budget, largely due to the biannual election cycle that will less more activity in an odd year.

Expenditures are increased in the **Office of the County Clerk** by \$85,807 or 7 percent mainly due to increased legacy fringe benefit costs and interdepartmental charges as a result of staffing increases implemented in 2014.

Expenses in the **Office of the Register of Deeds** decrease by \$635,245 or 15 percent mainly due to the elimination of the Redaction program, as required by State Law. Funding for this program was appropriated at \$675,000 in 2014, which was entirely offset by surcharges on real estate document recordings; in addition one position is unfunded in 2015.

Administrative

Department of Administrative Services – General Fund Programs

General Fund divisions in the Department of Administrative Services are combined into a single agency in 2015. Expenditures in the General Fund operations in the Department of Administrative Services increase by \$9 million or 24 percent in 2015. This is primarily related to the creation of a new general fund section of the Information Management Services Division (IMSD). The 2015 budget shifts all expenditures for software maintenance agreements and licenses, and for software purchases into this program area from all operating departments. The total amount of expenditures shifted in from operating departments is \$6.9 million. Additionally, expenditures in the Facilities Management Division increase by \$1.3 million, mainly due to increased internal crosscharges. A new Business Office is created that shifts in one position from the internal service fund portion of IMSD.

Department of Administrative Services – Internal Service Funds

Expenses increase in the **DAS-Risk Management Division** by \$4 million or 54 percent primarily due to Workers' Compensation costs, especially for legacy cases that occurred in late 2013 and early 2014. Total workers' compensation costs, including medical and lost time liabilities, increase by \$2.6 million or

76 percent to nearly \$6 million in 2015. It is anticipated that the utilization of a third-party administrator for workers' compensation claims will provide more robust claims management and prevention that should significantly reduce these costs in future years. In addition, the County was notified in mid-2014 that its annual premium for property insurance would increase by \$1 million to \$1.6 million.

Expenditures in the **DAS-Information Management Services Division (DAS-IMSD)**, adjusted to account for the transfer of the radio program to the Department of Emergency Management, decrease by \$500,000 or 4 percent mainly due to reduced depreciation costs.

In the **Department of Human Resources**, expenditures are increased by \$627,880 or 10 percent mainly due to the transfer in of background investigation costs from the DAS-Risk Management division in the amount of \$250,000, additional training services, and cost-to-continue factors.

In the **Civil Service Commission and Personnel Review Board**, expenditures increase by \$116,728 or 41 percent mainly due to increased funding for outside legal services.

Expenditures increase in the **Office of the Corporation Counsel** by \$324,576 or 19 percent, mainly due to the full-year implementation of a new Principal Corporation Counsel position and associated operating costs of \$30,000 intended to handle open records requests; in addition abatements related to charges for service to other County departments are reduced to reflect actual allocations.

Courts & Judiciary

Expenditures in the **Combined Court Operations (Courts)** increase by \$1.8 million or 4 percent in 2015. The 2015 budget is largely a cost-to-continue budget, with increases in personal services based on largely unchanged staffing levels, and \$305,669 in operating costs based on recent experience.

Expenditures in the **Department of Child Support Services** are increased by \$914,398 or 5 percent, mainly based on cleaning up and eliminating 2014 expenditure abatements from charges to other departments for expenditures that are not reimbursed by federal child support program revenues.

In **Courts Pre-Trial Services**, expenditures are reduced by \$467,645 or 11 percent mainly due to the expiration of a federal grant that offsets expenses for the Milwaukee County Central Liaison Unit and an expansion of testing services in the Drug Treatment Court.

Public Safety

Expenditures are increased in the **Office of the District Attorney** by \$1 million or 6 percent. The increase is mainly due to the creation of four additional investigator positions, plus training and supply costs of approximately \$500,000, to create a new violent crimes investigation unit and to expand the Victim Witness program.

A new **Department of Emergency Management** is created in 2015, with expenditures of \$11 million. The new department includes four program areas shifted in from other departments: The Emergency Management and 911 Communications/Dispatch sections are shifted in from the Office of the Sheriff, the Emergency Medical Services (EMS) section is shifted in from the Department of Health and Human Services, and the Public Safety Radio section is shifted in from DAS-IMSD. Expenditures in these program areas largely represent cost-to-continue funding, other than a reduction of \$500,000 in the budget for EMS supplies due to past over-budgeting, and the creation of a new Director of Emergency Management.

Net of programs shifted to the new Department of Emergency Management, expenditures in the **Office of the Sheriff** increase by \$6.3 million or 8 percent, mainly due to cost-to-continue factors and the funding of 17 additional Deputy Sheriff Positions.

Expenditures in the **Office of the Medical Examiner** increase by \$251,896 or 5 percent, mainly as a result of cost-to-continue factors plus operating capital outlay of approximately \$55,000 to replace outdated equipment.

Transportation

Expenditures in the **Department of Transportation (DOT) Airport Division** decrease by \$5.3 million or 6 percent from 2014. This is largely due to an increase in debt service and depreciation costs based on the recent completion of several very large capital projects, including the In-line baggage claim.

Expenditures in the **DOT-Highway Maintenance Division** increase by \$1.4 million or 7 percent from 2014. This is mainly due to increased interdepartmental charges from the Fleet Division due to vehicle and equipment maintenance, debt service and depreciation.

In the **DOT-Fleet Management Division**, expenditures increase by \$1.2 million or 12 percent over 2014. The increase is mainly due to increased debt and depreciation charges, additional repair parts expenditures based on experience, and cost-to-continue for existing staff.

Expenditures in the **DOT-Transit Division** increase by \$8 million or 7 percent from 2014. The increase is mainly from the addition of two new Metro Express routes (27X and 10/30X) funded with Congestion Mitigation and Air Quality (CMAQ) funds, and other new service funded by the Zoo Interchange litigation agreement, plus the implementation of free rides for the elderly and disabled (reduced revenues are represented as increased expenditures due to the Transit system's accounting structure).

In the **DOT-Director's Office**, expenditures increase by \$182,303, mainly due to a correction in the interdepartmental charge to DOT divisions from the 2014 budget.

Health & Human Services

In the **Department of Health and Human Services (DHHS)**, expenditures increase by \$1.2 million or 1 percent from 2014 (this figure is restated to include the shift of the Community Access to Recovery Services Division and Emergency Medical Services from this Division). The increased expenditures are primarily related to the creation of a new Crisis Resource Center in the Disabilities Services Division.

In the **Milwaukee County Mental Health Board's Behavioral Health Division (BHD)**, expenditure changes include an \$800,000 increase for medical malpractice and building reserve funds, \$5 million increase related to patient care in Crisis Services and Acute Inpatient Units, and \$8.8 million increase to reflect that the Community Services Branch will now be processing provider claims to Medicaid. These increases are offset by a \$5.2 million decrease in Wraparound Milwaukee due to decreased enrollment, and \$11 million in reductions related to the closure of long-term care facilities. Overall expenditures are essentially unchanged at \$179.6 million.

Recreation & Culture

In the **Department of Parks, Recreation, and Culture**, expenditures increase by \$3.2 million, or 7 percent over 2014. The increase is mainly due to cost-to-continue factors for personnel and increased interdepartmental charges.

Expenditures at the **Zoo** increase by \$1.7 million or 7 percent over 2014, mainly due to increased capital outlay funding of \$475,607, internal service charges of \$574,065, and cost-to-continue factors for existing staff.

Contributions to the **County Fund for Performing Arts, the Marcus Center for the Performing Arts, the War Memorial, and the Milwaukee Art Museum**, are unchanged from their 2014 contribution amounts. The contribution to the **County Historical Society** increases by \$100,000 to \$306,167 for one-time capital improvements, the contribution to the **Villa Terrace/Charles Allis Art Museums** increases by \$18,000 for facility improvements, and the contribution to the Federated Library System decreases by \$100,000 because of the expiration of a one-time funding item included in 2014.

Debt Service

Expenses for corporate purpose Debt Service decrease by \$13.3 million or 21 percent. Principal payments decrease by \$13.9 million, or 18 percent, and interest payments decline by \$1.2 million, due

primarily to the expiration of debt that was re-financed to a longer term in 2003. These reductions are partially offset by reduced interest abatement from charging other departments for interest costs of \$1.8 million.

Non-Departmental Expenditures

The **Appropriation for Contingencies** is increased by \$927,617 in 2015. This includes an increase in the unallocated contingency account for emergencies of \$1,124,077 over 2014, which is funded primarily with one-time revenues as the result of Tax Incremental Financing district closures in the City of Milwaukee. This increase is offset by a reduction in funding in the Allocated Contingency of \$196,460. Allocated Contingency items include \$1.2 million to offset the possibility that major tenants at the County Grounds will refuse to pay fire protection charges, \$350,000 for DAS-Facilities Management for major maintenance in the dispatch facility in the Safety Building, \$781,120 for fringe benefit costs for staff at the Behavioral Health Division, and \$750,000 to assist departments in absorbing the new \$1.5 million aggregate deductible for property insurance claims.

Funding for the **Litigation Reserve** increases by \$195,001 or 56 percent due mainly to ongoing increases in the use of outside legal firms related to several significant legal issues.

Chart 1 – Total Expenditures by Functional Area:

County Budget Expenditure Comparison (Capital & Operating)					
TOTAL Operating & Capital Expenditures by Functional Area	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Legislative & Executive(b)	\$7,437,515	\$6,190,006	\$5,694,236	(\$495,770)	-8%
Administration(b)	\$113,741,397	\$99,992,200	\$112,362,230	\$12,370,030	12%
General Government	\$12,659,333	\$15,226,322	\$14,489,763	(\$736,559)	-5%
Courts & Judiciary	\$61,635,792	\$64,467,167	\$67,617,662	\$3,150,495	5%
Public Safety	\$169,997,888	\$168,019,381	\$181,284,464	\$13,265,083	8%
Transportation & Public Works	\$311,437,069	\$261,496,763	\$280,966,710	\$19,469,947	7%
Health & Human Services	\$569,847,781	\$573,291,907	\$570,104,110	(\$3,187,797)	-1%
Recreation & Culture	\$92,680,468	\$94,512,937	\$107,291,199	\$12,778,262	14%
Debt Service	\$290,412,793	\$63,793,941	\$50,522,841	(\$13,271,100)	-21%
Non-Departmental Revenues	\$0	\$0	\$0	\$0	0%
Non-Departmental Expenditures(a)	\$11,225,354	(\$40,040,011)	(\$52,604,196)	(\$12,564,185)	31%
TOTAL	\$1,641,075,390	\$1,306,950,613	\$1,337,729,019	\$30,778,406	2%
<i>(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 - Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.</i>					
<i>(b) = 2013 actual expenditures for Legislative & Executive and Administration Functional Areas have been re-stated to account for the transfer of Community Business Development Partners to the Administration Functional Area as a division within the Department of Administrative Services</i>					

Chart 2 – Operating Budget Expenditures by Functional Area

Operating Budget Expenditure Comparison					
Functional Area	2012 Actual	2014 Budget	2015 Budget	\$ Change from 2014	% Change from 2014
Legislative & Executive(b)	\$7,437,515	\$6,190,006	\$5,694,236	(\$495,770)	-8%
Administration(b)	\$71,358,641	\$73,887,117	\$86,551,372	\$12,664,255	17%
General Government	\$12,659,333	\$15,226,322	\$14,489,763	(\$736,559)	-5%
Courts & Judiciary	\$61,635,792	\$64,467,167	\$67,617,662	\$3,150,495	5%
Public Safety	\$168,988,342	\$165,527,141	\$179,987,016	\$14,459,875	9%
Transportation & Public Works	\$220,119,134	\$228,331,299	\$244,554,486	\$16,223,187	7%
Health & Human Services	\$566,905,777	\$572,843,251	\$569,093,514	(\$3,749,737)	-1%
Recreation & Culture	\$74,670,190	\$76,690,161	\$81,720,565	\$5,030,404	7%
Debt Service	\$290,412,793	\$63,793,941	\$50,522,841	(\$13,271,100)	-21%
Non-Departmental Revenues	\$0	\$0	\$0	\$0	0%
Non-Departmental Expenditures (a)	\$11,225,354	(\$40,040,011)	(\$52,604,196)	(\$12,564,185)	31%
TOTAL	\$1,485,412,871	\$1,226,916,394	\$1,247,627,259	\$20,710,865	2%
<p>(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 - Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.</p>					
<p>(b) = 2013 actual expenditures for Legislative & Executive and Administration Functional Areas have been re-stated to account for the transfer of Community Business Development Partners to the Administration Functional Area as a division within the Department of Administrative Services</p>					

Chart 3 – Capital Budget Expenditures by Functional Area

Capital Budget Expenditure Comparison					
Functional Area	2012 Actual	2014 Budget	2015 Budget	\$ Change from 2014	% Change from 2014
Legislative & Executive Administration	\$0	\$0	\$0	\$0	0%
General Government	\$42,382,756	\$26,105,083	\$25,810,858	(\$294,225)	-1%
Courts & Judiciary	\$0	\$0	\$0	\$0	0%
Public Safety	\$1,009,546	\$2,492,240	\$1,297,448	(\$1,194,792)	100%
Transportation & Public Works	\$91,317,935	\$33,165,464	\$36,412,224	\$3,246,760	10%
Health & Human Services	\$2,942,004	\$448,656	\$1,010,596	\$561,940	125%
Recreation & Culture	\$18,010,278	\$17,822,776	\$25,570,634	\$7,747,858	43%
Debt Service	\$0	\$0	\$0	\$0	0%
Non-Departmental Revenues	\$0	\$0	\$0	\$0	0%
Non-Departmental Expenditures	\$0	\$0	\$0	\$0	0%
TOTAL	\$155,662,519	\$80,034,219	\$90,101,760	\$10,067,541	13%
<i>(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 - Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.</i>					
<i>(b) = 2013 actual expenditures for Legislative & Executive and Administration Functional Areas have been re-stated to account for the transfer of Community Business Development Partners to the Administration Functional Area as a division within the Department of Administrative Services</i>					

Please see the Capital Budget for additional detail about 2015 budgeted capital projects.

2015 Revenue Analysis

Overview

The 2015 revenue budget is \$1,337,729,019, an increase of \$30,778,406 or 2 percent from the 2014 Adopted Budget. The 2015 revenue budget includes \$1,247,627,259 for departmental and non-departmental operations and debt service, and \$90,101,760 for capital projects. In comparison with the 2014 Adopted Budget, operating budget revenues increase by \$20,710,865 or 2 percent, and capital budget revenues increase by \$10,067,541 or 13 percent.

Revenue Projection Methodology

Realistic, conservative and accurate revenue estimates are one of the key building blocks in the development of a fiscally sound budget. The County combines four primary projection methods, mentioned below, and based on the unique characteristics of forecasted revenue:

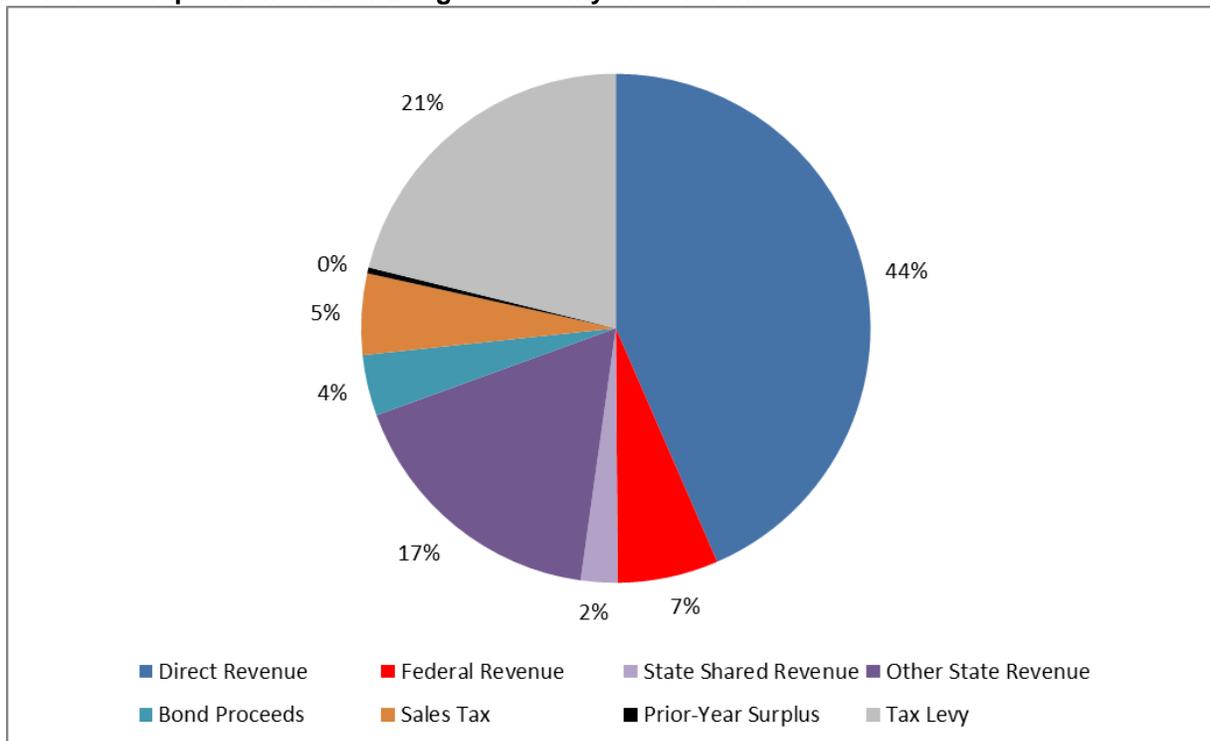
1. Informed and Expert Judgment (e.g., the advice of a department head).
2. Deterministic Technique (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages).
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

As in the expenditure analysis, several revenue appropriation units are combined into categories for illustration purposes in the departmental and non-departmental narratives. The combinations of major revenue types include the following:

Departmental Narrative Appropriation Unit	Included Revenue Appropriation Units:
Indirect Revenues	Indirect Revenues
State and Federal Revenues	Federal Revenues State Shared Revenue Other State Revenues
Other Direct Revenues	Direct Revenue Bond Proceeds Sales Tax Prior Year Surplus
Property Tax Levy	Property Tax Levy

Forty-four percent of the County's \$1.3 billion revenue budget, or \$582 million, includes direct charges for services in 2015; this amount is re-stated in the tables at the end of the analysis to reflect a change in methodology for offsetting interdepartmental revenues to avoid double-counting. Property tax levy represents twenty-one percent of budgeted revenues at \$283 million. State Aids, including Basic Community Aids, Youth Aids, General Transportation Aids, Transit Aids, Airport funding, and other funding represent 17 percent of total revenues, or \$230.6 million; State Shared Revenue is budgeted at \$31.2 million and represents an additional two percent of total revenues, for a combined share of 19 percent from the State of Wisconsin. Federal revenues are seven percent of the total, and sales tax represents five percent. The remaining four percent, totaling \$56.7 million, includes indirect revenues, bond proceeds, and prior-year surplus (see chart next page).

Table 1 – Composition of 2014 Budgeted Countywide Revenues



2015 Revenue Highlights by Category

Direct Revenues, not including sales tax, bond proceeds, or prior-year surplus, increase by \$4.6 million or 1 percent in 2015. Significant changes to Direct Revenues include:

- The use of the Debt Service Reserve Fund to offset sales tax and property tax levy costs for debt service is decreased by \$5.8 million in 2015. Of the County’s \$22 million surplus in 2013, \$17 million was deposited into the Debt Service Reserve fund. This fund may be used, per State Law, for debt service costs, cash financing capital projects, providing cash financing for the refinancing of outstanding debt, or emergencies. The decrease in the use of the Debt Service Reserve Fund is designed to build up cash reserves to continue to improve the County’s overall fiscal situation and to help improve debt ratings. The decrease is mostly attributable to a significant decrease in debt service costs.

This results a balance in the Debt Service Reserve of approximately \$13 million upon completion of the 2015 budget process, above the County’s stated goal of maintaining a balance of at least \$10 million in the fund (see the Financial Policies section for additional detail).

- Revenue primarily from Patient Services at inpatient nursing homes in the Behavioral Health Division is reduced by \$4.4 million due to the transition away from institutionalized care and towards a community-based system.
- Total direct revenues increase at the airport by \$5.4 million, including landing and terminal space rental fees that are increased by \$1.4 million, and parking fees increase by \$1.6 million. The increase is mainly to offset increasing depreciation and debt service costs.

- Total direct revenues in the Department of Parks, Recreation and Culture are increased by \$459,756 or 3 percent due to new concession opportunities and various fee increases.
- Revenues at the zoo decline by \$580,940 million or 3 percent primarily due to correcting budget figures that were over-estimated based on recent actual collections.
- Revenues in the Register of Deeds are reduced by \$878,974 million or 18 percent. This is primarily due to the expiration, per State law, of a real estate document recording fee that was utilized for redaction of personal information from older documents. This fee was budgeted at \$695,439 in 2014. Due to weakening of the real estate and mortgage refinancing markets, general recording fees also decrease by \$480,000 or 23 percent.
- Revenue from traffic tickets and fines in the Office of the Sheriff declines by \$1 million, and commissions on executions and civil process service fees decline by a total of \$536,000.
- Other Miscellaneous Revenues increase by \$1.4 million or 15 percent to \$10.7 million, mainly due to the anticipated closure of a Tax Incremental Financing (TIF) district in the City of Wauwatosa, for which \$1.6 million is anticipated. This funding is directly related to increase cash financing in the capital budget of \$1.3 million and operating capital expenditures of \$313,000. Two TIF district closures in the City of Milwaukee are budgeted at \$480,000, which is utilized to increase the Appropriation for Contingencies.

Sales Tax revenue is increased countywide by \$2.5 million in 2015, from \$66.5 million to \$69 million, due to rising collections in 2014.

In the operating budget, sales tax revenue increases by \$2.5 million, from \$57.1 million to \$59.6 million, while \$9.3 million is provided for capital projects, a decrease of \$110,756.

State and Federal Revenues increase by a total of \$5.8 million or 2 percent in 2015. Significant changes include:

- State Shared Revenue increases by \$83,342 or less than one percent based on updated estimates from the State Department of Revenue, mainly related to utility payments.
- At the Behavioral Health Division, reductions include \$4.4 million reduced revenue due to long-term care facility closures, \$1.5 million made to Wisconsin Medicaid Cost Reporting and State Plan Amendment revenues, and \$4.9 million due to a projected reduction of youth enrollment in Wraparound Milwaukee. These are offset by \$8.8 million increased revenue to reflect that the Community Service Branch will process provider claims to Medicaid and \$4.4 million increased revenue in Crisis Services and Acute Inpatient Units.
- In the Department of Health and Human Services, changes include \$770,000 increased revenue related to Medicaid and State revenue to support the new Crisis Resource Center and \$400,000 increase in Wisconsin Medicaid Cost Reporting revenue.
- In the Department of Transportation (DOT)-Transit Division, state revenues are increased by \$4.7 million based on the Urban Mass Transit Operating Assistance Program and the settlement from the Zoo Interchange litigation.
- In the DOT-Highways Division, reimbursement for State highway maintenance is increased by \$1.3 million based on the expected 2015 maintenance agreement between the State of Wisconsin and Milwaukee County (to be released in November 2014). General Transportation Aids are essentially unchanged from the 2014 Adopted Budget level of \$3.6 million based on the 2013-2015 State Biennial Budget.

- Revenue paid by the federal government for the housing of prisoners at the Milwaukee County Jail is reduced by \$251,105 due to a reduction in the number of prisoners housed at the facility.
- Based on the 2013-2015 Wisconsin State Budget, General Purpose support for Child Support Services is increased by \$687,053, or 31 percent. However, the State Department of Children and Families has issued a draft formula for the distribution of these funds that would eliminate this increase. As a result, \$324,000 is budgeted in an allocated contingency account within the Appropriation for Contingencies to account for this possibility so that expanded service is not put in jeopardy. Federal match revenue for Child Support Services is increased by approximately \$654,400 in 2015.
- Computer exemption revenue increases by \$385,174 based on updated information provided by the State Department of Revenue.

Indirect Revenues, which are charged by County departments to other departments for services, are increased by an adjusted amount of \$9.4 million in 2015. The large increase is primarily related to increased employee and retiree fringe benefit costs of \$1.7 million, and to the centralization of information technology purchases, which results in charges for software purchases and maintenance agreements of \$5 million. Charges for Risk Management Services, especially workers' compensation costs and premiums for property insurance increase by \$4.4 million. Offsetting these increases are reduced charges for space to County departments by the Facilities Management Division of the Department of Administrative Services of approximately \$1.2 million related to the closure of City Campus and other cost reduction measures; as well as several reductions in other areas. Note that these revenues are "zeroed out" to avoid double-counting on a countywide basis in the tables below.

County Budget Revenue Comparison (Capital & Operating)

SOURCE	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Direct Revenue	\$646,372,186	\$577,043,843	\$581,629,437	\$4,585,594	1%
Federal Revenue	\$113,441,485	\$83,847,112	\$85,629,891	\$1,782,779	2%
State Shared Revenue	\$31,118,751	\$31,080,305	\$31,163,647	\$83,342	0%
Other State Revenue	\$241,316,908	\$226,689,320	\$230,616,254	\$3,926,934	2%
Bond Proceeds	\$278,280,268	\$37,476,557	\$51,734,665	\$14,258,108	38%
Sales Tax	\$65,487,981	\$66,492,280	\$68,970,000	\$2,477,720	4%
Prior-Year Surplus	\$5,000,000	\$5,000,000	\$5,000,000	\$0	0%
Indirect Revenue	\$59,347,933	\$0	\$0	\$0	0%
Tax Levy	\$279,321,196	\$279,321,196	\$282,985,125	\$3,663,929	1%
TOTAL	\$1,719,686,708	\$1,306,950,613	\$1,337,729,019	\$30,778,406	2%

Operating Budget Revenue Comparison

SOURCE	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Direct Revenue	\$593,408,729	\$568,508,668	\$576,856,073	\$8,347,405	1%
Federal Revenue	\$60,514,204	\$62,691,320	\$63,059,779	\$368,459	1%
State Shared Revenue	\$31,118,751	\$31,080,305	\$31,163,647	\$83,342	0%
Other State Revenue	\$225,881,064	\$223,762,319	\$229,394,404	\$5,632,085	3%
Bond Proceeds(b)	\$238,577,518	\$10,000	\$0	(\$10,000)	-100%
Sales Tax	\$60,086,228	\$57,055,255	\$59,643,731	\$2,588,476	5%
Prior-Year Surplus(a)	\$5,000,000	\$5,000,000	\$5,000,000	\$0	0%
Indirect Revenue	\$59,347,933	\$0	\$0	\$0	#DIV/0!
Tax Levy(a)	\$276,710,470	\$278,808,526	\$282,509,625	\$3,701,099	1%
TOTAL	\$1,550,644,897	\$1,226,916,393	\$1,247,627,259	\$20,710,866	2%

(a) = Reflects Budgeted Figures in 2013 Actuals

(b) = Mainly reflects proceeds from refunding of bonds which are booked in Agency 9960-Debt Service

Capital Budget Revenue Comparison

SOURCE	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Direct Revenue	\$52,963,457	\$8,535,175	\$4,773,364	(\$3,761,811)	-44%
Federal Revenue	\$52,927,281	\$21,155,792	\$22,570,112	\$1,414,320	7%
State Shared Revenue	\$0	\$0	\$0	\$0	#DIV/0!
Other State Revenue	\$15,435,844	\$2,927,001	\$1,221,850	(\$1,705,151)	-58%
Bond Proceeds(b)	\$39,702,750	\$37,466,557	\$51,734,665	\$14,268,108	38%
Sales Tax	\$5,401,753	\$9,437,025	\$9,326,269	(\$110,756)	-1%
Prior-Year Surplus	\$0	\$0	\$0	\$0	#DIV/0!
Indirect Revenue	\$0	\$0	\$0	\$0	#DIV/0!
Tax Levy(a)	\$2,610,726	\$512,670	\$475,500	(\$37,170)	-7%
TOTAL	\$169,041,811	\$80,034,220	\$90,101,760	\$10,067,540	13%

(a) = Reflects Budgeted Figures in 2013 Actuals

COMPARISON OF FUNDED FULL-TIME POSITION EQUIVALENTS

By Functional Area

Org.	Description	2011	2012	2013	2014	2015	2015/2014 CHANGE
LEGISLATIVE AND EXECUTIVE							
1000	^{12, 14} County Board	58.5	56.9	56.4	31.0	31.0	0.0
1001	¹ County Board- Audit Department	16.0	16.0	0.0	0.0	0.0	0.0
1011	County Executive-General Office	9.0	9.5	9.5	9.0	9.0	0.0
1020	¹² County Executive-Intergovernmental Relations	0.0	0.0	0.0	3.0	2.0	(1.0)
1021	County Executive-Veterans Service	6.0	6.0	5.5	5.5	5.0	(0.5)
TOTAL LEGISLATIVE AND EXECUTIVE #		89.5	88.4	71.4	48.5	47.0	(1.5)
STAFF							
1040	¹⁵ DAS-Office of Community Development Partners	6.0	6.0	7.7	8.0	0.0	(8.0)
1110	¹⁴ Civil Service Commission	5.0	5.0	5.0	5.0	0.0	(5.0)
1120	¹⁴ Personnel Review Board	7.3	7.3	7.3	7.2	12.2	5.0
1905	Ethics Board	0.8	0.8	0.8	0.8	0.8	0.0
1130	Corporation Counsel	19.7	18.8	19.0	19.0	20.0	1.0
1135	² Dept. of Labor Relations	2.8	3.5	3.0	0.0	0.0	0.0
1019	¹⁵ Dept. of Admin. Services- Office for Persons with Disabilities	4.1	4.1	4.1	4.1	0.0	(4.1)
1140	³ Dept. of Human Resources	0.0	50.6	55.8	54.9	55.2	0.3
1140	³ Dept. of Admin. Services-Human Resources	14.2	0.0	0.0	0.0	0.0	0.0
1188	³ Dept. of Admin. Services-Employee Benefits	23.0	0.0	0.0	0.0	0.0	0.0
5700	^{4,6,15} Dept. of Admin. Services-Facilities Management	0.0	154.5	163.9	176.7	0.0	(176.7)
1150	Dept. of Admin. Services- Risk Management	5.1	5.0	7.0	5.0	5.0	0.0
1151	^{1, 15} Dept. of Admin. Services- Fiscal Affairs	42.7	44.1	13.2	11.5	0.0	(11.5)
1151	^{15,16, 17} Department of Administrative Services - General Fund	0.0	0.0	0.0	0.0	169.6	169.6
1152	¹⁵ Dept. of Admin. Services- Procurement	5.5	7.5	7.5	6.7	0.0	(6.7)
1160	¹³ Dept. of Admin. Services- Information Management Services	61.3	58.0	58.9	53.0	45.0	(8.0)
1192	^{9, 15} Dept. of Admin. Services-Economic Development	0.0	9.0	8.0	8.0	0.0	(8.0)
TOTAL STAFF #		197.3	374.1	360.9	359.9	307.8	(52.1)
COURTS AND JUDICIARY							
2000	Combined Court Related Operations	284.9	285.8	284.2	288.8	289.2	0.4
2430	Department of Child Support Services	150.5	137.8	140.7	150.5	148.8	(1.7)
2900	Courts-Pre Trial Services	0.0	1.0	1.0	1.0	1.0	0.0
TOTAL COURTS AND JUDICIARY #		435.4	424.6	425.9	440.3	439.0	(1.3)
GENERAL GOVERNMENTAL SERVICES							
3010	¹⁸ Election Commission	6.5	7.4	6.7	6.5	0.0	(6.5)
3090	County Treasurer	8.5	8.5	7.5	7.5	7.5	0.0
3270	^{12, 18} County Clerk	7.1	7.0	7.0	12.0	20.1	8.1
3400	Register of Deeds	35.7	34.9	32.9	31.9	30.0	(1.9)
3700	^{1,12} Office of the Comptroller	0.0	0.0	43.0	57.0	58.7	1.7
TOTAL GENERAL GOVERNMENTAL SERVICES #		57.8	57.8	97.1	114.9	116.3	1.4
PUBLIC SAFETY							
4000	^{5,13,16} Office of the Sheriff	1,385.9	1,265.9	777.3	744.1	769.8	25.7
4300	^{5, 17} House of Correction	0.0	0.0	359.4	452.2	386.6	(65.6)
4500	¹⁰ District Attorney	155.1	148.2	150.0	158.6	160.9	2.3
4800	^{11,13} Emergency Management	0.0	0.0	0.0	0.0	66.2	66.2
4900	Medical Examiner	27.5	27.6	28.3	28.2	28.8	0.6
TOTAL PUBLIC SAFETY #		1,568.5	1,441.6	1,315.0	1,383.1	1,412.3	29.2
TRANSPORTATION AND PUBLIC WORKS ⁶							
5040	Airport	271.7	0.0	0.0	0.0	0.0	0.0
5070	Transportation Services	14.5	0.0	0.0	0.0	0.0	0.0
5080	⁴ Architectural, Engineering and Environmental Services	35.2	0.0	0.0	0.0	0.0	0.0
5100	⁷ Highway Maintenance	125.1	0.0	0.0	0.0	0.0	0.0
5300	⁸ Fleet Management	34.6	0.0	0.0	0.0	0.0	0.0
5700	⁴ Facilities Management	85.0	0.0	0.0	0.0	0.0	0.0
5800	⁹ Director's Office	13.2	0.0	0.0	0.0	0.0	0.0
TOTAL TRANSPORTATION AND PUBLIC WORKS #		579.3	0.0	0.0	0.0	0.0	0.0

<u>Org.</u>	<u>Description</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2015/2014</u> <u>CHANGE</u>
DEPARTMENT OF TRANSPORTATION ⁶							
5040	Airport	0.0	290.5	289.1	288.3	284.3	(4.0)
5100 ⁷	Highway Maintenance	0.0	128.1	136.6	135.3	138.4	3.1
5300 ⁸	Fleet Management	0.0	35.0	34.1	34.1	35.1	1.0
5800 ⁹	Director's Office	0.0	7.0	7.0	6.0	7.0	1.0
TOTAL TRANSPORTATION #		0.0	460.5	466.8	463.7	464.8	1.1
HEALTH AND HUMAN SERVICES							
6300 ¹¹	DHHS-Behavioral Health Division	843.7	837.4	801.0	577.1	607.1	30.0
7900	Department on Aging	77.0	77.2	73.0	76.0	75.7	(0.3)
7990	Department of Family Care	79.1	64.4	64.6	72.2	73.2	1.0
8000 ^{11, 17}	Department of Health and Human Services	663.1	313.8	314.6	448.8	293.1	(155.7)
TOTAL HEALTH AND HUMAN SERVICES #		1,662.9	1,292.8	1,253.2	1,174.1	1,049.1	(125.0)
PARKS, RECREATION AND CULTURE							
9000	Parks Division	487.2	458.2	391.1	363.6	371.3	7.7
9500	Zoological Department	257.5	254.3	254.7	252.7	254.4	1.7
9910	University Extension	0.8	0.8	0.8	0.8	0.8	0.0
TOTAL RECREATION AND CULTURE #		745.5	713.3	646.5	617.1	626.5	9.4
TOTAL - ALL OPERATING DEPARTMENTS #		5,336.2	4,853.1	4,636.7	4,601.6	4,461.6	(140.0)

¹ In 2013, the Office of the Comptroller was created as its own department. Positions in this department were previously budgeted in the County Board-Department of Audit and in the Central Accounting section of DAS-Fiscal Affairs.

² Prior to the 2010 Budget, Labor Relations was a division of the Department of Administrative Services. The 2010 Budget created the Department of Labor Relations. In 2014, the Department of Labor Relations is merged into the Department of Human Resources

³ The 2012 Budget created the Department of Human Resources and includes the former divisions of DAS - Employee Benefits and DAS - Human Resources. In addition, in 2010 within the DAS - Human Resources Division, 14.0 FTE Human Resource field staff were transferred to their respective Departments; the 2012 Budget reversed this initiative and transfers them back to the Department of Human Resources.

⁴ The 2012 Budget created the Department of Administrative Services - Facilities Management Division. This includes the former Department of Transportation and Public Works (DTPW) divisions of Facilities Maintenance and Architectural and Engineering. The MCAMLIS Section of the former DTPW division of Architecture and Engineering was transferred to the DAS division of Economic Development as part of the 2012 Budget.

⁵ In 2009, the Sheriff's Office took responsibility for the House of Corrections. The reorganization was first reflected in the 2010 Budget. The 2013 Budget re-created the House of Corrections as a separate entity.

⁶ The 2012 Budget reorganized all of the former divisions of DTPW into either the Department of Transportation or the Department of Administrative Services.

⁷ The 2012 Budget created the Department of Transportation and reorganizes the former DTPW division of Transportation Services and Highway Maintenance into a new Division of Highways.

⁸ The 2012 Budget created the Department of Transportation and includes the former DTPW division of Fleet Management.

⁹ The 2012 Budget created the Department of Transportation and includes the former DTPW division of Director's Office except for Real Estate Services and Economic Development, which are transferred to the DAS-Economic Development Division.

¹⁰ FTE Counts in the Office of the District Attorney include Deputy District Attorneys and Senior Assistant District Attorneys who are State Employees but who chose to retain County benefits in the 1990s. These positions are not reflected in the FTE Count in the Departmental Budget Narrative. In 2013 there was seven total positions and in 2014 there will be six total positions.

¹¹ The 2014 Budget shifted the Community Services Branch, Alcohol and Other Drug Abuse (AODA) program, Wraparound (now collectively known as Behavioral Health Community Services), and Emergency Medical Services (EMS) from the DHHS-Behavioral Health Division to the Department of Health and Human Services. The 2015 Budget shifted these programs back to the Behavioral Health Division, with the exception of EMS which was shifted to the new Department of Emergency Preparedness.

¹² The 2014 Budget contains several position changes related to 2013 Wisconsin Act 14. Two intergovernmental relations positions were shifted out of the Office of the County Board and into the Office of the County Executive. The 2014 Budget creates the County Executive-Office of Intergovernmental Relations (Org 1020), which contains 3.0 FTE positions. Additionally in 2013, 4.0 FTE committee clerk and 1.0 FTE support positions were shifted out of the Office of the County Board and into the Office of the County Clerk, and another 4.0 FTE positions were created in the Office of the Comptroller for research services.

¹³ The 2015 Budget creates the Department of Emergency Preparedness, which includes positions shifted out of the Office of the Sheriff, the Department of Health & Human Services (see footnote 11), and the Information Management Services Division of the Department of Administrative Services.

¹⁴ The 2015 Budget merges the Civil Service Commission and Personnel Review Board into a single agency.

¹⁵ The 2015 Budget merges the General Fund divisions (Persons with Disabilities, Community Business Development Partners, Facilities Management, Economic Development, Procurement, and Fiscal Affairs) of the Department of Administrative Services into a single agency.

¹⁶ The 2015 Budget transfers the Courthouse Security function from the Department of Administrative Services to the Office of the Sheriff

¹⁷ Four positions, including 1.0 FTE in the General Fund portion of DAS, 2.0 FTE in the House of Correction, and 1.0 FTE in the Department of Health and Human Services were restored through a sustained veto and are not included in the figures shown here. The impacted departments will seek funding for these departments from the Transit Division of the Department of Transportation in early 2015.

¹⁸ The 2015 Adopted Budget merged the Election Commission and the Office of the County Clerk into one departmental unit due to a change in State Statute.

¹⁹ The 2015 Adopted Budget includes (1.2) FTE related to vacancy and turnover savings in a non-departmental unit that are not reflected in the departmental totals above, but which are included in the County-wide total.

The 2015 Budget includes all reclassification and reallocation actions recommended by the Department of Human Resources up to and including the July 2014 committee cycle. The position reclassifications recommended by HR that were rejected by the County Board shall remain rejected until the Board takes affirmative action to approve the position actions. All newly created positions have been reviewed by the Department of Human Resources and are created at the budgeted pay grades and title codes.

Note that the FTE totals above include Overtime, Special Premium, Salary Adjustment, Shift Differential, and Vacancy and Turnover Adjustments

Grant-Funded Sunset Positions

Per the adopted County Financial Policies, the following positions are funded by grants, and therefore are anticipated to sunset (be abolished) on the effective date listed, unless the department identifies other non-tax levy resources to fund the position.

Department	Position	Grant Source	County File No.	Est. Sunset Date
Health & Human Services	Human Services Program Analyst	Various WRAP Sources	13-942	September 30, 2015
Health & Human Services	Program Evaluator	Healthier Wisconsin Partnership Program Grant	14-71	December 31, 2015
Aging	Dementia Care Specialist	State of Wisconsin Dept. of Health Services Aging/Disabilities Resource Center Contract	14-505	December 31, 2015

The 2015 adopted County Financial Policies also require the Office of Performance, Strategy & Budget to develop grant acceptance and management procedures that include the creation of Limited Term Employees that are not benefit eligible. In future years these positions will also be listed in this table.