

NON-DEPARTMENTAL REVENUES (1800) BUDGET

DEPT: Non-Departmental Revenues

UNIT NO. 1800
FUND: General - 0001

NON-DEPARTMENTAL DESCRIPTION

The objective of the non-departmental revenue agencies is to properly account for revenue sources that are not under the jurisdiction of any single department. The Office of Performance, Strategy, and Budget (DAS-PSB) has primary responsibility for budgeting and accounting for these revenues. The Non-Departmental revenue budgets are based on historical trends, current economic data, contract terms, and policy changes at the State and Federal level as appropriate.

NON-DEPARTMENTAL REVENUE SUMMARY				
Org	2014 Actual	2015 Budget	2016 Budget	Budget Change
1901 Unclaimed Money	\$ 0	\$ 1,250,000	\$ 0	\$ (1,250,000)
1933 Land Sales	0	0	0	0
1937 Potawatomi Allocation	3,793,642	4,026,477	4,084,628	58,151
1993 State Shared Taxes	31,198,534	31,163,647	31,229,789	66,142
1994 State Exempt Computer Aid	3,807,631	4,182,667	4,488,234	305,567
1995 Milwaukee Bucks Sports Arena			(4,000,000)	(4,000,000)
1996 County Sales Tax Revenue*	69,752,141	68,970,000	72,584,100	3,614,100
1998 Surplus from Prior Years	0	5,000,000	5,000,000	0
1999 Other Misc. Revenue	835,816	2,278,000	1,870,963	(407,037)
TOTAL NON-DEPT. REVENUES	\$ 109,387,764	\$ 116,870,791	\$ 115,257,714	\$ (1,613,077)

*The figures stated above are presented as gross sales tax collections for clarity. Org 1996 contains net sales tax collections in the Operating Budget \$65,883,032 after allocations to capital improvements of \$6,701,068

Recommended Amounts are based on the following:

- Unclaimed Money:** Pursuant to Section 59.66 of the Wisconsin Statutes, the County Treasurer is to publish a notice that the Treasurer’s Office possesses unclaimed money. If no legal claim is made within the time specified in such notice, all funds and interest earned are to be turned over to the General Fund of the County treasury. Every other year, the Treasurer widely advertises unclaimed funds before they are forfeited. As a result, this revenue fluctuates from one year to the next and is difficult to predict. There are no funds budgeted in 2016 for Unclaimed Money as the County only publishes unclaimed funds every other year.

Land Sales: Accounts for the sale of County land in accordance with state statute. As in previous years, \$400,000 is budgeted in Real Estate Services to cover their operating expenditures. This represents the first \$400,000 of unallocated land sales and is historically realized through the sale of foreclosed properties and other miscellaneous land. After Real Estate Services receives the first \$400,000, the next \$1,000,000 received in unallocated land sales revenue will be used to implement the African American Community Economic Stimulus Package.

Potawatomi Revenues: Represents payments, based on Class III Net Win during the period July 1, 2015 to June 30, 2016 by the Potawatomi Bingo Casino per contract. The amount is net of allocations to operating departments (see below). The 2015 net win payment was \$3,922,304. Based on actual receipts, the settled status of competing gaming and projected level of gaming activity, the Class III Net Win for 2016 is anticipated to be \$4,084,628.

DHHS-Behavioral Health Division (Org. 6300)

- \$337,203 to support the Community Services Section programs
- \$500,000 is budgeted to support Alcohol and Other Drug Abuse (AODA) treatment through the Non-Temporary Assistance to Needy Families (TANF) AODA Voucher System.

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Department of Health and Human Services (Org. 8000)

- \$350,000 to increase the level of revenue in the Division’s Birth-to-Three program to avoid a reduction in Federal revenue due to non-compliance with the Maintenance of Effort expenditure requirement.
- \$201,320 to support the programs of the Delinquency and Court Services Division.
- \$100,000 to provide case management services for homeless and disabled veterans

State Shared Taxes: Represents payment from the State under the County and Municipal Aid payment program. The base payment is given to each County on a per capita basis. The Utility Payment compensates local governments for costs incurred in providing services to tax exempt public utilities. Wisconsin State Statute 48.561(3) requires the Wisconsin Department of Administration to reallocate \$20,101,300 from Milwaukee County’s shared revenue allocation to the Wisconsin Child Welfare Program. State Shared Revenues to the County are projected to decrease due to the contribution of \$4,000,000 toward the Milwaukee Sports Arena as outlined in 2015 Wisconsin Act 60 (“Act 60”).

In development of Act 60, the County Executive committed Milwaukee County taxpayers to contribute \$4 million per year for the next twenty years for a total payment of \$80 million. No separate approvals were sought or required from the County Board of Supervisors and/or through a binding referendum of voters. The State will collect the \$4 million annual payment, beginning in 2016 and ending in 2035, by reducing the State Shared Revenues otherwise paid to Milwaukee County. To acknowledge this long-term funding commitment, and to not fill the revenue loss through the use of county reserves or cuts to public safety or other critical services, additional tax levy will be required to fund the obligation to build the Milwaukee Sports Arena.

<u>STATISTICAL SUPPORTING DATA</u>	2014	2014	2015	2016
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Base Payment	\$ 47,234,632	\$ 47,026,480	\$ 47,023,962	47,023,962
Utility Payment	4,065,202	4,065,202	4,240,985	4,307,127
Subtotal State Shared Taxes	<u>\$ 51,299,834</u>	<u>\$ 51,091,682</u>	<u>\$ 51,264,947</u>	<u>51,331,089</u>
State Child Welfare Reallocation	(20,101,300)	(20,101,300)	(20,101,300)	(20,101,300)
Total State Shared Taxes	\$31,198,534	\$30,990,382	\$ 31,163,647	\$31,229,789

State Exempt Computer Aid: Represents State payments to compensate for the exemption of computers from property tax rolls, per 1997 Wisconsin Act 237. Revenue amount is provided by the Wisconsin Department of Revenue. The Wisconsin Department of Revenue has yet to provide an estimate for 2016 therefore the item remains at the 2015 budgeted level of \$4,182,667.

County Sales Tax Revenue: 2016 sales tax collections are projected to increase from the 2015 Adopted Budget. The net sales tax budgeted in Org 1996 is the gross sales tax collections of \$72,584,100, less an allocation of \$6,701,068 for capital improvements for a total of \$65,883,032. \$29,449,735 is dedicated to debt service for 2016, resulting in a net of \$36,433,297 for general fund purposes.

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<u>STATISTICAL SUPPORTING DATA</u>	<u>2014 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>	<u>2016 Budget</u>
Gross Sales Tax Collections	\$ 66,654,434	\$ 67,676,621	\$ 70,198,473	73,876,947
State Administrative Fee	(1,166,453)	(1,184,341)	(1,228,473)	(1,292,847)
County Sales Tax Collections	\$ 65,487,981	\$ 66,492,280	68,970,000	72,584,100
Less Sales Tax Allocated to Capital Improvements	\$ (5,401,753)	\$ (9,437,025)	(9,326,269)	(6,701,068)
County Net Sales Tax Collections	\$ 60,086,228	\$ 57,055,255	\$ 59,643,731	65,883,032
Less Allocations to Debt Service	(38,259,610)	(42,189,549)	(33,957,244)	(29,449,735)
Available for General Fund	\$ 21,826,618	\$ 14,865,706	25,686,487	36,433,297

Milwaukee Bucks Sports Arena

2015 Wisconsin Act 60 was enacted August 12, 2015, relating to constructing a sports and entertainment arena and related facilities. The legislation’s intent is to ensure the Milwaukee Bucks of the NBA remain located in Milwaukee County. In development of Act 60, the County Executive committed Milwaukee County taxpayers to contribute \$4 million per year for the next twenty years for a total payment of \$80 million. No separate approvals were sought or required from the County Board of Supervisors and/or through a binding referendum of voters. The State will collect the \$4 million annual payment, beginning in 2016 and ending in 2035, by reducing the State Shared Revenues otherwise paid to Milwaukee County. (See Org. Unit 1993-State Shared Taxes above.) To acknowledge this long-term funding commitment, and to not fill the revenue loss through the use of county reserves or cuts to public safety or other critical services, additional tax levy will be required to fund the obligation to build the Milwaukee Sports Arena.

This non-departmental account is created to make it clear that the residents of Milwaukee County are making a significant contribution to the construction of the new Sports Arena and the future of the Milwaukee Bucks as a local NBA franchise. It is the policy of Milwaukee County that this non-departmental account be included in each annual budget until the County’s financial commitment is satisfied.

Surplus (Deficit) from Prior Year: Represents the County’s 2014 surplus of \$5,000,000 applied to the County’s 2016 budget per 59.60 of Wisconsin State Statutes.

Other Miscellaneous Revenue: Includes all other revenue sources, including closure of Tax Increment Financing (TIF) districts. Revenue of \$285,000 related to the closure of TIF district #44 in Milwaukee is budgeted in 2016. A contribution of \$1,507,110 from the Pension Obligation Bond reserve is included for 2016. The use of reserves is included to partially offset an increase in annual required pension contribution and a reduction in state shared revenue. Any revenue in excess of the amount budgeted shall be allocated in a manner consistent with the County’s financial policy related to land sales and one time revenues, in that it shall first be utilized to offset any anticipated countywide deficit and, if the County is not projecting a deficit, it shall be applied to the Innovation Fund, the Economic Development Fund, and the Debt Service Reserve.