

ADOPTED 2011 BUDGET

DEPT: APPROPRIATION FOR CONTINGENCIES

UNIT NO. 1945
FUND: General - 0001

BUDGET SUMMARY			
	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>2010/2011 Change</u>
Expenditures	\$ 5,800,000	\$ 8,650,000	\$ 2,850,000
Revenues	0	3,250,000	3,250,000
Property Tax Levy	\$ 5,800,000	\$ 5,400,000	\$ (400,000)

Contingency Appropriation Analysis

Year	Adopted Budget	Appropriations Transfers In	Appropriations Transfers Out	Year End Balance
2006	\$ 9,310,058	\$ 0	\$ (1,097,343)	\$ 8,212,715
2007	3,110,427	3,614,476	(1,654,253)	5,070,650
2008	6,655,758	5,336,090	(2,263,435)	9,728,413
2009	7,760,427	3,028,160	(320,559)	10,468,028
2010*	5,800,000	0	(301,500)	5,498,500

* Transfer information for 2010 through October 2010

MISSION

Since 2003, it has been the policy of Milwaukee County that any new or unanticipated revenue actually received in the current year that is not identified in that year's budget shall be transferred to the Appropriation for Contingencies (Org. Unit 1945) Budget. This policy shall apply to new revenue sources, unanticipated revenues and revenues from existing sources that are in excess of the amounts included in the current year's budget. The Department of Administrative Services is authorized and directed to process such fund transfer(s) as necessary if and when such new revenue sources or excess revenues are identified.

The first priority for use of any such revenues is to allow the County to achieve a balanced budget in the current year. The second goal will be to achieve a surplus equal to that in the previous year's budget. Finally, if it appears that the first two goals will be achieved, such revenue can be used for emergency needs during the current budget year.

BUDGET HIGHLIGHTS

- Funding for the Appropriation for Contingencies is increased by \$2,850,000 from \$5,800,000 to \$8,650,000. The increase will provide additional resources for the County to respond to uncertainties for fiscal pressures including the following:
 - The County's outside healthcare actuary has projected that County employee healthcare expenses could increase by as much as 12% from 2010 to 2011. The Fringe Benefits budget includes funding for a 9% increase based upon historical averages. To provide protection against higher than budgeted healthcare costs, revenues of \$1,750,000 related to the early Retiree Reinsurance Program (ERRP) are included in the Appropriation for Contingencies. The Affordable Care Act provides \$5 billion in financial assistance to help employers maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare. The County is expected to have approximately \$7 million in eligible claims in 2011, depending in part on the availability of federal funds. Therefore, only \$1,750,000 in ERRP reimbursement is expected in 2011, or 25 percent of the total County claim. These funds can only be used to offset eligible health care expenses.

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- A new State of Wisconsin biennial budget is expected to take effect on July 1st 2011. Reports from the State Legislative Fiscal Bureau and the University of Wisconsin indicate that the State is facing a large budgetary gap. Decisions made as part of the State budget process could have a significant impact on County revenues and expenditures.
- A total of \$1,500,000 in revenue is also included in the Contingency Fund related to Section 1915i revenue. See the Behavioral Health Division (Org. 6300) for more information.
- While revenue budgets for sales taxes, earnings on investments and real estate transfer fees have been reduced to reflect actual collections, further downturns in the global economy could have negative impacts on County revenues.