

NON-DEPARTMENTAL REVENUES (1800) BUDGET

DEPT: Non-Departmental Revenues

UNIT NO. 1800
FUND: General - 0001

Budget Summary

Category	2018 Actual	2019 Actual	2020 Budget	2021 Budget	2021/2020 Variance
Revenues					
1901 Unclaimed Money	\$0	\$1,800,387	\$0	\$1,250,000	\$1,250,000
1902 State Personal Property Aid	\$0	\$1,616,781	\$1,499,781	\$1,381,286	(\$118,495)
1933 Land Sales	\$0	\$0	\$0	\$0	\$0
1937 Potawatomi Allocation	\$4,292,924	\$4,608,613	\$4,608,613	\$3,014,584	(\$1,590,029)
1986 Fire Charge Uncollectable	\$0	\$0	(\$850,000)	(\$905,071)	(\$55,071)
1993 State Shared Taxes	\$27,302,732	\$27,363,423	\$31,315,051	\$30,905,438	(\$409,613)
1994 State Exempt Computer Aid	\$5,008,256	\$5,129,456	\$5,129,455	\$5,159,455	\$0
1995 Milwaukee Bucks Sports Arena	\$0	\$0	(\$4,000,000)	(\$4,000,000)	\$0
1996 County Sales Tax Revenue*	\$79,226,314	\$82,282,089	\$82,496,808	\$75,072,095	(\$7,424,713)
1998 Surplus from Prior Years	\$0	\$0	\$5,000,000	\$5,000,000	\$0
1999 Other Misc. Revenue	\$116,106	\$46,275	\$25,000	\$25,000	\$0
Total Revenue	\$115,946,332	\$122,847,024	\$125,224,708	\$116,902,787	(\$8,347,921)

*The figures stated above are presented as gross sales tax collections (less State administrative fees). Org 1996 contains net sales tax collections in the Operating Budget after allocations to capital improvements.

Department Mission: 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.

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. Funding is budgeted in this area in odd numbered years. In 2021, \$1,250,000 is budgeted.

State Personal Property Aid: As part of 2017 Act 59, municipal and county levy limits were set by the amount equal to an inaugural 2020 Personal Property Aid distribution to compensate local governments for an exemption to personal

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property tax of machinery, tools and patterns not used in manufacturing. The Wisconsin Department of Revenue estimates the payment to Milwaukee County to be \$1,381,286.

Land Sales: Accounts for the sale of County land in accordance with state statute. Monies received through this revenue stream will be allocated in accordance with established policies on one-time revenues and Chapter 6 of the Milwaukee County Code of Ordinances..

Potawatomi Revenues: Represents payments based on Class III Net Win during the period July 1, 2019 to June 30, 2020 by the Potawatomi Bingo Casino per contract. The amount is net of allocations to operating departments (see below). The 2019 net win payment was nearly \$6,097,000. The 2021 Budget decreases by \$1.6 million due to decreased gaming activity caused by the COVID-19 pandemic.

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.

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

Fire Charge-Uncollectable: The Fire protection charge will continue to be budgeted in the Water Distribution System (Agency 550) and charged out to all County Grounds users of the water system. However, payment from some non-County users of the water system has been challenging and has resulted in uncollectable payments. Although the County will continue to pursue payment for these charges, uncollectable revenue of \$905,071 is budgeted to account for potential uncollectable revenue.¹

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 hold steady in 2020. As outlined in 2015 Wisconsin Act 60 ("Act 60"), Milwaukee County is required to commit \$4,000,000 annually to the construction of the Milwaukee Bucks Sports Arena. See Org. Unit 1800-1995 for further explanation.

The State of Wisconsin (State) received \$67.1 million of Mitigation Trust Funds from the national settlement with Volkswagen (VW) Corporation. The State apportioned part of its award towards a competitive statewide transit capital assistance grant program (Grant Program) to fund the replacement of eligible public transit vehicles. As a condition of the Grant Program (§ 79.035(7)), award recipients receive a reduction in State Shared Revenue (Shared Revenue) of 75% of the actual award amount amortized over a 10-year period. Pursuant to approved County Board file #18-640, the County applied for funding and was awarded \$5,461,500 in Grant Program funding. The Grant Program funding replaced bond funding for eligible County bus replacements.² Based upon Grant Program criteria, the County will receive an annual Shared Revenue reduction of \$409,613 beginning with the 2021 budget year through the 2030 budget year.

¹ Prior to the transfer of the fire protection charge to the water utility in 2012, DAS-Facilities, DAS-Fiscal Affairs and Corporation Counsel staff reviewed the existing fire protection agreement(s) as well as any applicable state statutes, county ordinance, and/or existing agreements between the non-county water system users and the County.

² Eligible buses included those in the 2018 and 2019 Adopted Capital Budget.

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	2018	2019	2020	2021
<u>STATISTICAL SUPPORTING DATA</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Base Payment	\$ 43,091,742	\$ 43,011,333	\$ 47,023,962	\$ 47,023,962
Utility Payment	4,314,727	4,392,699	4,358,532	4,392,389
Subtotal State Shared Taxes	\$ 47,406,469	\$ 47,404,032	\$ 51,382,494	\$ 51,416,351
VW State Grant (Buses)	0	0	0	(409,613)
State Child Welfare Reallocation	(20,101,300)	(20,101,300)	(20,101,300)	(20,101,300)
Total State Shared Taxes	\$ 27,305,169	\$ 27,302,732	\$ 31,281,194	\$ 30,905,438

State Exempt Computer Aid: Represents State payments to compensate for the exemption of computers from property tax rolls, per 1997 Wisconsin Act 237. The formula for determining the county share of State Exempt Computer Aid was discontinued in the 2017-19 Wisconsin State Budget and replaced with a flat increase of 1.47% in 2018 to 2019. In 2020 and each year thereafter, State Exempt Computer Aid will not have an inflation factor. The estimate at the time of budget preparation results in approximately \$5,129,500 budgeted in State Exempt Computer Aid.

Milwaukee Bucks Sports Arena: Wisconsin State Statute 79.035(6) requires an annual \$4 million reduction to Milwaukee County's shared revenue to offset costs for the Milwaukee Bucks sports and entertainment facility. This non-departmental account acknowledges the County's contribution to the sports and entertainment facility through 2036.

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County Sales Tax Revenue: Sales tax collections are projected to decrease by approximately \$7.6 million, from \$84.0 million to \$76.4 million. The net sales tax budgeted in Org 1996 is \$67.8 million (\$76.4 million gross sales tax less State administrative fee of \$1.3 million and capital improvements allocations of \$7.3 million). An allocation of \$36.8 million is provided for debt service, resulting in \$30.1 million available for general fund purposes.

	2018 Actual	2019 Actual	2020 Budget	2021 Budget
Gross Sales Tax Collections	\$ 80,637,471	\$ 83,747,674	\$ 83,966,216	\$ 76,409,256
State Administrative Fee	<u>(1,411,156)</u>	<u>(1,465,585)</u>	<u>(1,469,408)</u>	<u>(1,337,161)</u>
County Sales Tax Collections	\$ 79,226,314	\$ 82,282,089	\$ 82,496,808	\$ 75,072,095
Less Sales Tax Allocated to				
Capital Improvements	<u>\$ (4,844,618)</u>	<u>\$ (10,781,492)</u>	<u>\$ (7,354,784)</u>	<u>\$ (7,256,584)</u>
County Net Sales Tax Collections	\$ 74,381,696	\$ 71,500,597	\$ 75,142,024	\$ 67,815,511
Less Allocations to Debt Service	<u>(29,174,734)</u>	<u>(30,582,773)</u>	<u>(33,566,007)</u>	<u>(36,839,113)</u>
Available for General Fund	\$ 45,206,962	\$ 40,917,824	\$ 41,576,017	\$ 30,976,398

Surplus (Deficit) from Prior Year: Represents \$5,000,000 of the County’s overall 2019 surplus as applied to the County’s 2021 budget (County Board file 20-336) per 59.60 of Wisconsin State Statutes.

Other Miscellaneous Revenue: Includes all other revenue sources, including closure of Tax Increment Financing (TIF) districts. 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.