

BUDGET SUMMARY

Category	2021 Actual	2022 Actual	2023 Budget	2024 Recommended Budget	2023/2024 Variance
Revenues					
1901 Unclaimed Money	1,250,631	0	1,250,000	0	(1,250,000)
1902 Personal Property Aid	1,381,287	1,562,944	1,552,371	1,561,543	9,172
1937 Potawatomi Revenue Allocation	2,888,636	4,343,454	5,881,977	5,919,880	37,903
1986 Fire Charge - Uncollectable	0	0	(952,032)	0	952,032
1992 Earnings on Investments	(470,691)	(3,585,781)	5,382,871	18,424,000	13,041,129
1993 State Shared Taxes	27,017,810	27,147,807	30,967,836	39,111,080	8,143,244
1994 State Exempt Computer Aid	5,129,456	5,156,612	5,129,455	5,292,252	162,797
1995 Milwaukee Bucks Sports Arena	0	0	(4,000,000)	(4,000,000)	0
1996 County Sales Tax Revenue	92,058,662	97,925,081	98,760,154	105,106,294	6,346,140
1998 Surplus from Prior Years	0	0	5,000,000	5,000,000	0
1999 Other Miscellaneous Revenue	2,660,057	1,059,808	25,000	25,000	0
Total Revenues	\$131,915,847	\$133,609,925	\$148,997,632	\$176,440,049	\$27,442,417

**The figures stated above are presented as net sales tax collections (less State administrative fees). Org 1996 contains net sales tax collections in the Operating Budget. Effective in the 2024 budget, all cash capital projects are funded with tax levy rather than sales tax.*

***As of January 1, 2024, sales tax includes an additional .4% per Wisconsin 2023 Act 12 which is budgeted in Agency 194 - Non-Departmental Expenditures.*

***Beginning in 2023, Potawatomi net win revenue is accounted for 100% in non-departmental revenues. The allocations to DHHS and BHD have been substituted with tax levy.*

****Prior to 2023, earnings on investments were reported in the Treasurer's Office (Org 309).*

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 Strategy, Budget and Performance 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.

Budgeted 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 on year to the next and is difficult to predict. Funding is budgeted in this area in odd numbered years. In 2024, \$0 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 property tax of machinery, tools and patterns not used in manufacturing. The Wisconsin Department of Revenue estimates the payment to Milwaukee County to be \$1,561,543 for 2024.

Land Sales: Accounts for the sale of County land in accordance with state statutes. 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. \$0 is budgeted in 2024.

Potawatomi Revenues: Represents payments based on Class III Net Win during the period July 1, 2023 to June 30, 2024 by the Potawatomi Bingo Casino per contract. Beginning in 2023, the amount budgeted includes the allocations previously allocated to DHHS orgs 630 and 800. These allocations have been replaced with tax levy. The 2023 budgeted net win is \$5,881,977. The 2024 budget increases by \$37,903 for a total of \$5,919,880 due to actual 2023 increases realized in collections of Class III Net Win.

Fire Charge- Uncollectable: The Fire protection charge has been moved to the Department of Administrative Services (Org 115) effective in 2024.

Earnings on Investments: Earnings on investments income is derived from long and short-term investment of operating funds not required for immediate use. To maximize investment revenue, the County sets the investment policy and independent contracted investment advisors directly manage the funds. The 2024 budget for earnings on investments is \$18,424,000, an increase of \$13,041,129 from the 2023 adopted budget. This is due to the rise in short term interest rates in response to federal fund rate hikes which have already occurred, and rate hikes expected over the next 12 months. Additionally, returns on short term investments have increased due to the availability of ARPA funding available for investment. Prior to 2023, this revenue was reported in the Treasurer's Office (Org 309).

The 2024 Budget does not reflect the allocation of earnings on general obligation bonds and notes. Based on the actual investment earnings and unspent bond amounts in individual capital projects, the Office of the Comptroller will perform an administrative appropriation transfer that will adjust both the Earnings on Investments Budget and the individual capital projects.

State Shared Revenue: 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 2023 Act 12 increases the State Shared Revenue to the County beginning in 2024. The 2024 budget is increased by \$8.1 million based on information available at the time of budget preparation, which includes an increase for the Act 12 Supplemental County Aid payment (\$7,578,838) and an increase in the Utility Payment of \$566,906. In future years, the shared revenue supplemental payment is adjusted based on the rate of growth in the state sales tax, which is estimated to grow by at least 3.0% per year. Per Wisconsin Statutes 79.037, the supplemental payment shall be used to support specified programs and shall not support administrative services. While the revenue is budgeted in this org unit, it is considered to support the expenditures for specified programs in compliance with 79.037.

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. Wisconsin 2023 Act 12 increases the State Shared Revenue to the County beginning in 2024.

As outlined in 2015 Wisconsin Act 30 (Act 600), Milwaukee County is required to commit \$4,000,000 annually to the construction of the Milwaukee Bucks Sports Arena.

The State of Wisconsin (State) received \$67.1 million in 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. 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.

Statistical Supporting Data

	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Base Payment	47,023,963	47,021,747	47,022,794	47,020,294
Supplemental County Aid	-	-	-	7,578,838
Utility Payment	4,508,056	4,506,975	4,455,955	5,022,861
Subtotal State Shared Taxes	51,532,019	51,528,722	51,478,749	59,621,993
VW State Gran (Buses)	-	(409,613)	(409,613)	(409,613)
State Child Welfare Reallocation	(20,101,300)	(20,101,300)	(20,101,300)	(20,101,300)
Total State Shared Taxes	\$31,430,719	\$31,017,809	\$30,967,836	\$39,111,080

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 2017-2019 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 \$5,292,252 budgeted for 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 through 2036.

County Sales Tax Revenue: Sales tax collections are projected to increase by approximately \$6.3 million from \$98,760,154 to \$105,106,294 and is net of the administrative fee totaling \$3,369,820. The 2024 sales tax budget includes the additional .4% as permitted by Wisconsin 2023 Act 12, which is budgeted in Agency 194 - Non-Departmental Expenditures and is not represented in this Agency. The approximate 6.4% increase is attributable to the current trend in actual collections.

Effective in 2024, all cash capital improvement projects are funded with tax levy rather than sales tax. An allocation of \$38.9 million is provided for debt service, resulting in \$66,215,047 available for general fund purposes.

County Sales Tax Revenue

	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Gross Sales Tax Collections	93,698,384	99,669,294	100,519,241	106,978,416
State Administrative Fee	(1,639,722)	(1,744,213)	(1,759,087)	(1,872,122)
County Sales Tax Collections	\$92,058,662	\$97,925,081	\$98,760,154	\$105,106,294
Less Sales Tax Allocated to Capital Improvements	(7,256,584)	(7,914,736)	(8,103,873)	0
County Net Sales Tax	84,802,078	90,010,345	90,656,281	105,106,294
Less Allocations to Debt Service	(32,406,178)	(33,861,173)	(35,478,674)	(38,891,247)
Available for General Fund	\$52,395,901	\$56,149,172	\$55,177,607	\$66,215,047

Surplus (Deficit) from Prior Year: Represents \$5,000,000 of the County's overall 2022 surplus as applied to the County's 2024 budget (County Board file #20-937) per 59.60 of Wisconsin State Statutes.

Miscellaneous Revenue: Includes all other revenue sources, including closure of Tax Increment Financing (TIF) districts. The 2024 budget is estimated flat to the 2023 adopted budget. 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.