

RESEARCH & ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2008 Proposed Budget – Grant and Aid Fund, Grants and Aid - Current Levy Special Purpose Account

1. Overview – Only grants that are anticipated in the new Budget year (2008) are reflected in the Proposed Budget. Grants awarded in the current budget year (2007) are not shown, even though they may include activities that will occur in the new year (2008). **(Page 1)**
2. 2008 Projections – The 2008 Proposed Budget anticipates grants with a grantor share of \$76,339,580. This includes a grantor share of \$18,000,000 for unanticipated grants. Grant expenditures require Common Council approval. **(Pages 1 and 2)**
3. In-Kind Share Elimination –The expenditure authority for In-Kind City share has been eliminated because the city’s FMIS no longer records this expenditure. Prior to this change, the in-kind City share grant match was contained within department budgets. It is no longer necessary to deduct the in-kind contribution from the Grant And Aid Budget. **(Page 2)**

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2008 Proposed Budget Summary – Grant and Aid Fund

	2006 Actual	2007 Budget	% Chg	2008 Proposed	% Chg
Grantor Share (Non-City)	\$65,463,666	\$74,433,047	12.1%	\$76,339,580	2.6%
TOTAL	\$65,433,666	\$74,433,047	12.1%	\$76,339,580	2.6%

PURPOSE:

1. The Grant and Aid Fund provides expenditure authority for federal, state and other grants whose proceeds are restricted to operating expenditures for specific purposes. This fund serves as a "parent" account, which accumulates total grant funding to be allocated on a project by project basis during the budget year. No expenditures may be made from this account without Common Council approval as set forth by the Milwaukee Code.
2. Only grants anticipated to be awarded in the new Budget year (2008) are reflected in the 2008 Proposed Budget. Funds awarded in the current Budget year (2007) are not shown in this Budget, even though they may represent programs/activities that will occur in the new Budget year (2008).

PROPOSED BUDGET HIGHLIGHTS AND ISSUES

More extensive analysis of individual grants is provided within Research and Analysis Section summaries for participating departments.

GRANTOR SHARE

	2007	2008	Difference	% Change
DOA-Administration	\$26,521,515	\$26,403,729	\$-117,786	-0.5%
City Development	\$ 1,837,000	1,237,000	-600,000	-32.7%
Fire	\$ 815,000	1,000,000	185,000	22.7%
Health	\$13,632,200	15,521,900	1,889,700	12.2%
Library	\$ 1,038,488	998,619	-39,869	-3.8%
Police	\$9,708,986	10,074,284	365,298	3.6%
Public Works	\$ 2,879,858	3,104,048	224,190	7.8%
Unanticipated	\$18,000,000	18,000,000	0	0
TOTAL	\$74,433,047	\$76,339,580	\$1,906,533	2.6%

1. The 2008 Proposed Budget anticipates that grants will generate a grantor (non-City) share of \$58,339,580 in 2008. An additional \$18,000,000 in unanticipated grant authority is also budgeted, bringing the total amount of anticipated grantor contributions to over \$76.3 million, or about \$1.9 million more in non-City grant revenues than was received in 2007.
2. The Comptroller's Office has recommended funding authority of \$18,000,000 for "unanticipated" grants (\$18 million grantor share). The 2008 Proposed Budget provides \$18,000,000, the same amount provided in 2007. Since revenues offset the account and there is no "draw down" without an award, increasing expenditure authority does not have a levy impact. The Comptroller's Office has indicated that the need for "unanticipated" funding is more generally the result of anticipated grants being received at higher than budgeted amounts, rather than new grant programs.
3. City departments with projected changes in grant funding in the 2008 Proposed Budget include:
 - DOA (Community Block Grant Administration) – The Community Development Grants Administration anticipates receiving approximately \$26.4 million in grant funds. This is a decrease of \$118,000 or 0.4% from the 2007 budget. Approximately \$17.7 million of this anticipated funding is through the Community Development Block Grant Program (CDBG), the same funding amount as anticipated in the 2007 budget. CDBG funds support neighborhood strategic planning efforts that target the city's federal block grant allocation toward city neighborhood priorities and needs. The 2008 proposed budget includes \$125,000 in CDBG reprogramming funds for the Drivers Licensure and Employment Project, the same amount of funding recommended in the 2007 budget.
 - Health Department - Grants are anticipated to increase by \$1.9 million to \$15,521,900. Major grants anticipated include Lead Demonstration Project at \$4 million, Lead Hazard Reduction grant at \$3 million, Lead Prevention Grant at \$692,100 and Intensive Home Visiting/MHD Center for Health Equity at \$500,000.
 - Police Department – Police Department grant funding increases by \$365,298 (3.8%) to \$10.1 million. The department anticipates several new grants in 2008, including grants for COPS in Schools (\$750,000), Digital Recording (\$150,000) and the TraCS Project (\$100,000).
 - Library - Library grant funding decreases by \$39,869 (3.8%) to \$998,619, the result of a \$41,332 decrease in the Wisconsin Regional Library for the Blind and Physically Handicapped Grant.
 - Department of Public Works - Grant funding increases by \$224,190 (7.8%) to \$3.1 million, a result of funding for the Recycling Efficiency Incentive Grant (\$226,500).
4. The Budget Office introduced a new method of accounting for grants in the 2001 Budget. The expenditure authority for In-Kind City Share has been eliminated because the city's FMIS no longer records this expenditure. Prior to this change, the in-kind City share grant match was contained within department budgets. It was necessary to deduct the in-kind contribution from the Grant And Aid Budget, and also reduce the City's total budget.

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