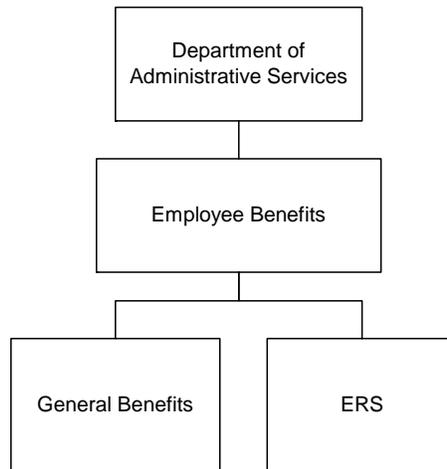


DAS-EMPLOYEE BENEFITS (1188)



MISSION

The Division of Employee Benefits manages the benefits program that provides health and pension benefits to active Milwaukee County employees and retirees. The Division develops, implements and evaluates programs, opportunities and partnerships related to providing health and pension benefits in a fiscally responsible, customer-focused manner.

Budget Summary

	2010	2009/2010 Change
Expenditures	2,454,215	76,921
Revenue	1,654,428	196,362
Levy	799,787	(119,441)
FTE's	21.9	2.3

Major Programmatic Changes

- Cost savings realized through greater system management, financial controls and highly automated processing.
- Improved communication regarding efficient use of healthcare benefits and the wellness program.
- EAP / mental health substance abuse vendor restructuring leading to cost savings.
- Enhanced services to retirees from the full implementation of the new V3 Pension System.

OBJECTIVES

- Develop and implement strategies to reduce the cost of health care provided to employees and retirees without diminishing the quality of care.
- Complete implementation of the V3 Pension system and related benefit subsystems. Continued refinement of the V3 Pension System and associated processes will result in cost savings through greater efficiencies in system utilization, better financial controls, and increased automated processing. This will enable available staff to spend more time with clients providing pension counseling.

COUNTY EXECUTIVE'S 2010 BUDGET

DEPT: DAS-Employee Benefits

UNIT NO. 1188
FUND: General - 0001

- Serve the Pension Board by responsibly administering pension benefits and provide proper management of services provided through the Employee Retirement System (ERS).
- Improve communication with active employees and retirees providing information regarding our benefit plans to encourage participants to be more efficient and effective consumers of healthcare.

DEPARTMENTAL PROGRAM DESCRIPTION

The Division is responsible and accountable for the management of the health care and pension benefit programs for Milwaukee County active employees and retirees. This includes responsibility for all business activities, including contract solicitation, contract awards and monitoring; customer service; and budgeting, accounting and financial analysis. The Director of this division, who reports to the Director of Administrative Services, is responsible for all aspects of benefits management, including recruitment, management and coordination of staff.

2010 BUDGET

Approach and Priorities

- Maintain same level of service while reducing levy support.

Programmatic Impacts

- The Division is analyzing potential strategies for achieving additional cost savings. The Division will continue to work with the Employee Health Care Work Group on development of health benefit initiatives.
- Continue improvements to the Division's current operating procedures that will result in streamlined processes and improved efficiencies. The end result will improve turnaround time for resolution of employee and retiree benefit plan issues, a reduction in the number of appealed claims, and enhanced compliance with government regulations.
- Implement the final phase of enhancements to the V3 Pension System that will enable individual retirees to update key demographic and benefit status information through the "Self-Service" capabilities of the software. These additional features will increase the speed of processing needed updates to the system, reduce administrative costs and improve internal accuracy of data for our retiree clients.

Budget Highlights

Wage and Benefit Modifications

(\$67,697)

This budget includes an expenditure reduction of \$208,444 based on the changes described in the non-departmental account for wage and benefit modifications (org-1972). There is a corresponding revenue offset of \$140,747 for a total tax levy savings of \$67,697.

Contract Renewal

\$0

Department will renegotiate with Milwaukee County's Employee Assistance Program (EAP) and Mental Health Network (MHN) vendor, for a one-year contract renewal to achieve immediate savings. Savings are reflected in organization 1950 - Non-Departmental Fringe Benefits. Execute a concurrent review of the delivery of these services for possible release of RFP in 2010 for the 2011 plan year to achieve greater operational efficiency and sustainable reductions in cost.

Staffing Adjustments

(\$66,156)

The General Benefits section of DAS-Employee Benefits is unfunding 1.0 FTE of a vacant Clerical Specialist (HR) NR for a total savings with salary, social security, and active fringe of \$66,156. In 2009, ERS received funds from the Pension Board to pay for two Clerical Specialist (HR) NR positions. The positions have been added to the departments' budget to more accurately reflect current staffing levels, for a \$0 levy impact.

COUNTY EXECUTIVE'S 2010 BUDGET

DEPT: DAS-Employee Benefits

UNIT NO. 1188
FUND: General - 0001

Cost Sharing Between Departments

(\$82,460)

Employee Benefits will continue to share a Senior Executive Assistant with DAS- Human Resources. In 2009, the costs for this position were provided through a crosscharge to this department. In 2010, the crosscharge has been eliminated and .50 FTE of this position has been budgeted within the department to reflect this staffing arrangement with no levy impact.

The salary and associated fringe costs of the Director of Employee Benefits will be evenly distributed between General Benefits and ERS to reflect utilization of management time by each functional area. The cost to ERS for this position with salary, social security and active fringe benefits is \$82,460, which is offset by ERS revenue of \$82,460 providing a savings of this amount.

Increase Direct Revenue

(\$196,362)

Direct Revenue increases \$196,362 from \$1,458,066 in 2009 to \$1,654,428. This revenue provides funding for services, staff and other expenditures dedicated to the ERS Pension system.

Capital Investments

The department has no capital projects in 2010.

COUNTY EXECUTIVE'S 2010 BUDGET

DEPT: DAS-Employee Benefits

UNIT NO. 1188
FUND: General - 0001

BUDGET SUMMARY				
Account Summary	2008 Actual	2009 Budget	2010 Budget	2009/2010 Change
Personal Services (w/o EFB)	\$ 857,155	\$ 1,202,355	\$ 1,226,077	\$ 23,722
Employee Fringe Benefits (EFB)	525,124	761,825	840,764	78,939
Services	203,030	134,250	103,300	(30,950)
Commodities	8,498	10,780	11,317	537
Other Charges	0	0	0	0
Debt & Depreciation	0	0	0	0
Capital Outlay	2,685	0	0	0
Capital Contra	0	0	0	0
County Service Charges	272,199	268,084	272,757	4,673
Abatements	0	0	0	0
Total Expenditures	\$ 1,868,691	\$ 2,377,294	\$ 2,454,215	\$ 76,921
Direct Revenue	1,040,047	1,458,066	1,654,428	196,362
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 1,040,047	\$ 1,458,066	\$ 1,654,428	\$ 196,362
Direct Total Tax Levy	828,644	919,228	799,787	(119,441)

PERSONNEL SUMMARY				
	2008 Actual	2009 Budget	2010 Budget	2009/2010 Change
Position Equivalent (Funded)*	18.8	19.6	21.9	2.3
% of Gross Wages Funded	97.2	97.6	100.0	2.4
Overtime (Dollars)	\$ 17,948	\$ 0	\$ 9,720	\$ 9,720
Overtime (Equivalent to Position)	0.4	0.0	0.2	0.2

* For 2008 Actuals, the Position Equivalent is the budgeted amount.

PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Salary Only)
Clerical Specialist (HR) NR	00032	Unfund	(1)	(1.00)	General Benefits	\$ (39,454)
Senior Exec Asst - DHR/EB	04199	Transfer-In	1	0.50	General Benefits	24,388
Clerical Specialist (HR) NR	00032	Fund	2	2.00	ERS	74,842
TOTAL						\$ 59,776

All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."