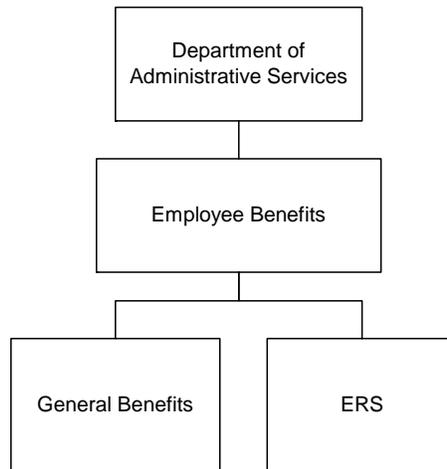


DAS-EMPLOYEE BENEFITS (1188)



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		
	2011	2010/2011 Change
Expenditures	2,671,054	149,863
Revenue	1,861,560	158,317
Levy	809,494	(8,454)
FTE's	23.0	1.0

OBJECTIVES

- Develop and implement strategies to reduce the cost of health care provided to employees and retirees while maintaining high quality of care.
- Continue to work with members of the Milwaukee County Employee Health Care Workgroup in identifying alternatives for cost-effective delivery of employee health care.
- Continued refinement of the V3 Pension System, Ceridian Benefits 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 and assisting with ongoing benefits questions.
- Serve the Pension Board by efficiently 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

DAS – Employee Benefits 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

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Administrative Services, is responsible for all aspects of benefits management, including recruitment, management and coordination of staff.

The Division is divided into two functional areas: ERS and General Benefits.

The **ERS** operates two retirement plans: ERS for regular County employees and OBRA for irregular part-time employees. The ERS operation provides customer services to employees that include individual retirement interviews, benefit calculations, eligibility determination, payment generation, community resources information and support services referrals. ERS transitions County employees into retirement status and provides ongoing support for over 7,300 retirees. ERS, at the direction of the pension board, manages an investment portfolio of approximately \$1.7 billion and disburses annual pension payments of approximately \$150 million.

General Benefits provides administration, enrollment, and ongoing employee support for all non-pension benefit plans including, but not limited to active and retiree medical and life insurance, dental, supplemental disability, and wellness. General Benefits provides customer service support to over 20,000 active employees, retirees, and covered dependents. General Benefits is also responsible for benefit plan design, monitoring and forecasting plan costs, managing relationships with plan vendors, and reviewing, soliciting, and awarding benefit plan contracts.

2011 BUDGET

Approach and Priorities

- Maintain high service levels while anticipating and meeting the demands for resources placed on the Division by changes to State and Federal regulations including healthcare reform.

Programmatic Impacts

- DAS – Employee Benefits 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 DAS – Employee Benefit’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.
- Transition from implementation to maintenance and enhancement of the Ceridian Benefits System and the V3 Pension System. This includes enabling individual retirees to update key demographic and benefit status information through the “Self-Service” capabilities of the software, refining associated processes, and streamlining the flow of data to County Vendors. Ongoing refinement of Benefits Ssystems will increase the speed of processing needed updates to the system, reduce administrative costs and improve internal accuracy of data for our active and retired clients.

Budget Highlights

Wage and Benefit Modifications

(\$10,063)

This budget includes an expenditure reduction of \$35,692 based on the changes described in the non-departmental account for wage and benefit modifications (Org-1972). There is a corresponding revenue offset of \$25,629 for a total tax levy savings of \$10,063.

Contract Renewal

\$0

DAS – Employee Benefits 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

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delivery of these services for possible release of RFP in 2011 for the 2012 plan year to achieve greater operational efficiency and sustainable reductions in cost.

Cost Sharing Between Departments **(\$20,647)**

DAS - Employee Benefits will continue to share a Senior Executive Assistant with DAS - Human Resources. In 2010, this position was budgeted as a 0.50 FTE within DAS - Employee Benefits and 0.50 FTE in DAS - Human Resources. In 2011, the Human Resources division will continue to fund and utilize half of the position. Within DAS – Employee Benefits 0.25 FTE will be funded by the General benefits unit and 0.25 by the Employee Retirement System unit to reflect utilization of time by each functional area. The cost to ERS for this position with salary, social security, and active fringe benefits is \$20,647, which is offset by ERS revenue of \$20,647 providing a levy savings of this amount.

Create Administrative Specialist NR **\$65,334**

Due to ongoing modifications in the County's health care plan design, 1.0 FTE of Administrative Specialist NR is created in order to handle increased volume of requests for information and customer support (salary and active fringe cost of \$65,334)

Staffing Reorganization **(\$104,536)**

Based on a review of staffing needs, the 2011 Recommended Budget reorganizes several management roles and responsibilities within DAS – Employee Benefits. One FTE of Assistant Manager ERS (salary and active fringe benefit cost of \$98,972) is created which is offset with an increase in direct revenue from the Pension System. The Business Operations Manager position is unfunded (salary and active fringe saving of \$123,342) and the position of Business Manager is funded in its place (salary and active fringe cost of \$95,234). In addition, Vacancy and Turnover is increased as a result of anticipated vacancies. In total, this reorganization will result in levy savings of \$104,536.

Increase Direct Revenue **(\$116,430)**

Direct Revenue increases \$116,430 from \$1,703,243 in 2010 to \$1,819,673. This revenue provides funding for services, staff and other expenditures dedicated to the ERS Pension system. Of the total amount, \$98,972 relates to the new position of Assistant ERS Manager (see above).

BUDGET SUMMARY				
Account Summary	2009 Actual	2010 Budget	2011 Budget	2010/2011 Change
Personal Services (w/o EFB)	\$ 1,080,757	\$ 1,264,747	\$ 1,375,646	\$ 110,899
Employee Fringe Benefits (EFB)	676,866	868,566	936,878	68,312
Services	39,036	103,300	121,800	18,500
Commodities	8,623	11,317	12,450	1,133
Other Charges	0	0	0	0
Debt & Depreciation	0	0	0	0
Capital Outlay	5,508	0	0	0
Capital Contra	0	0	0	0
County Service Charges	316,610	273,261	224,280	(48,981)
Abatements	0	0	0	0
Total Expenditures	\$ 2,127,400	\$ 2,521,191	\$ 2,671,054	\$ 149,863
Direct Revenue	1,312,111	1,703,243	1,861,560	158,317
State & Federal Revenue	0	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 1,312,111	\$ 1,703,243	\$ 1,861,560	\$ 158,317
Direct Total Tax Levy	815,289	817,948	809,494	(8,454)

ADOPTED 2011 BUDGET

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PERSONNEL SUMMARY				
	2009 Actual	2010 Budget	2011 Budget	2010/2011 Change
Position Equivalent (Funded)*	19.6	21.9	23.0	1.1
% of Gross Wages Funded	97.6	100.0	96.3	(3.7)
Overtime (Dollars)	\$ 6,276	\$ 9,720	\$ 18,240	\$ 8,520
Overtime (Equivalent to Position)	0.1	0.2	0.3	0.1

* For 2009 Actuals, the Position Equivalent is the budgeted amount.

** For 2010 Budget, overtime figures do not include reductions in org 1972 and total (\$1,974).

PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Salary Only)
Admin Specialist NR	72	Create	1	1.00	General Benefits	\$ 36,454
Benefits Operations Manager	4895	Unfund	0	(1.00)	General Benefits	(80,726)
Business Manager	Z0031	Fund	0	1.00	General Benefits	59,272
Assistant Mgr ERS	Z0030	Create	1	1.00	ERS	62,130
					TOTAL	\$ 77,130

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 severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."