



Mental Health Board Finance Committee

Mental
Health
Board
Finance
Committee

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Agenda

- County Overview
- Budget Overview
- Fiscal Challenges
- Budget Strategy
- Budget Calendar



Service Matrix

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County
Overview

Mandated Services*	
Behavioral Health	Law Enforcement
Veterans' Services	Circuit Courts
Child Support Enforcement	Criminal Prosecution
Juvenile Justice	Highway Safety Commission
Developmental Disabilities Services	Criminal Detention
Section Eight Housing & HOME Programs	Juvenile Placement

* Examples of Major Programs Listed, Not All-Inclusive



Service Matrix

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County
Overview

Discretionary Services*	
Parks & Park Security	Transit
Cultural Institutions	UW-Extension
Aging	Zoo
Alcohol & Drug Treatment	County Trunk Highways
Economic Development	Nursing Homes
Interim Disability Assistance Program	EMS Support
Supportive Housing	Rehab Centers

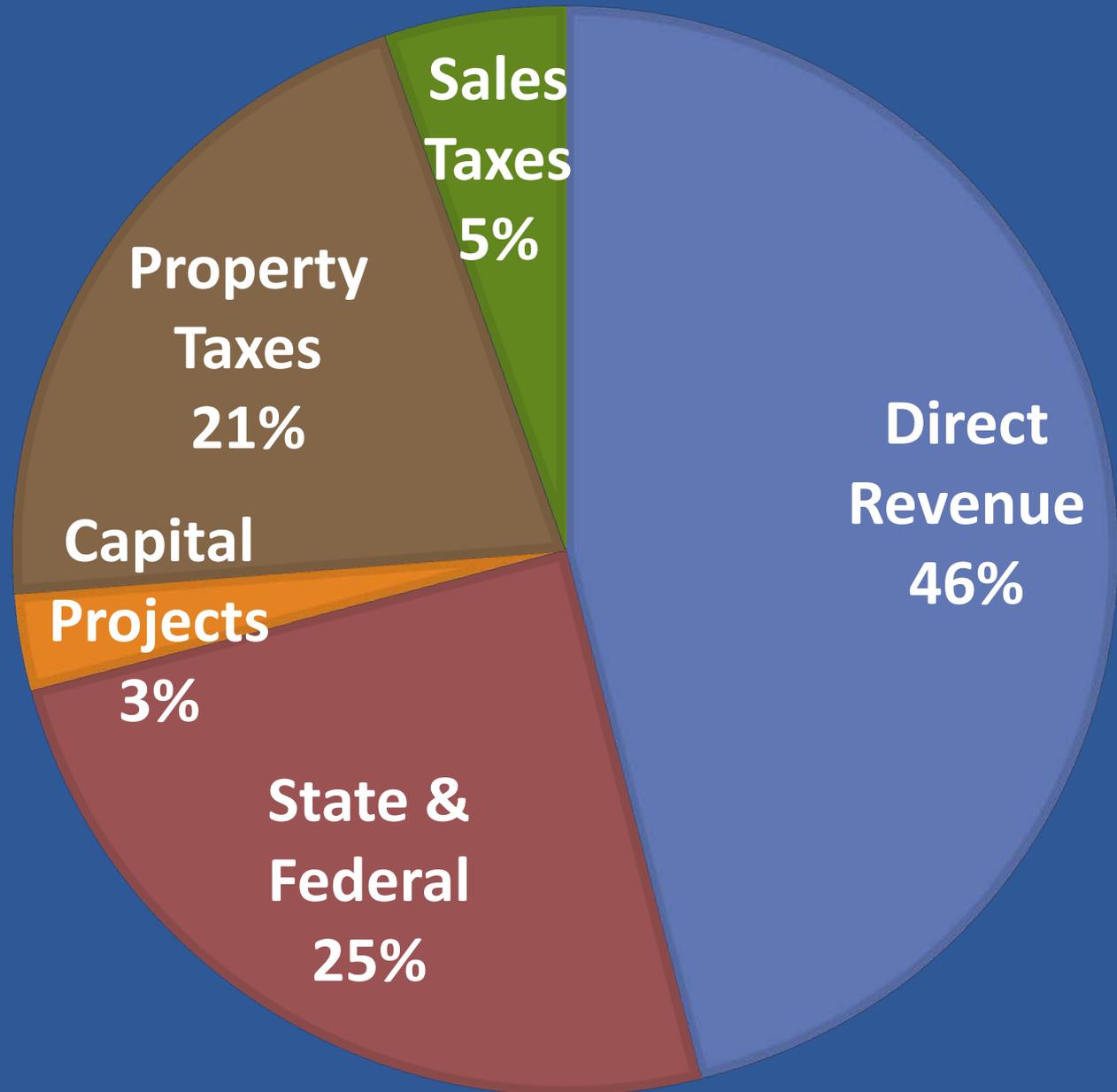
* Examples of Major Programs Listed, Not All-Inclusive



2016 REVENUES BY SOURCE

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Budget
Overview

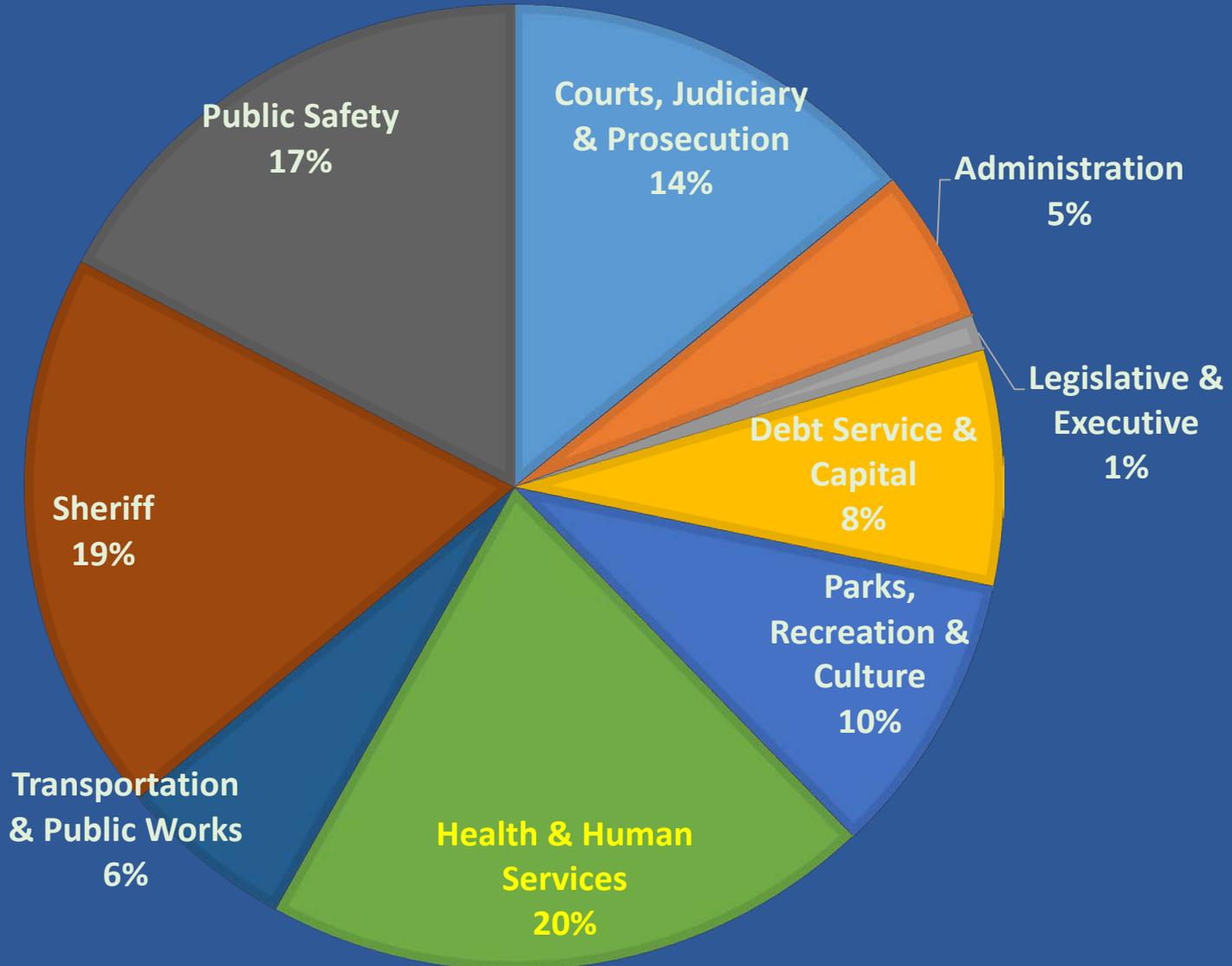




2016 LEVY BY MAJOR FUNCTION

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Overview



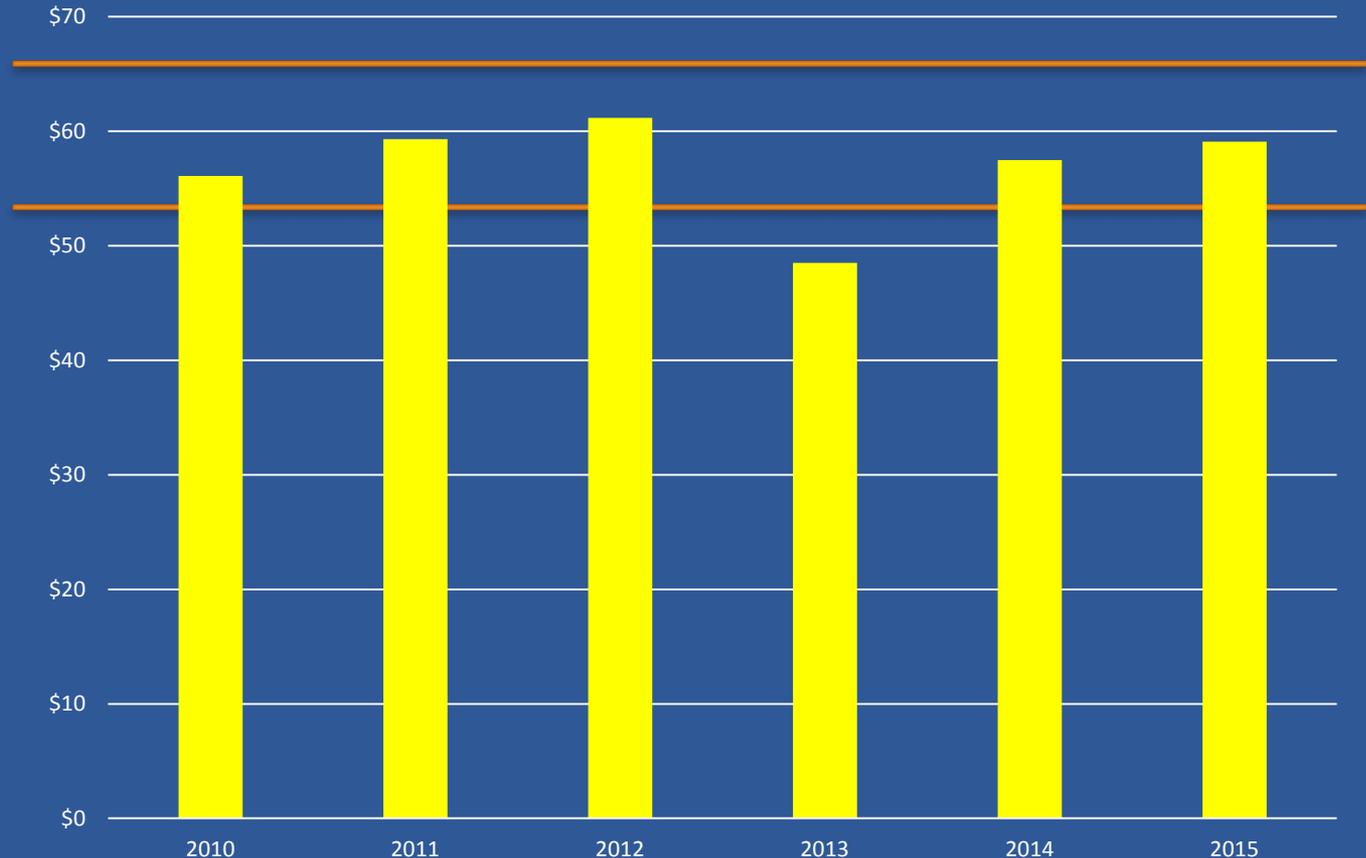


Property Tax Levy Support

Behavioral Health Division Adopted Budget Tax Levy
(in millions)

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Fiscal
Challenges



*Statutory Limits for Adopted Budget Instituted in 2013-2014

Source: Wis. Stats. §51.41(4)(b),
BRASS, Office of Performance, Strategy and Budget

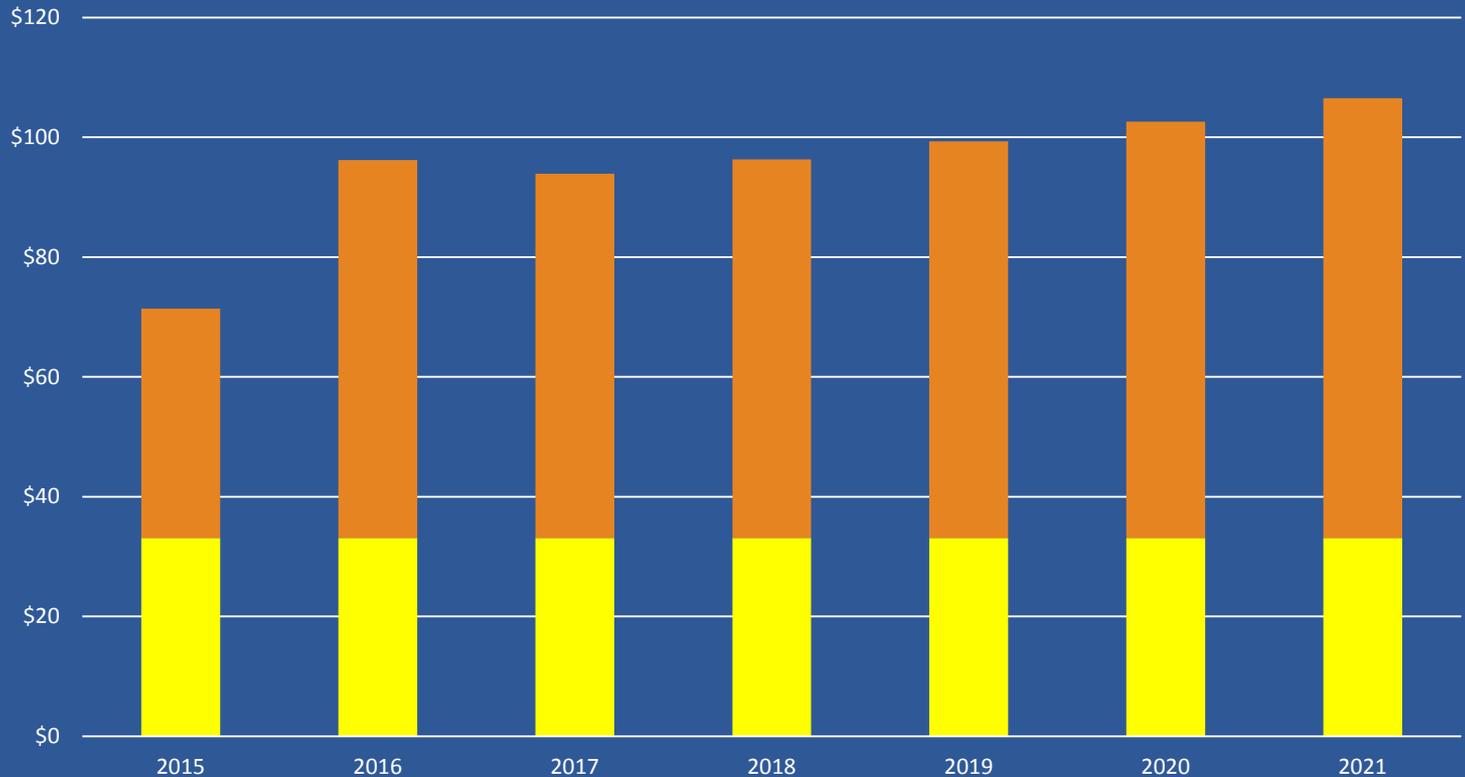


County Pension Contribution

(in millions)

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Challenges



Source: Buck Consultants Presentation on Investment Return Assumption Discussion to Pension Board March 16, 2016.

2017-2026 projections based on 8% assumed rate of return and 6% actual.

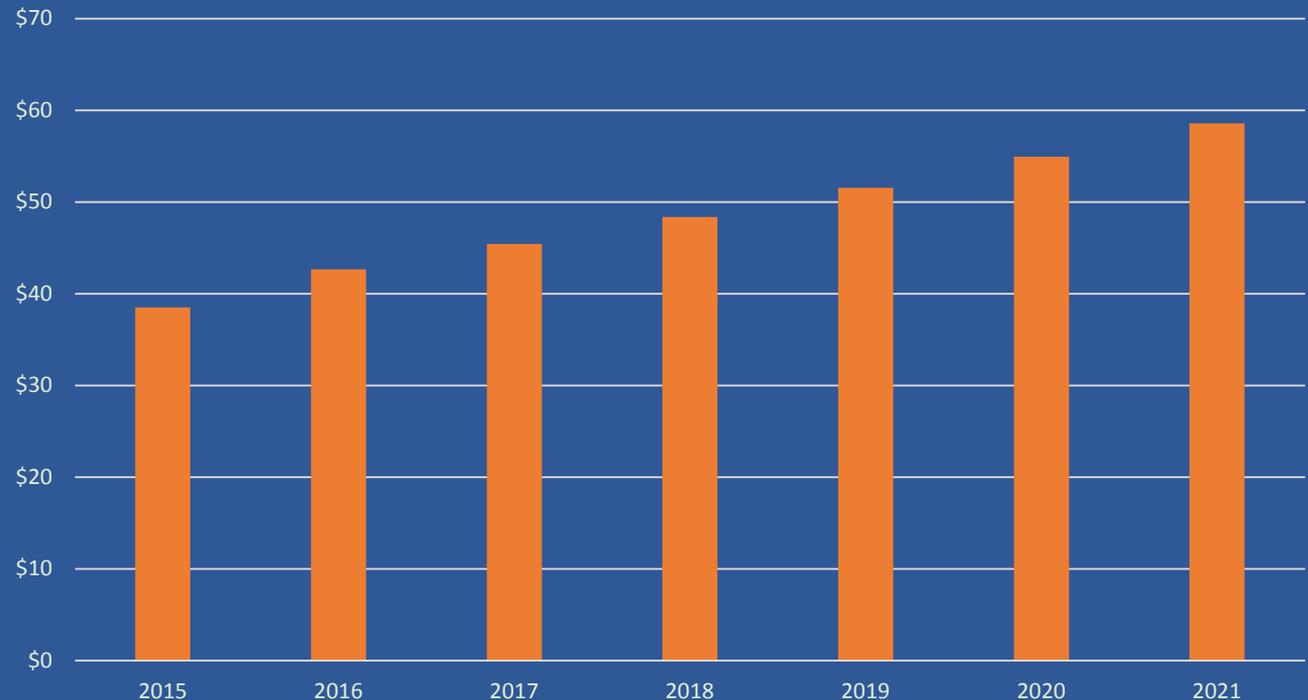


Retiree Health Care Expenses

(in millions)

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Source: Willis Extended Forecast of Retiree Health Care Expenses

Forecast Trend Assumptions:

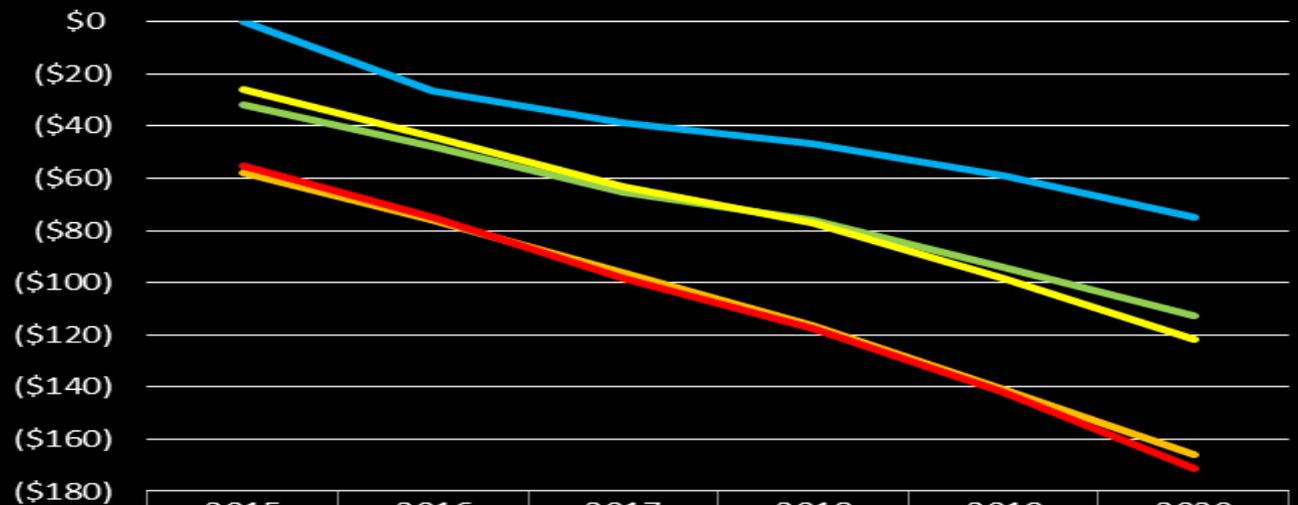
Active Head Count – 2%, Early Retiree Count -1%, and Medicare Count 0.05%



Why Difficult Decisions Need to be Made

Projected Structural Deficit (in millions)

Prior Year Gap Comparisons



	2015	2016	2017	2018	2019	2020
2015 S/(D)	0.0	-26.2	-38.7	-46.9	-58.8	-74.7
2014 S/(D)	-31.9	-47.7	-65.1	-76.2	-93.8	-112.9
2013 S/(D)	-25.8	-43.8	-63.1	-77.2	-98.2	-121.5
2012 S/(D)	-57.6	-76.2	-96.3	-116.2	-140.7	-166.1
2011 S/(D)	-55.0	-75.1	-98.5	-117.6	-141.8	-171.1

Source: 2015 Milwaukee County 5-Year Fiscal Projection (Municast); Office of the Comptroller

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Challenges



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**Budget
Strategy**

Budget Methodology for Legacy Fringe Allocations

History

- Discussed by the Healthcare Work Group in 2009.
- Established as a part of the 2010 budget process.

Legacy Cost Methodology

- Costs are allocated based on a three year rolling average of the number of benefit eligible FTE Employees in each Department.
- Amounts are set as a part of the base budget.
- This number remains unchanged regardless of position changes requested.



Guiding Principles

- Long-term Sustainability is a MUST
- Tough Decisions Need to be Made
- Reduce Debt
- Data-based Decision-making is a Driver
- Is it Mandated, a Priority or Nice-to-Have?
- Why Should Property Tax Payers Fund This?
- Do Others Provide this Service More Efficiently?
- Are there Best Practices We Can Adopt?

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Budget
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Key Focus Areas

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**Budget
Strategy**

- Programs for Those Most in Need
- Efficiency & Productivity
- Long-Term Cost Reduction & Cost Avoidance
- Sustainable Budget and Pay Off Debt
- Opportunities for Shared Services
- Challenge the Status Quo



Key Dates

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Budget
Calendar

- **May 26:** 2017 Budget Preliminary Overview
- **June 16:** Finance Committee Budget Approval
- **September 30:** Recommended Budget Presentation
- **October 3– October 31:** County Board Finance & Audit Committee Budget Hearings
- **Late October:** County Board Public Hearing
- **Early November:** County Board Budget Adoption Day

Behavioral Health Division 2017 Preliminary Budget Request

2017 Budget Assumptions

- Adult inpatient bed capacity of 60 beds with a 90% occupancy factor
- CAIS average census of 12
- Adult Inpatient write off percentage improved by eight basis points
- CCS program to increase by 85 clients per quarter to at least 800 clients by year end
- CSP, CRS capacity at 2016 levels
- Employee vacancy factor = 6%
- COLA of 1%
- Cost to continue is \$3.4M
- County overhead is equal to 2016

2017 Budget Initiatives

(\$ Millions)

- Develop Southside community access hub - \$1.2M
- Full year operations – Northside community access hub - \$0.5M
- Enhance Opioid Epidemic Strategies
- Create two additional CART teams - \$.1M
- Expand all crisis resource center operations to 24/7 - \$.33M
- Full year Intensive Outpatient Program - \$.5M

2017 Budget Initiatives

(\$ Millions)

- EMR Solution \$3.0 M
- Telehealth - \$7,000
- Retention & recruitment strategies - \$1.7M
- Partnership with Housing in ending chronic homelessness initiative - \$0.25M
- Increased TCM capacity - \$.3M

2017 Budget Initiatives

(\$ Millions)

- Wraparound Clinic - \$0.4M
- AODA Residential capacity increase (16 additional beds) - \$0.6M

Cost to Continue (Legacy Costs)

	2013	2014	2015	2016B	2017 Budget	16/17 Variance	
Actual FTE's	796	614	556	544	521		
Legacy Health	\$ 10,618,391	\$ 8,517,451	\$ 7,627,708	\$ 6,306,814	\$ 8,194,075	\$1,887,261	29.92%
Per FTE	\$ 13,340	\$ 13,872	\$ 13,719	\$ 11,593	\$ 15,728	\$ 4,134	35.66%
Legacy Pension	\$ 6,040,921	\$ 6,350,363	\$ 8,509,818	\$ 8,343,256	\$ 9,029,188	\$ 685,932	8.22%
Per FTE	\$ 7,589	\$ 10,343	\$ 15,305	\$ 15,337	\$ 17,330	\$ 1,994	13.00%
Total Legacy	\$ 16,659,312	\$ 14,867,814	\$ 16,137,526	\$ 14,650,070	\$ 17,223,263	\$2,573,193	17.56%
Per FTE	\$ 20,929	\$ 24,215	\$ 29,024	\$ 26,930	\$ 33,058	\$ 6,128	22.75%

2017 Budget Request Financial Summary BHD - Combined

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	120,246,189	129,398,471	148,754,737	19,356,266
Expense	173,545,182	188,199,248	210,287,643	22,088,395
Tax Levy	<u>53,298,993</u>	<u>58,800,777</u>	<u>61,532,906</u>	<u>2,732,129</u>

2017 Budget Request

BHD - Hospital

		2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
BHD Hospital	Revenue	31,548,645	30,418,589	34,002,792	3,584,203
	Expense	56,508,275	62,241,085	67,813,783	5,572,698
	Tax Levy	24,959,630	31,822,496	33,810,991	1,988,495
<u>By Program:</u>					
Adult Inpatient	Revenue	12,849,328	11,591,848	14,587,005	2,995,157
	Expense	30,688,093	33,510,572	36,959,456	3,448,884
	Tax Levy	17,838,765	21,918,724	22,372,451	453,727
CAIS-Child & Adolescent	Revenue	6,127,460	5,497,575	7,043,040	1,545,465
	Expense	6,941,736	8,032,453	9,503,050	1,470,597
	Tax Levy	814,276	2,534,878	2,460,010	(74,868)
Crisis ER/OBS	Revenue	11,688,408	11,911,882	11,468,783	(443,099)
	Expense	18,603,139	19,286,873	20,447,313	1,160,440
	Tax Levy	6,914,731	7,374,991	8,978,530	1,603,539
Mgmt/Ops	Revenue	883,449	1,417,284	903,964	(513,320)
	Expense	275,307	1,411,187	903,964	(507,223)
	Tax Levy	(608,142)	(6,097)	-	6,097

2017 Budget Request Community Services

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	\$86,996,532	\$98,979,882	\$114,751,945	\$15,772,063
Expense	\$106,406,016	\$125,958,163	\$142,473,860	\$16,515,697
Tax Levy	<u>\$19,409,484</u>	<u>\$26,978,281</u>	<u>\$27,721,915</u>	<u>\$743,634</u>

2017 Budget Request

Community Recovery Services

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	\$1,016,279	\$469,755	\$819,261	\$349,506
Expense	\$2,903,323	\$1,734,706	\$1,876,205	\$141,499
Tax Levy	<u>\$1,887,044</u>	<u>\$1,264,951</u>	<u>\$1,056,944</u>	<u>-\$208,007</u>
Average Enrollment	42	35	35	0
Avg. Cost/ Enrollee	\$44,930	\$36,141	\$30,198	-\$5,943

2017 Budget Request

Community Support Programs

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	1,823,850	7,926,639	8,462,056	535,417
Expense*	8,166,378	14,481,415	15,101,231	619,816
Tax Levy	<u>6,342,528</u>	<u>6,554,776</u>	<u>6,639,175</u>	<u>84,399</u>
Average Enrollment	1,267	1,267	1,267	0
Avg. Cost*/ Enrollee	\$5,006	\$5,173	\$5,240	\$67

*2015 costs are artificially low because overhead costs were not allocated to the CSP program in 20:

2017 Budget Request

Targeted Case Management

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	\$323,370	\$1,597,405	\$1,983,749	\$386,344
Expense*	\$3,564,226	\$5,453,257	\$6,112,084	\$658,827
Tax Levy	<u>\$3,240,856</u>	<u>\$3,855,852</u>	<u>\$4,128,335</u>	<u>\$272,483</u>
Average Enrollment	1,443	1,443	1,553	110
Avg. Cost*/ Enrollee	\$2,246	\$2,672	\$2,658	-\$14

*2015 costs are artificially low because overhead costs were not allocated to the TCM program in 2015

2017 Budget Request

Comprehensive Community Services

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	\$1,871,023	\$6,617,250	\$11,628,000	\$5,010,750
Expense	\$2,131,360	\$7,875,007	\$12,453,997	\$4,578,990
Tax Levy	\$260,337	\$1,257,757	\$825,997	-\$431,760

	2015	2016	2017	Change
Enrollment at year-end	217	560	800	240
Avg. Cost/ Enrollee	\$1,522	\$3,225	\$1,291	-\$1,934

2017 Budget Request Wraparound

	2015 Actual	2016 Budget	2017 Budget	Change 2017 vs 2016
Revenue	\$48,751,527	\$46,666,491	\$54,832,435	\$8,165,944
Expense	\$48,661,844	\$46,620,937	\$55,117,271	\$8,496,334
Tax Levy	<u><u>-\$89,683</u></u>	<u><u>-\$45,554</u></u>	<u><u>\$284,837</u></u>	<u><u>\$330,391</u></u>
 Average Capitation Enrollment	 1,189	 1,144	 1,350	 206