I. Components of County Budget
II. What is the Projected Gap
III. Why is there a gap
   A. Increased Expenses (i.e. Pension Legacy)
   B. Decreased Revenue (i.e. Shared Revenue)
IV. Additional Capital Budget Limitations
V. Successful Financial Reforms
I. Components of County Budget

Where does the money the County spends come from?

![Pie chart showing the breakdown of 2017 County Revenues](chart.jpg)

- **$91,016,268** Proceeds from Borrowing
- **$41,147,918** Sales Tax
- **$74,468,703** Other
- **$41,147,918** State and Federal Revenue
- **$23,135,378** Charges for Services
- **$13,497,964** Property Tax (Debt Service)
- **$342,194,848** Property Tax (Operations)
- **$373,875,948** Total

Note: The Operating Property Tax Levy is defined as Total Tax Levy minus Total Debt Service. The actual Operating Property Tax levy is defined by the Department of Revenue 2016 County Levy Limit Worksheet and is typically within +/- 5% of the calculation above.
I. Components of County Budget

Where does the money the County spends come from?

2017 County Revenues

$41,147,918
$74,468,703
$23,135,378
$342,194,848

$200,061,560
$13,497,964
$74,687,03
$23,135,378
$342,194,848

Note that annual “Operating Tax Levy” is approximately $200 Million

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
Note, the Operating Property Tax Levy is defined as Total Tax Levy – minus Total Debt Service. The actual Operating Property Tax levy is defined by the Department of Revenue 2016 County Levy Limit Worksheet and is typically within +/- 5% of the calculation above.
I. Components of County Budget

Where do my property tax dollars go?

2017 County Use of Property Tax

- **22%** General Government
- **13%** Courts and Judiciary
- **12%** Health and Human Services
- **9%** Parks, Recreation and Culture
- **8%** Sheriff's Office
- **7%** Transportation and Public Works
- **5%** Debt and Capital
- **5%** Public Safety
- **20%** General Government

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
I. Components of County Budget

Where do my property tax dollars go?

2017 County Use of Property Tax

- General Government: 22%
- Courts and Judiciary: 12%
- Public Safety: 11%
- Sheriff's Office: 9%
- Parks, Recreation and Culture: 5%
- Transportation and Public Works: 13%
- Debt and Capital: 20%
- Health and Human Services: 8%

Note that approximately $20 Million in tax levy is allocated to the Parks

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017)
II. What is the projected gap?

What is the gap that needed to be closed?

Operating Budget Gap

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Expenses

Why is there a gap?

County's Contribution to Retiree Healthcare

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Expenses

Why is there a gap?

County's Contribution to Retiree Healthcare

Note the projected increase over five years is over $20 Million (which is the entire levy of the Parks Department)

Retiree Health Care Costs
(in millions)

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Expenses

Why is there a gap?

Pension Costs (Active & Inactive)
(in millions)

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
Actuarial projections are always best but they only go out about 10 years or less. What might the picture look like in 20 years?

**County's Contribution to Retiree Healthcare**

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
Actuarial projections are always best but they only go out about 10 years or less. What might the picture look like in 20 years?

We have actuarial projections through 2021. Assumes 7.25% increase thereafter, which is recent historical average.

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Expenses

Actuarial projections are always best but they only go out about 10 years or less. What might the picture look like in 20 years?

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).


Pension Underlying data from: 2015 – 2016 data from Milwaukee County Comptroller (actual expenses). 2018 – 2021 projected increase from BuckConsultants, “Milwaukee County Employees Retirement System, Investment Return Assumption Discussion.” (June 15, 2016). Note, 2018-2030 projected numbers increased by $31.1 Million to represent Pension Obligation Bond Payment, and reduced by approximately $13 million annually to reflect employee contribution. Projections beyond 2026 include a projected increase of 2.79%.
III. Why is there a gap - Expenses

Actuarial projections are always best but they only go out about 10 years or less. What might the picture look like in 20 years?

We have actuarial projections through 2021. Assumes 2.79% increase thereafter.

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).

Pension Underlying data from: 2015 – 2016 data from Milwaukee County Comptroller (actual expenses). 2018 – 2021 projected increase from BuckConsultants, “Milwaukee County Employees’ Retirement System, Investment Return Assumption Discussion.” (June 15, 2016). Note, 2018-2030 projected numbers increased by $31.1 Million to represent Pension Obligation Bond Payment, and reduced by approximately $13 million annually to reflect employee contribution. Projections beyond 2026 include a projected increase of 2.79%.
III. Why is there a gap - Expenses

Actuarial projections are always best but they only go out about 10 years or less. What might the picture look like in 20 years?

County Contribution to Retirement Benefits

Temporary reductions based on payment schedule for debt obligation bonds.

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).


Pension Underlying data from: 2015 – 2016 data from Milwaukee County Comptroller (actual expenses), 2018 – 2021 projections increased by $31.1 Million to represent Pension Obligation Bond Payment, and reduced by approximately $13 million annually to reflect employee contribution. Projections beyond 2026 include a projected increase of 2.79%.
III. Why is there a gap - Expenses

To put this in perspective, we can compare it to the predicted Operating Tax Levy.

County Contribution to Retirement Benefits

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).

Pension Underlying data from: 2015–2016 data from Milwaukee County Comptroller (actual expenses). 2018–2021 projected increase from BuckConsultants, “Milwaukee County Employees’ Retirement System, Investment Return Assumption Discussion.” (June 15, 2016). Note, 2018–2030 projected numbers increased by $33.1 Million to represent Pension Obligation Bond Payment, and reduced by approximately $13 million annually to reflect employee contribution. Projections beyond 2026 include a projected increase of 2.79%.

Operating Property Tax Levy data from: Milwaukee County Budget 2015 – 2017. Projections beyond 2017 include increase of 1.87% annually, which is the average annual increase from 2015–2017. Note, the Operating Property Tax Levy is defined as Total Tax Levy – minus Total Debt Service. The actual Operating Property Tax levy is defined by the Department of Revenue 2016 County Levy Limit Worksheet and is typically within +/- 5% of the calculation above.
To put this in perspective, we can compare it to the predicted Operating Tax Levy

If our property tax levy continues to grow because of net new construction, in 2029 retiree obligations will equal 99% of Operating Tax Levy
III. Why is there a gap - Expenses

To put this in perspective, we can compare it to the predicted Operating Tax Levy.

If we do not continue to see an increase in levy due to new development, the retiree obligation will exceed the Operating Tax Levy by 2024.
III. Why is there a gap - Expenses

This is not a new problem. Problem has been fixed going forward. However, will only see full benefit when employees hired after 2012 retire.

<table>
<thead>
<tr>
<th></th>
<th>Pre 2001 Employee Example</th>
<th>Post-2012 Employee Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Paid Healthcare Premiums</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Pension Multiplier</td>
<td>2% (i.e. years of service * 2% * highest average annual salary)</td>
<td>1.6%</td>
</tr>
<tr>
<td>Employee Contribution</td>
<td>0%</td>
<td>Approximately 6% of salary</td>
</tr>
<tr>
<td>Buy-in-Buy-Back</td>
<td>Allowed purchase of service credits for part-time and seasonal work.</td>
<td>None</td>
</tr>
<tr>
<td>Backdrop</td>
<td>Allowed pension balance to accumulate while still working</td>
<td>None</td>
</tr>
<tr>
<td>25% Bonus</td>
<td>Yes**</td>
<td>None</td>
</tr>
</tbody>
</table>

* For employees starting before 1994.
** For employees starting before 1982.

III. Why is there a gap - Expenses

Furthermore, gap is because of previous benefits offered to qualified retirees, not benefits to existing employees.

III. Why is there a gap - Expenses

Furthermore, gap is because of previous benefits offered to qualified retirees, not benefits to existing employees.

Note that it is primarily the “ERS Unfunded Actuarial Liability that is increasing.”
III. Why is there a gap - Expenses

Also, need to acknowledge the contributions that Employees are making

Employee Contribution increased from $0 in 2010 to $12.1 Million in 2017

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
Finally, need to acknowledge that these projections are not related to pension errors. These are related to the benefits that have been previously offered and earned by previous employees.
III. Why is there a gap - Revenue

Revenue Decreasing

State Aid to Milwaukee County
(Includes aid related to shared revenue, Health & Human Services, Transportation, Natural Resources, General Government & Other)

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Revenue

Why is there a gap?

Revenue Trends

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Revenue

Why is there a gap?

In 2007, the County received $340,555,704 from the state.

Revenue Trends

Revenue from State to County

Revenue To State from County

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Revenue

Why is there a gap?

Revenue Trends

In 2007, the County received $340,555,704 from the state.

In 2015, the County received $171,362,305 from the state.

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
III. Why is there a gap - Revenue

Why is there a gap?

Revenue Trends

During the same time period ....

Contributions from taxpayers living in the County increased from $2.25 Billion, to $2.52 Billion

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
IV. Capital Budget Limitations

Source: Milwaukee County Department of Administrative Services – Facilities Division (Jan. 10, 2017). Includes buildings only, excludes transportation infrastructure and airport infrastructure.
IV. Capital Budget Limitations

Note that with our existing footprint, our deferred maintenance is expected to grow from $400 Million to nearly $700 Million.

Even if we invest $20 Million per year ($400 Million total)

Source: Milwaukee County Department of Administrative Services – Facilities Division (Jan. 10, 2017). Includes buildings only, excludes transportation infrastructure and airport infrastructure.
### IV. Capital Budget Limitations

County Financing for Capital Requests by County Depts. (2017-2021) in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Dept Requests</th>
<th>Funding Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$95.4</td>
<td>$50.5</td>
</tr>
<tr>
<td>2018</td>
<td>$99.1</td>
<td>$52.0</td>
</tr>
<tr>
<td>2019</td>
<td>$111.5</td>
<td>$53.6</td>
</tr>
<tr>
<td>2020</td>
<td>$111.2</td>
<td>$55.2</td>
</tr>
<tr>
<td>2021</td>
<td>$147.2</td>
<td>$56.9</td>
</tr>
</tbody>
</table>

IV. Capital Budget Limitations

County Financing for Capital Requests by County Depts. (2017-2021) in millions

Only projects below the line can be funded under the existing model

Total Dept Requests | Funding Cap

V. Successful Financial Reforms

A. Pension Reform
Contribution requirement, and reduction of multiplier will save hundreds of millions. Issuance of Pension Obligation Bonds to require consistent payments and take advantage of low market rates.

B. Restructuring of Post-Employment Benefits (OPEB).
Reduction of approximately $500 Million in liability.

C. Stabilizing Staff
FTEs down 28% since 2003. FTE Count relatively stable since 2012. Market evaluation of every job in the county.

D. Reducing Footprint
Nearly 1,000,000 Square feet of administrative space eliminated without impacting services (i.e. City Campus, DTC, Day Hospital Building, and more)
V. Successful Financial Reforms

E. Mental Health Reform
   Separate Budget authority has resulted in surpluses each year

F. Reducing Energy Consumption
   Tracking towards 10% reduction, $2 Million per year

G. Operational Efficiencies
   Child Support, City Works, and more

H. Building of $50 Million Reserve

I. H. Massive Reduction in Worker’s Comp Claims
   Over 56% reduction, savings of $4 Million + annually

I. Generating New Future Tax Base
   Arena, Park East, Couture, Innovation Campus and more

J. Focus on Combination of Public Use and Revenue
   Beer Gardens and more.
V. Successful Financial Reforms

K. Developing Cheaper solutions to infrastructure
   For example creating natural areas and tearing down expensive
dams (i.e. Estabrook)

L. Centralizing Procurement
   Departments purchasing with one another, and with other
municipalities to leverage purchasing power. Partnering on
healthcare purchase saved $17 million.

M. Eliminating Redundancy
   Partnering with Municipalities on joint services, such as Radio
services and election machines.

N. Investing in Technology
   Getting the most out of talented staff by providing the tools
they need (i.e. 100% desktop replacement, ERP system)
V. Successful Financial Reforms

O. Vehicle Registration Fee
   Offsetting the cost of transit, and reduction in federal and state funds.

P. Better service often reduces cost
   Providing better service that is also more cost effective (i.e. ending chronic homelessness, community based care, alternative placement for youth) These have saved the county and others, millions per year.

Q. Public Private Partnerships
   The County continues to partner with major friends groups, corporations and individual donors (i.e. Hoyt Pool, Washington Park Band Shell, etc.)

R. Cash Financing and Maintaining Bond Rating
   The County has maintained a bond rating of AA+ and continues to increase its cash financing of projects to reduce interest costs

... and more to come
V. Successful Financial Reforms

As a consequence, every year we will continue to close the gap

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
V. Successful Financial Reforms

As a consequence, every year we will continue to close the gap. 

Operating Budget Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Gap Actual after initiatives of the County</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$44,347,792</td>
</tr>
<tr>
<td>2015</td>
<td>$52,056,089</td>
</tr>
<tr>
<td>2016</td>
<td>$58,663,610</td>
</tr>
<tr>
<td>2017</td>
<td>$56,152,204</td>
</tr>
<tr>
<td>2018</td>
<td>$54,700,000</td>
</tr>
<tr>
<td>2019</td>
<td>$62,026,555</td>
</tr>
<tr>
<td>2020</td>
<td>$77,886,774</td>
</tr>
<tr>
<td>2021</td>
<td>$102,483,519</td>
</tr>
</tbody>
</table>

Graphic prepared by: Milwaukee County Department of Administrative Services (Jan. 2017).
The Milwaukee County Mental Health Board presents
A Zeidler Center guided Community Conversation on
Mental Health Services
Thursday, May 4, 2017, 5:30p to 7:00p (location TBA)

Zeidler Center Facilitation Services Overview
- Wide marketing network
- Proven dialogue method utilizing trained facilitators
  - Structured listening circle format encouraging reflection and deep listening to diverse voices (Introduction, structured question rounds, unstructured open conversation, feedback forms)
  - Professional facilitators (communication agreements, equal time, note taking)
- Qualitative and quantitative data reporting (representing all participant voices)

[Draft Dialogue Components]

Communication Agreements
1. We will speak for ourselves, from our personal experiences.
2. We will share airtime and not interrupt or criticize others’ opinions.
3. We will "pass" or "pass for now" if we’re not ready to respond to a question.
4. If asked to keep something confidential, we will honor that request.

Introduction
1. Review of budget process – forums (online and in person), opportunities
2. Review of community services (handout)
3. Review of misperceptions
4. Introduction of Listening Circles (Dr. Katherine Wilson)

Structured Question Rounds:
1. What BHD community services -- services you’ve seen or experienced in your personal or professional life -- have made an impact in your life or with someone you know? What was the service and what was the impact?
2. What barriers have you heard about or personally experienced in receiving services from BHD?
3. What could BHD do to make access to services and the path the treatment more clear?

Connected Conversation: What could BHD or the Mental Health Board do to improve the budget process?
Participant Feedback Form
BHD believes the path to treatment should be clear to everyone. Thank you for your feedback!

1. What’s your zip code? ________________
2. Gender ________________

3. Age range? (Circle one) 18-24 / 25-34 / 35-44 / 45-54 / 55-64 / 65-74 / 75+

4. Race & Ethnicity: (Check all applicable)
☐ African-American or Black
☐ American Indian or Alaska Native
☐ Asian / Latino or Hispanic
☐ Native Hawaiian or Other Pacific Islander
☐ White or Caucasian
☐ Other: _____________________

5. What did you find most beneficial about this experience/format?

6. What questions or comments are you leaving with today?

7. What community services do you think BHD should be providing that they are currently not? What gaps do you see in mental health services?

8. What services does BHD provide that they should expand?

9. How have you heard about BHD services? (Check all that apply)
☐ Word of mouth
☐ Pamphlets
☐ Another agency
☐ Personal experience for self
☐ Personal experience with an adult family member
☐ Personal experience with child or adolescent
☐ I do not hear about BHD services
☐ Other: ________________________

10. How did you hear about this meeting? (Check one)
☐ Newspaper
☐ Email
☐ Website
☐ Social media/Facebook
☐ Word of mouth
☐ Mental Health Task Force
☐ Other professional agency/advocacy group
DATE: March 24, 2017

TO: Duncan Shrout, Chairperson – Milwaukee County Mental Health Board

FROM: Héctor Colón, Director, and Department of Health and Human Services

SUBJECT: Report from the Director, Department of Health and Human Services, Requesting Authorization to Execute Professional Services Contracts to Support a TANF Study, Provide Project Management and Information Technology Services, Residency Training, and Bioethical Consultation; and 2017 Purchase-of-Service Contracts and Fee-for-Service Agreements with a Value in Excess of $100,000 for the Behavioral Health Division for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services

Issue

Wisconsin Statute 51.41(10) requires approval for any contract related to mental health (substance use disorder) with a value of at least $100,000. No contract or contract adjustment shall take effect until approved by the Milwaukee County Mental Health Board. Per the statute, the Director of the Department of Health and Human Services is requesting authorization for BHD/CARS to execute mental health and substance use contracts for 2017.

Background

Approval of the recommended contract allocations will allow BHD/CARS/Wraparound to provide a broad range of rehabilitation and support services to adults with mental health and/or substance use disorders and children with serious emotional disturbances.

Professional Services Contracts

Patina Solutions Group, Inc. $96,000.00

In June 2016, the Mental Health Board approved $195,000 for a contract with Patina Solutions Group, Inc., to provide project management costs for the Case Management redesign effort between the Behavioral Health Division (BHD) and the Department of Health and Human Services (DHHS). At that time, there was a misunderstanding that DHHS and BHD would split the costs evenly. Upon further review of the expense allocation agreement and size of BHD compared to DHHS, management noted that DHHS agreed to pay up to $99,000 of this project. Therefore, to pay Patina for the work already rendered, BHD is requesting an additional $96,000 to cover the balance of this contract for which BHD is responsible.
This is an agreement with UW-Milwaukee to conduct a special project. The project will focus on process (i.e., what was done and how it was accomplished) and outcomes (i.e., results) to evaluate the Milwaukee County TANF-AODA system of care.

Medical College of Wisconsin – Affiliated Hospitals $654,000.00
BHD contracts with the Medical College of Wisconsin – Affiliated Hospitals (MCWAH) for residency and fellowship stipends as part of BHD’s affiliation and training site designation with the psychiatry training programs. The residents and fellows assigned to BHD serve as house staff and provide medical care within the BHD acute inpatient, crisis and community services, with oversight and direction from BHD psychiatry staff.

BHD is recommending extending the agreement for a two-year contract term for the period of July 1, 2017 through June 30, 2019 in an amount of $654,000 annually. This is the same amount as in 2015 and 2016.

Medical College of Wisconsin $69,794.00
BHD is recommending contracts for partial support of the MCW Psychiatry Residency Director ($59,794) and for MCW bioethics consultation ($10,000) be extended for the term of July 1, 2017 through June 30, 2019.

Netsmart
After an extensive review, Milwaukee County is reinvesting in the Behavioral Health Division’s Electronic Medical Record. BHD will renew its relationship with Netsmart, the vendor of Avatar and related tools, for an additional 3 years. This contract will run from May 1st, 2017 to December 31st 2020 and include two 1 year renewal options beginning in 2021. The following financial terms have been negotiated:

<table>
<thead>
<tr>
<th>Netsmart Contract Renewal - Recurring Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solution Category</strong></td>
</tr>
<tr>
<td>Software, Hosting, &amp; Integration</td>
</tr>
<tr>
<td>HelpDesk IT Services</td>
</tr>
<tr>
<td>Application Management Services</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

This includes costs for licenses and remote (cloud) hosting of core applications including Clinical Workstation, Practice Management, Managed Service Organization, ProviderConnect, Pharmacy Management, along with improved features in data exchange, self-service reporting and document management. It includes 24x7 helpdesk to support staff through all shifts, support resources to maintain and update the system, and compliance and reporting needs defined by BHD.
The 2017 amount is in addition to the $396,160 already approved in February for a new annual total of $1,769,833.62.

**Purchase-of-Service Contracts**

SEA Group $300,000.00
This is an agreement with Sea Group for Educational Advocacy for youth that are enrolled in the Wraparound program.

**Fee-for-Service Agreements**

Butterflies Home for Teen Girls $159,075.00
Butterflies Home for Teen Girls is a licensed group home with two locations on Milwaukee’s Northside. They serve girls between the ages of 12-17. This vendor specializes in meeting the needs of pregnant teens and teen mothers who are in out of home care.

Willowglen $100,000.00
This is an agreement with Willowglen, a current CARS provider, for services provided as part of the CCS network.

Outreach Community Health Centers $450,000.00
Comprehensive Community Services (CCS) provides programming to people of all ages -- youth to elderly -- living with either a mental illness and/or substance use disorder. CCS is for individuals who need ongoing services beyond occasional outpatient care, but less than the intensive care provided in a hospital setting.

**Fiscal Summary**

The amount of 2017 spending requested in this report is summarized below. These payments will be absorbed within the Behavioral Health Division’s 2017 budget.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>New/Amendment/Renewal</th>
<th>2017 Estimated Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UW-Milwaukee TANF</td>
<td>New</td>
<td>$170,000.00</td>
</tr>
<tr>
<td>Butterflies Home for Teen Girls</td>
<td>New</td>
<td>$159,075.00</td>
</tr>
<tr>
<td>Patina Solutions Group</td>
<td>Amendment</td>
<td>$96,000.00</td>
</tr>
<tr>
<td>Willowglen</td>
<td>New</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>SEA Group</td>
<td>New</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Medical College of Wisconsin - Affiliated Hospitals</td>
<td>Renewal</td>
<td>$654,000.00</td>
</tr>
<tr>
<td>Medical College of Wisconsin</td>
<td>Renewal</td>
<td>$69,794.00</td>
</tr>
<tr>
<td>Netsmart</td>
<td>Renewal</td>
<td>$1,769,833.62</td>
</tr>
<tr>
<td>Outreach Community Health Centers</td>
<td>Renewal</td>
<td>$450,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$3,768,702.62</strong></td>
</tr>
</tbody>
</table>
DATE: March 15, 2017

TO: Duncan Shrou, Chairperson, Milwaukee County Mental Health Board

FROM: Michael Lappen, BHD Administrator
Submitted by John Schneider, MD, FAPA, BHD Chief Medical Officer

SUBJECT: Report from the Behavioral Health Division Administrator, Requesting Approval to Implement an “Employment Agreement” As Established Under BHD Personnel Policy for Specific Classified, Unclassified and Exempt Physician County Employees

Issue

Wisconsin Statute 51.41(10) requires approval for any contract related to mental health with a value of at least $100,000. The contract shall take effect only if the Milwaukee County Mental Health Board votes to approve, or does not vote to reject, the contract within 28 days after the contract is signed or countersigned by the County Executive.

Per the above Statute, the BHD Administrator is requesting authorization to establish one (1) new "Employment Agreement" with a newly recruited physician. The salary specified within the agreement exceeds $100,000 annually.

It has been determined that “Employment Agreements” fall under BOTH personnel policy AND contract requirements.

Discussion

Due to the significant time, effort and expense associated with recruiting and retaining qualified medical staff, the Behavioral Health Division, in collaboration with the Compensation Division and Corporation Counsel, has established a personnel policy that requires employment agreements for specific classified, unclassified and exempt physician classifications within Milwaukee County employ. The purpose of these agreements is to stipulate total compensation including fringe benefits, recruitment/retention incentives and to establish a reasonable and fair “minimum resignation notice” requirement, which does not exist under Civil Service rules.
We submit the table below, with one (1) new personnel transaction that BHD will be requesting the Milwaukee County Chief Human Resources Officer to implement in connection with an Employment Agreement.

<table>
<thead>
<tr>
<th>ITEM ID</th>
<th>HIGH/LOW CRS</th>
<th>CURRENT</th>
<th>RECOMMENDED</th>
<th>NO. POSITIONS</th>
<th>CURRENT</th>
<th>RECOMMENDED</th>
<th>INFORMATIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA2017-06A</td>
<td>6300/6412</td>
<td>N/A</td>
<td>NEW CREATE</td>
<td>1</td>
<td>E012</td>
<td>E012</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

The individual physician(s) entering into this agreement shall maintain current status as a benefit-eligible COUNTY EMPLOYEE, or if newly hired shall be established as a benefit-eligible COUNTY EMPLOYEE, including ERS enrollment, and subject to all applicable County and BHD personnel policies and Civil Service rules, where applicable.

Incumbent(s) of above position shall be eligible for recruitment/retention bonus. All bonuses shall be subject to conditions. Amount of bonus shall not exceed $25,000 annually.

In all cases, any funds identified through the Employment Agreement as a retention or other bonus shall not be considered eligible earnings under the Milwaukee County Pension Plan. Therefore, a retention or other bonus shall not affect in any manner any pension benefit under the Employee Retirement System (ERS), including, but not limited to, earnings, compensation, final average salary, service credit, eligibility for a benefit or timing of a benefit.

**Recommendation**

It is recommended that the Milwaukee County Mental Health Board approve entering into “Employment Agreement” (contracts) with the incumbent of the above position(s) for the recommended total compensation amount on or after the requested effective date.

**References**

Wis. Stats. 46.19(4): the salaries of any superintendent of a mental health institution and the salaries of any visiting physician and necessary additional officers and employees whose duties are related to mental health shall be fixed by the county executive.

Wis. Stats. 51.41(10): MENTAL HEALTH CONTRACTS. Any contract related to mental health with a value of at least $100,000, to which Milwaukee County is a party may take effect only if the Milwaukee County mental health board votes to approve, or does not vote to reject, the contract within 28 days after the contract is signed or countersigned by the county executive.

Wis. Stats. 51.42(6m)(i): Establish salaries and personnel policies of the programs of the county department of community programs subject to approval of the county executive or county administrator and county board of supervisors, except in Milwaukee County, or the Milwaukee County mental health board in Milwaukee County unless the county board of supervisors or the Milwaukee County mental health board elects not to review the salaries and personnel policies.
Fiscal Effect

The recommended compensation contained in this report is supported within the Behavioral Health Division's 2017 operating budget. There is no tax levy associated with this request.

Respectfully Submitted,

[Signature]

Michael Lappen, Administrator
Behavioral Health Division

cc  Thomas Lutzow, Chairperson, Milwaukee County Mental Health Board Finance Committee
     Héctor Colón, Director, Department of Health and Human Services
     John Schneider, MD, BHD Chief Medical Officer
     Lora Dooley, BHD Director of Medical Staff Services
     Jodi Mapp, BHD Senior Executive Assistant