

BUDGET SUMMARY

Category	2024 Actual	2025 Actual	2026 Budget	2027 Recommended Budget	2026/2027 Variance
Expenditures					
Personnel Costs	112,468,449	158,366,553	173,654,107	182,967,320	9,313,213
Operations Costs	1,133,254	1,182,361	1,186,584	2,317,360	1,130,776
Debt & Depreciation	0	0	0	0	0
Interdepartmental Charges	3,015,691	2,810,479	3,641,266	4,170,464	529,198
Total Expenditures	\$116,617,394	\$162,359,394	\$178,481,957	\$189,455,144	\$10,973,187
Revenues					
Other Direct Revenue	21,878,877	25,665,859	21,671,609	28,832,803	7,161,194
Total Revenues	\$21,878,877	\$25,665,859	\$21,671,609	\$28,832,803	\$7,161,194
Tax Levy	\$94,738,517	\$136,693,534	\$156,810,348	\$160,622,341	\$3,811,993

Note: The budget summary table excludes charges to revenue departments to reflect the total fringe benefits costs more accurately.

Department Mission:

This non-departmental unit includes expenditures for employee and retiree fringe benefit costs, and revenues from premium contributions for those benefits.

Department Description:

Appropriations for employee and retiree fringe benefits in this non-departmental unit include: health and dental insurance, contributions to pension plans, life insurance, Medicare premium contributions, employee bus passes, and health insurance actuarial services.

The cost of these benefits, net of employee and retiree premium contributions (which are shown as direct revenues in the table above), are allocated out to revenue generating departments based on their share of countywide staffing levels. This enables the County to be reimbursed for its total personnel costs to provide services.

2027 Budget Impact on Employees

In 2027, Milwaukee County maintains an excellent package of fringe benefits for employees. The 2027 Budget includes a \$500 increase in the County's match to employee Flexible Spending Accounts. Also included are minor adjustments to health insurance premiums, health insurance co-pays, and the County's dental plan.

Employee Total Compensation in 2027:**Take Home Pay Increase**

General employees will receive a 2% pay increase in January 2027. The funds for this salary increase are budgeted in departments. General employee pension contributions are unchanged at 4.9% in 2027. Taking into account the general increase, plan design changes, and increase in FSA contribution, most general employees are expected to see a take home pay increase of between 2% and 3%.

Health Insurance Premiums

The 2027 budget includes an increase from 2% to 4.3% to health care premiums in order to share cost increases between the employer and employees.

2027 rates (after including Wellness credit):

Employee Only: \$104/month

Employee + Child: \$152/month
Employee + Spouse: \$245/month
Employee + Family: \$274/month

Pension Contribution

The general employee ERS pension contribution remains unchanged at 4.9%. Prior to 2023 Wisconsin Act 12, the employee contribution was 6.1% which means the 2027 pension contribution is 1.2% lower than 2023. Employees now contribute one-half of the pension normal cost and do not make contributions toward the unfunded liability.

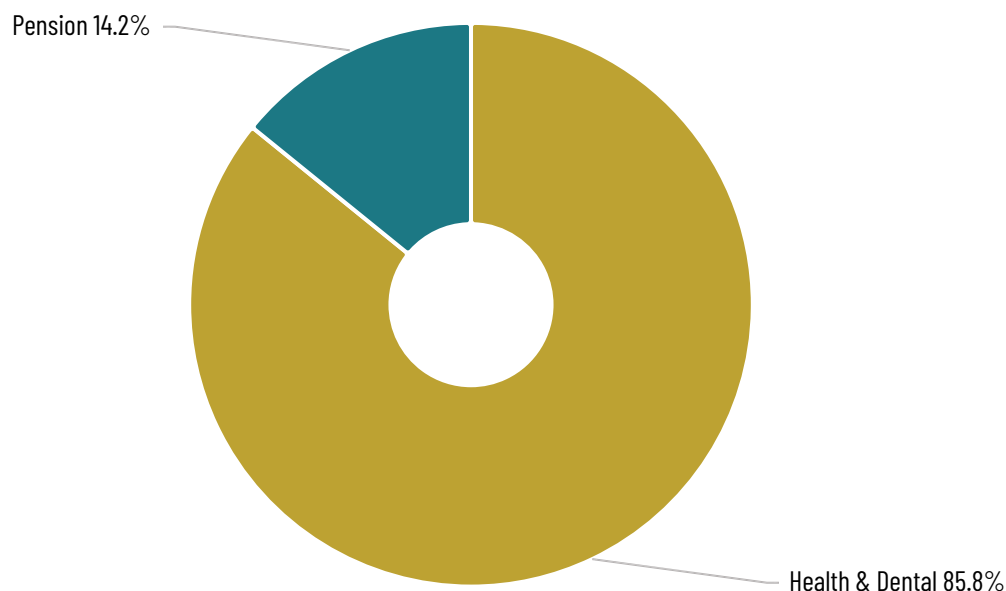
Flexible Spending Account

The employee Flexible Spending Account is maintained in 2027. The County will now match up to \$1,500 in employee contributions on a dollar-for-dollar basis for this tax advantaged account, up from \$1000.

2026-2027 Fringe Benefit Budget Comparisons

Item	2026 Budget	2027 Budget	2026/2027 Change
Gross Health & Dental Costs	141,390,065	149,806,397	8,416,332
Gross Pension Costs	37,091,892	39,648,747	2,556,855
TOTAL Gross Benefit Costs	\$178,481,957	\$189,455,144	\$10,973,187
Less/Employee/Retiree Health Premiums	(10,671,609)	(11,924,894)	(1,253,285)
Less Employee/State Pension Contributions	(11,000,000)	(16,907,909)	(5,907,909)
TOTAL Less Premiums and Contributions	(\$21,671,609)	(\$28,832,803)	(\$7,161,194)
TOTAL Net Benefit Costs	\$156,810,348	\$160,622,341	\$3,811,993
Estimated Revenue Offset at 14.5%	(\$22,737,500)	(\$23,290,239)	(\$552,739)
Approximate Direct Tax Levy Cost, Employee & Retiree Fringe Benefits	\$134,072,848	\$137,332,102	\$3,259,254

Share of Net Tax Levy Cost

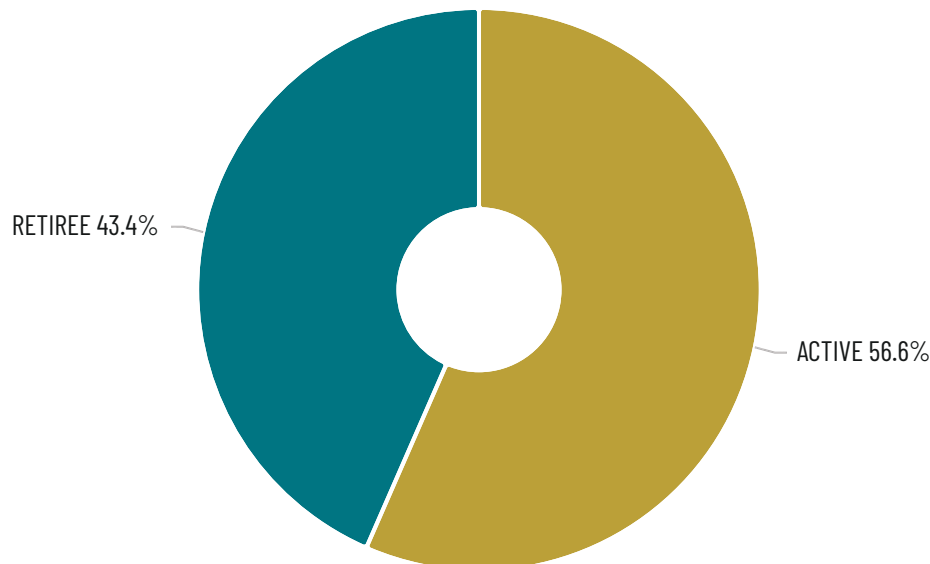


Health & Dental Benefits Overview

The County allocates its benefit costs to active employees and retirees based on estimates provided by various sources, including the health care actuary and the Office of the Comptroller. In some cases, benefits are solely categorized to either active employees (dental insurance) or to retirees (Medicare Part B premium reimbursements).

For health care expenditures, which include medical claims and Medicare Part B premium reimbursements, active employees account for roughly 57 percent of the tax levy funded benefits while retirees account for 43 percent.

Estimate Health Care Levy Costs (In Millions)



The 2027 budget includes substantial increases to health/prescription drug costs and some minor plan modifications to help reduce the amount of increased costs.

Investments in the 2027 Budget include:

Employee Health Clinics: \$900,000 is included in the fringe benefits budget to continue the employee health clinics through 2027. Previously, this service was funded through American Rescue Plan Act (ARPA) which expires in 2026. The goal of these clinics (which have no cost for the employee) is to provide easy access to medical support to both improve the health of employees and decrease the use of more costly medical services.

Flexible Spending Account Increase: In 2027, the County match on employee Flexible Spending Account (FSA) funds increases from \$1,000 to \$1,500. Employees have the option to make pre-tax contributions to these accounts and all contributions up to \$1,500 are matched by the County on a dollar-for-dollar basis.

Based on recent experience, gross health, prescription drugs, and dental costs are expected to increase by a total of \$8.4 million.

The following savings are included for plan design changes, and below is additional description behind these plan changes:

- \$191,100 in assumed revenue increases for a 2% to 5% increase in employee health premiums
- \$546,000 in decreased expenditures to change the maximum covered dependent age from 27 to 26.
- \$113,750 in decreased expenditures to increase emergency room co-pays from \$200 to \$250 – and apply them to coinsurance and deductible.
- \$171,080 in decreased expenditures to increase office visit co-pays from \$30 to \$35 and to reduce the virtual co-pay to \$0.

- \$456,820 in decreased expenditures to increase the deductible from \$1,250/\$2,500 to \$1,500/\$3,000
- \$351,283 in decreased expenditures to reduce the dental annual limit from \$3,000 PPO and Premier to \$2,000 and change basic coinsurance from 100% to 80%

Premium Increase: After holding premiums flat since 2018, 2026 was the first year of modest employee health premium increases. Since 2018, medical inflation and plan costs have risen significantly. The County has therefore continued to cover a larger share of plan costs. An increase of between 2% and 5% moves the employee share closer to the actuarial benchmark of 19%, with most peer organizations falling in the 18–19% range. By moving gradually, we maintain affordability while responsibly moving toward market standards.

Copay Increases (ER/Office Visit): Office visit co-pays are increased from \$30 to \$35 with a corresponding decrease in co-pays for virtual visits from \$49 to \$0. These changes, in conjunction with the continuation of the on-site clinics, are intended to encourage employees use of lower-cost healthcare options and reduce emergency room utilization.

Deductible Increase: Deductible increases for all categories increase between \$36 and \$120 annually to share rising expenditure increases between employees and employer.

Dependent Age: The age of covered dependents is reduced from 27 to 26 to align with federal requirements and industry standards.

Dental/Orthodontic Adjustments: The County's dental plan is unusually generous compared to both public and private benchmarks. Our per-employee dental costs are approximately 15% higher than the database average. By lowering coinsurance levels and reducing annual limits, we reduce costs while still maintaining a competitive benefit. Employees will continue to have access to strong dental coverage, but at a level more in line with the market.

Expenditures in Org. 1950 – Employee Fringe Benefits include:

- Health and dental insurance benefits.
- Third-party administrative costs for health insurance, prescription drugs, dental insurance, and wellness.
- Fees required by the Affordable Care Act.
- Employee Flu Shots.

Pension Benefits Overview

Milwaukee County offers a pension benefit to vested employees through the Milwaukee County Employee Retirement System (ERS). ERS is one of the three public pension systems in the state of Wisconsin. As with health care and dental benefits, the County allocates pension-related costs between active employees and retirees. For 2027, the projected tax levy cost of pension benefits is approximately \$23.1 million. Of this total, approximately 44 percent is allocated to retiree costs and 56 percent is allocated to active employees.

Estimate Pension Levy Costs (In Millions)



The 2027 budget provides total appropriations for pension benefits of \$129.6 million (\$38.6 million budgeted in this org unit, and \$90.0 million budgeted in the fringe benefits – other funding sources org unit). This amount represents an increase of \$5.9 million due to:

- \$8.3 million increase in Wisconsin Retirement System costs. 50% of this cost is offset by employee contributions based on state law.
- \$3.3 million increase in Wisconsin Retirement System costs due to a technical accounting change. In previous budgets, only the County share was budgeted as an expenditure. In 2027 and future budgets, the County and Employee share are both budgeted as expenditures and employee contributions are budgeted as revenues for no net levy change.
- \$5.5 million decrease in Employee Retirement System costs (Normal Cost and Unfunded Liability) based on data presented by the pension actuary
- \$0.3 million decrease in Pension Obligation Bond costs based on the scheduled maintained by the Office of the Comptroller

Tax Levy Supported Pension Costs

Item	2026 Budget	2027 Budget	2026/2027 Change
OBRA Retirement System Contrib.	328,000	412,000	(84,000)
ERS Normal Cost	18,119,336	12,647,500	(5,471,866)
WRS Normal Cost	3,259,827	14,821,345	11,561,518
ERS Unfunded Actuarial Liability	-	-	-
Pension Obligation Bonds	15,354,699	11,762,902	(3,591,797)
TOTAL Pension Expenditures	\$37,061,862	\$39,643,747	\$2,413,855

The portion of pension obligation bonds that are covered by the 0.4% sales tax are budgeted in the Fringe Benefit – Other Funding Sources org unit. The total pension obligation bond payment decreases from \$37.0 million to \$36.7 million. In 2027, \$24.9 million of this amount is covered by the 0.4% sales tax, while the remaining \$11.8 million represents debt service tax levy costs. 50% of the ERS normal cost (\$12.6 million) is also funded by the 0.4% sales tax, along with the entire \$52.4 million ERS unfunded liability payment.