

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** February 14, 2012

**TO:** County Executive Chris Abele  
Milwaukee County Board Chairperson, Lee Holloway  
Supervisor Lynn DeBruin, Vice-Chairperson, Committee on Finance and Audit  
Patrick Farley, Director, Department of Administrative Services

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by Paula Lucey, Administrator, Behavioral Health Division*

**SUBJECT: Notification from the Director, Department of Health and Human Services,  
Regarding a Potential Behavioral Health Division Revenue Shortfall in the 2012  
Budget**

**Issue:**

Milwaukee County Ordinance 56.02 requires department heads to submit written notification to the County Executive, Finance and Audit Committee, and the Department of Administrative Services when potential revenue deficits of \$75,000 or more are identified.

**Background**

In the 2010 Budget, BHD planned to move various operations out of the Day Hospital and into the main Psychiatric Hospital as a cost savings measure. As part of the plan, Wraparound Milwaukee was going to be moved to another County facility. As all of the moves and the consolidation were being planned and executed, a new opportunity arose in which parts of the Day Hospital could be leased to outside vendors, thus creating new revenue for BHD. BHD returned to the Board in March 2010 to ask permission to enter into leases with three outside vendors for space within the Day Hospital. The Board approved the plan and BHD has been renting out the space since that time.

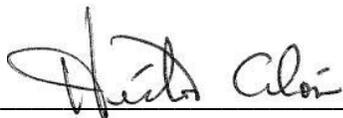
**Discussion**

St. Charles Youth and Family Services Inc. (St. Charles) and BHD had an executed lease beginning April 1, 2010 for approximately 35,000 square feet for a day treatment program for their clients. The total annual rent amount of the lease is \$250,000. Recently, St. Charles notified BHD that their enrollment in the program has decreased and they would like to decrease their space by 50% for the lease renewal beginning April 1, 2012. This translates into a \$125,000 potential revenue deficit for BHD.

**Recommendation**

In consideration of the potential deficit, BHD Operations and Wraparound Milwaukee staff has started to identify possible tenants for the vacated space. In addition, BHD is looking into the possibility of using the space differently to meet the changing needs of the department as we move forward with the redesign process. BHD is hopeful that they can cover the entire amount of the deficit and will continue to monitor the situation and overall BHD revenues.

BHD will include this potential deficit in the 1<sup>st</sup> Quarter report and will also inform the County Executive and County Board of any updates in potential new tenants or other revenue options.



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Héctor Colón, Director  
Department of Health and Human Services

cc: Supervisor Peggy Romo West, Chairperson, Health and Human Needs Committee  
Amber Moreen, County Executive's Office  
Tia Torhorst, County Executive's Office  
Terrence Cooley, Chief of Staff – County Board  
Pamela Bryant, Fiscal and Budget Administrator – DAS  
Steve Cady, County Board Staff