

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: April 22, 2022 – **Revision Date: May 11, 2022**

To: Marcelia Nicholson, Chairperson – Milwaukee County Board of Supervisors

From: Maria Perez, Chairperson -- Milwaukee County Mental Health Board

Subject: From the Milwaukee County Mental Health Board Chairperson Providing a Report Regarding Cost of Living and Pay Grade Adjustments for Behavioral Health Services Employees

File Type: Informational Report

BACKGROUND

As Chair of the Mental Health Board, I would like to inform the Personnel Committee of a significant personnel issue that impacts County BHS employees and a recent action taken by the Mental Health Board to address said issue. This report is informational in nature and provided as a courtesy to ensure that the Personnel Committee is abreast of this matter.

At the December 9, 2021, meeting of the Milwaukee County Mental Health Board, the Director of the Office of Strategy, Budget, and Performance reported all Milwaukee County employees across the board, including all Behavioral Health Services (BHS) employees, would receive a 2% pay increase by way of a cost-of-living adjustment (COLA). Milwaukee County employee pay ranges would adjust to encompass the COLA including employees at the top of their pay ranges.

BHS pay ranges have not been adjusted since 2015, therefore, affected BHS employees have been excluded from receiving previous COLA increases. This fact raises critical questions relating to equity within and across departments. Employee morale and retention is paramount given all of the pressures upon BHS staff stemming from the pandemic and with the anticipated closure of the hospital.

REPORT

At the February 24, 2022, Milwaukee County Mental Health Board meeting, the Director of the Office of Strategy, Budget, and Performance provided a memo confirming that all general BHS employees, whose wages are not collectively bargained, will receive the

2% COLA effective April 3, 2022. In addition, all BHS pay ranges would be adjusted accordingly.

At this meeting, the Mental Health Board cited State Statute Chapter 51.42(6m)(i) which provides the Board authority to establish salaries and personnel policies. It was noted during the discussion that the Mental Health Board had previously delegated its authority over personnel administration at an operational level but did not intend to delegate its authority in setting policy. (Refers to August 27, 2015 Mental Health Board Meeting.) The Board then passed a motion to rectify this discrepancy retroactively and correct it going forward.

Discussion of this item is detailed in the 2/24/22 meeting minutes:

Department of Administrative Services Quarterly Update on the State of Milwaukee County's Interests and Matters Related to the Behavioral Health Division and Follow Up on the Cost-of-Living Adjustment (COLA) for Behavioral Health Division Employees at the Top of Their Pay Ranges.

Joseph Lamers, Director, Office of Strategy, Budget, and Performance
Dean Legler, Director, Compensation Division, Human Resources

Mr. Lamers stated the early planning stages have begun for the 2023 Budget process, which includes forecasting the County's fiscal position. Budget instructions for departments will go out in April. A budget gap is projected for 2023 based on ongoing structural deficit factors in part due to limitations on raising revenue. The structural deficit on an annual basis, however, reflects a pattern of the deficit declining, which is positive considering what has been seen in past years. Progress was made on County spending in the areas of healthcare and prescription drug expenses and department spending. The County's fiscal challenges were reviewed.

Mr. Lamers stated it was pointed out at the Board's December meeting certain staff within Behavioral Health Services have not received the County's across-the-board COLA in previous years if they were at the top of their pay range based on a decision made by the Compensation Division. He confirmed all general employee positions not collectively bargained will receive the 2% wage increase this year, which will be effective the April 3, 2022, pay period. Position pay ranges, which have been subject to this, will be adjusted. Employees who fall within their pay ranges will have their pay ranges adjusted as well.

Vice-Chairwoman Neubauer reminded her colleagues the pay ranges in place for Behavioral Health Services (BHS) were rejected to be implemented county-wide by the County Board. BHS was used as the pilot for the new pay range implementation in 2014, which has resulted in the lack of BHS pay range adjustments. Considering the County Board decided the new pay ranges were unacceptable to be put in place county-wide, she questioned why this Board would feel they were acceptable for BHS employees. Every Milwaukee County employee receives a COLA year after year

regardless of salary or whether they are at the top of their pay range. The Board heard Mr. Lamers testify to this fact at the December meeting. There are no criteria for receiving a COLA. However, BHS employees and only BHS employees at the top of their pay ranges have been blocked from receiving something literally every County employee receives. She stated she's concerned because to say this doesn't open Milwaukee County up to litigation would be false. Vice-Chairwoman Neubauer asked if the Director of Human Resources, the County Executive's Office, and the County Board were aware of this issue. She referenced State Statutes, 51.42(6m)(i), which addresses the Mental Health Board's authority to establish salaries and personnel policies. She discussed past actions taken by the MHB where this authority was delegated to the BHS Administrator. She acknowledged based on the report provided, all BHS employees will get the upcoming 2% COLA for 2022. However, there were employees who did not get the COLA from 2015 through 2021.

Mr. Legler stated BHS's quasi-broad banded ranges were put in place in 2014. It was understood the ranges would stay where they were and if job markets priced out of the band or grade they were in, they would progress to a higher grade through reallocation. With respect to a broad banded grade, everyone is not aligned at the top. This issue doesn't affect everyone, just to those at the maximum of a grade. The whole premise behind the broad banded grade is once you hit the maximum of a grade, you would stop progressing. If an employee wanted more income, they would progress to another job of higher value at a higher grade within the organization. When you are in a broad banded structure, you don't keep elevating pay once it hits the maximum rate. A review will be done as to the two different pay structures. When asked, Mr. Legler confirmed all County employees outside of BHS at the top of their pay ranges, regardless of salary, have always received COLAS. BHS employees at the top of their range were essentially the only employees blocked from receiving COLAS.

Discussion ensued at length.

Board Member Lutzow indicated this is an equity issue with grounds for contention. He stated it is important for this Board to not be viewed as complicit in this matter. He stated the issue of complicity is what he really wants highlighted. There are morale and retention of staff issues associated. It is important BHS employees know where the Board stands. It sends a message.

MOTION BY:(Lutzow) By the Authority Granted to the Milwaukee County Mental Health Board Under ACT 203 (Chapter 51.41), the Milwaukee County Department of Human Resources, Compensation Division, is Hereby Directed to adjust the Behavioral Health Services' (BHS) Pay Range Minimum and Maximum Pay Steps Dating Back to 2015; Retroactively Compensate all Cost of Living Adjustments (COLAs) Dating Back to 2015 Including Interest, and Adjust Pension Calculations Accordingly Using Funds Set Forth in BHS's Budget Surplus, which Were Previously Specifically Designated for this Purpose to Make All Affected Employees, Past and Present, Whole. All Future COLAs Implemented County-Wide from This Day Forth will Include All BHS Employees. A Supporting Report

on Implementation of This Directive is to be Provided to This Body at the April Meeting. 6-1-2

MOTION 2ND BY: (Neubauer)
AYES: Drake, Ginlack, Lutzow, Neubauer, Perez, and Wesley – 6
NOES: Lavrenz - 1
ABSTENTIONS: Eilers and Forman - 2
EXCUSED: Lanier – 1

Mr. Lamers stated next steps, from the Administration’s standpoint, will be to determine the fiscal impact and review the County-wide approval requirements.

_____ END OF MINUTES _____

The Mental Health Board has requested that an update regarding implementation of this item from the Office of Strategy, Budget, and Performance be presented at its April 28, 2022, meeting. The fiscal impact is not yet fully known but anticipated to be within the range of prior years’ reserve funds.

Revision to Include Update as Follows:

Please see the attached memo from the County Executive Chief of Staff and the Director, Office of Strategy, Budget, and Performance entitled “Administration’s Response to Proposed Across-the-Board Pay Increases at BHD”.

April 28, 2022 Mental Health Board Meeting minutes have not been approved yet.

RECOMMENDATION

This report is Informational.

ATTACHMENTS

February 22, 2022, memo from the Director of the Office of Strategy, Budget, and Performance

April 26, 2022 memo from County Executive Chief of Staff and Director, Office of Strategy, Budget and Performance (SBP)

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