

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: September 15, 2011

TO: Supervisor Peggy Romo West, Chair – Health & Human Needs Committee
Supervisor Joe Sanfellipo, Chair – Personnel Committee

FROM: Geri Lyday, Interim Director, Department of Health and Human Services
Candace Richards, Interim Director, DAS-Human Resources

SUBJECT: **From the Interim Director, Department of Health & Human Services and the Interim Director, Department of Human Resources submitting an informational report regarding the transition of the Department of Health Services (DHS) employees and the Department of Children and Families Services (DCF) employees to the State**

Issue

DHHS and DAS-HR are submitting a joint informational report requested by the Chairperson of the Health and Human Needs Committee to provide an update on the conversion of Milwaukee County Income Maintenance and Child Care employees to State employment.

Background

In January 2009, the State Departments of Health Services (DHS) and Children and Families (DCF) assumed control of the Income Maintenance (IM) and Child Care programs from Milwaukee County as authorized by Wisconsin Acts 15 and 28. Under this arrangement, the employees working for the IM or Milwaukee Enrollment Services (MILES) unit and Child Care or Milwaukee Early Care Administration (MECA) unit still maintained their county employment but were supervised by the State.

The 2011-2013 State Budget authorized the conversion of 271.5 full-time equivalents (FTEs) (208 currently filled) assigned to IM effective January 1, 2012. In addition, DCF has requested that the 73 FTEs (61 currently filled) assigned to Child Care be converted to State positions effective October 1, 2011 as part of a passive review process being conducted by the Legislature's Joint Finance Committee in mid-September. This would mean that by January 1, 2012 all of the authorized IM and Child Care positions will be converted to the State.

State DHS submitted the attached letter dated 6/29/11 to county IM employees explaining the changes resulting from the transfer. In addition, county Child Care employees were first notified of the 10/1/11 conversion in the attached DCF letter dated 8/30/11.

Discussion

DHHS and HR have met with Corporation Counsel, Department of Administrative Services, Labor Relations and Employee Benefits to discuss the impacts to employees, particularly

regarding fringe benefits. This group had a general conference call with DCF to address these personnel issues given the October 1 effective date. Based on these discussions, we are developing a fact sheet for employees to guide them on the benefits changes. We hope to release this document soon. However, there are several outstanding questions that still need to be addressed by the State and some issues that will require an opinion by Corporation Counsel on Milwaukee County's position covering areas such as pension and unemployment compensation.

The following bullet points represent the information we have confirmed so far:

Income Maintenance (MILES)

- Employees are competing for positions through an interview process conducted by the State to be completed in mid-September & the county will receive a list of employees who have not been selected by the end of November. Some employees will be retained & others may not be retained.
- Employees hired by the State will be required to resign from their county positions by 12/30/11
- All employees hired by the State will become members of the Wisconsin Retirement System (WRS) except for those who aren't vested
- Per changes in the State Budget, the county must maintain employees who are not currently vested in the Milwaukee County Employee Retirement System (ERS) until they are vested (at five years of service) and the State will reimburse the county the employer contribution. There are currently 57 employees who will not be vested as of December 31, 2011.

Child Care (MECA)

- All county Child Care employees will be appointed to State Child Care positions effective 10/1/11. Unlike the IM staff, there is no competitive interview process for this staff.
- Within 10 days of their appointment to State positions, these employees can opt in writing to remain in the county's ERS and the State will reimburse the county the employer contribution.

Pending Court Action

On September 9, DC-48 filed a restraining order to temporarily halt the transfer of MECA county employees to state service. Although DC 48 no longer has a collective bargaining agreement with the County, DC 48 does have a collective bargaining agreement with the State. This collective bargaining agreement was negotiated with the State at the time the State initially took over IM and Child Care in 2009. Milwaukee County was not included in this negotiation. Depending upon the action of the court, this could affect the date by which the MECA employees transition to State employment. A hearing is scheduled for September 21.

Coggs Lease

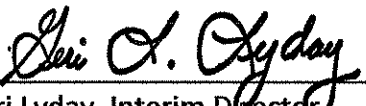
MILES and MECA primarily operate out of the Marcia P. Coggs Center under a lease DHS holds with DHHS. DHHS and DAS met recently with DHS to discuss the State's future plans and were told that DHS will likely remain at the Coggs Center in 2012. However, DHS could not commit to a lease beyond 2012 at this time.

Fiscal Effect

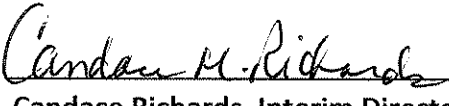
The conversion of the Income Maintenance and Child Care employees to State employment has an overall negative fiscal impact to Milwaukee County. The State currently reimburses the county for the personnel costs including the legacy costs associated with these employees. Once these employees transition to the State, the county will no longer be reimbursed for approximately \$5.9 million (\$4.9 million for IM and \$1 million for Child Care) in legacy costs estimated for 2012. These costs will need to be addressed by the County.

Recommendation

There is no recommendation. This report is informational only.



Geri Lyday, Interim Director
Department of Health and Human Services



Candace Richards, Interim Director
Department of Human Resources

Attachments

cc: County Executive Chris Abele
Tia Torhorst, County Executive's Office
Terrence Cooley, Chief of Staff – County Board
Patrick Farley, Director, Department of Administrative Services
Pamela Bryant, DAS Interim Fiscal and Budget Administrator
Scott Manske, Controller
Antionette Thomas-Bailey, Fiscal and Management Analyst, DAS
Jennifer Collins, County Board Staff
Jodi Mapp, County Board Staff