

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/28/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director, Department of Health and Human Services, requesting approval of a retention package for employees affected by the restructuring of the Behavioral Health Division

FISCAL EFFECT:

- | | |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input checked="" type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	500,000	0
	Revenue	500,000	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
- A. BHD is seeking authorization to implement a retention package for employees affected by the budgeted downsizings of both Hilltop and Central in 2014. The intent of the retention package is to stabilize staffing to ensure that appropriate levels of patient care are maintained during these downsizings.
- B. Originally, the 2014 County Executive's Budget included a cost estimate of \$1 million for the retention package. The package being proposed currently reflects a total maximum cost of \$500,000. This reduction from the original cost of \$1 million reflects the restoration of employees attached to the Community Support Program and Adult Acute Unit as part of the 2014 Adopted Budget.

The \$500,000 retention package funds salary bonuses for Hilltop and Central employees remaining in active BHD employment until the closures are complete. The closures are staggered throughout 2014 with targets dates being May 1 and November 1 for the complete closure of Hilltop and July 1 for the closure of one Central unit. Depending upon the specific classification, bonuses are calculated at 15 percent or 20 percent of an employee's gross salary.

The department is requesting to cover this additional cost through the transfer of \$500,000 in funding from the County's Contingency Fund to a salary line (object 5323) in BHD. DHHS has submitted a fund transfer in the April cycle to reflect this request.

- C. There is no tax levy impact associated with approval of this request.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

D. The overall cost assumes all employees at risk for layoff will remain in active employment until their unit is closed.

Department/Prepared By Clare O'Brien, DHHS Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CDPB Staff Review? Yes No Not Required