

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: February 22, 2022
TO: Maria Perez, Chairwoman, Milwaukee County Mental Health Board
FROM: Joe Lamers, Director, Office of Strategy, Budget and Performance (SBP)
SUBJECT: SBP Quarterly Update to Mental Health Board

OVERVIEW:

The Mental Health Board meeting agenda for February 22, 2022 includes a quarterly update from the Office of Strategy, Budget and Performance (SBP). The Director of SBP will provide updates pertaining to the County budget and compensation.

2023 Budget Planning

The Office of Strategy, Budget and Performance (SBP) is in the process of planning for the upcoming budget year, including updating fiscal projections for 2023, and preparing operating budget instructions and guidance for departments to be distributed in April. Capital budget instructions pertaining to the 2023 budget have already been distributed to departments.

SBP is currently projecting the County operating budget gap for 2023 to be in the range of approximately \$10 million to \$15 million, with the range depending on various factors pertaining to expenditures and revenues. This gap is part of an ongoing structural funding deficit whereby revenues are restricted by State statutes and expected to grow by approximately 1%, whereas expenditures are projected to grow by over 2%, based on inflationary increases, and increased costs for employee benefits and compensation. Actions will need to be taken to close the budget gap during the budget process. A more detailed report with projections is in the process being prepared for County Board in March and can be presented to the Mental Health Board at a future meeting.

Compensation Update

The 2022 Adopted Budget for Milwaukee County includes a 2% salary increase for general employees, effective April 3, 2022. At the Mental Health Board meeting on December 9, 2021, a question was raised about whether all general employees in BHD would receive this 2% salary increase. The question was raised given that in previous years, some employees did not receive annual increases if they were already at the top of their existing pay range.

This memo confirms that all general BHD employees, whose wages are not collectively bargained, will receive a 2% increase effective April 3, 2022. This 2% raise will also apply to staff who are at the top of the pay range. In addition, all pay ranges for general employees will be adjusted for the 2% increase.

The 2022 Adopted Budget also includes \$2.5 million in funding for pay equity increases which are planned to be awarded at mid-year in 2022, based on results of a compensation study which is

underway by the Department of Human Resources. Additional information on distribution of pay equity adjustments is expected to be available at mid-year.

Conclusion

This report is provided for informational purposes. No action is needed.

Joe Lamers
Director
Office of Strategy, Budget and Performance

Cc Dean Legler, Director of Compensation