

Fiscal Estimate Narratives

DHS 2/11/2014

LRB Number	13-3513/1	Introduction Number	AB-0718	Estimate Type	Original
Description Milwaukee County mental health functions, programs, and services, creation of the Milwaukee County Mental Health Board, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Milwaukee County Mental Health Board (MCMHB), attached to the Department of Health Services (DHS), to oversee the provision of and allocate moneys to mental health programs and services in Milwaukee County. The MCMHB would make the final determination on mental health policy in Milwaukee County, facilitate delivery of mental health services in an efficient and effective manner by making specified commitments, and attempt to achieve costs savings in the provision of mental health program and services in Milwaukee County. Under this bill, the MCMHB would replace the Milwaukee County board of supervisors in all mental health functions that are typically performed by a county board of supervisors.

In addition, this bill specifies the MCMHB must allocate moneys for mental health functions, programs and services in Milwaukee County within an annual base budget of \$177,425,000, with certain specified adjustments.

The Department anticipates this bill will create costs for DHS for support and operation of the MCMHB. The bill requires the Milwaukee County board of supervisors to arrange for the payment of board expenses under an agreement with DHS, with funding for these expenses provided from the base budget for all mental health programs and services in Milwaukee County. Under the bill, the MCMHB is required to meet four times each year and at other times on the call of the chairperson or a majority of the board's members. Assuming the 13 member board meets six times annually, the Department anticipates board expenses to be \$52,300 PR annually (Total includes, travel: \$14,300; LTE support: \$28,000; and printing: \$10,000).

The bill also potentially creates financial exposure for the Department for the cost of mental health services in Milwaukee County. The MCMHB would be attached to Department under s. 15.03, which provides that "budgeting, program coordination, and related management functions shall be performed under the direction of the [secretary of the Department]." The bill establishes a Milwaukee mental health services base budget equal to \$177,425,000. It can be increased in future years only by the consumer price index (CPI) for urban consumers or by the percentage increase in the property tax levy, whichever is less. The base budget can also be increased if the Board transfers to itself an additional function, service, or program. However, these budget adjustment mechanisms would not accommodate an increase in service demand exceeding the urban CPI or property tax increases or increases in enrollment in mental health programs. The bill amends s. 51.42(1)(b) to provide the board's responsibility to providing services to people with mental illness or substance abuse is limited to what it can reasonably provide within the limits of available state and federal funds and required county matching funds. However, in practice, counties must also provide court ordered services for individuals committed to the county's care, even if it would need to spend additional county funds to do so. If Milwaukee County experiences an increase in the number of commitments and court ordered services, then service costs could exceed \$177,425,000. Given that the board is attached to the Department for budget, program coordination, and related management functions, the bill could be read to give DHS fiscal responsibility for costs above the \$177,425,000.

It is not possible to estimate the potential cost liability. As an illustration, if costs increase by 5% above the adjusted base budget level in the bill, the cost liability would be \$8.9 million.

The local fiscal impact of this bill is not possible to determine. MCMHB decisions will guide policy and resource allocation and could result in either an increase or decrease in costs. For this reason the local impact is indeterminate.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Milwaukee County mental health functions, programs, and services, creation of the Milwaukee County Mental Health Board, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs	52,300		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$52,300		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (MCMHB)	52,300		
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS (MCMHB (Milwaukee Co))	52,300		
SEG/SEG-S			
TOTAL State Revenues	\$52,300		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$52,300		\$
NET CHANGE IN REVENUE	\$52,300		\$
Agency/Prepared By		Authorized Signature	Date
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