



COUNTY ADMINISTRATOR
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TO: Martha Kern, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Mark Ptaszek, Interim Director
Community Mental Health

DATE: September 5, 2001

SUBJECT: A Resolution Approving the Budget for Community Mental Health
for 2001 – 2002 and amending the 2000-2001 Budget

BOARD ACTION REQUESTED:

It is requested that the Washtenaw County Board of Commissioners approve a budget in the Community Mental Health Department for fiscal year 2001-2002 and amending the 2000/2001 budget..

BACKGROUND:

The Community Mental Health Department expects an increase in revenue of \$152,304 in the contract with WCHO for fiscal year 2001-2002. In prior years, WCHO contracted with the Public Health Department for nursing services for the Elderly Waiver services. In this budget year, CMH will hire the nurses directly. WCHO revenue will increase by \$152,304 to CMH to cover this expense. Revenue in the grants and contracts line will increase by \$23,742 due to a contract with Juvenile Court for mental health services.

Salaries for CMH employees are projected to increase by \$698,853. CMH will set aside 13.0 FTE currently vacant positions, reducing expenses by \$675,111. The remaining increase of \$23,742 will be funded by the revenue contract with Juvenile Court. The vacant positions will only be filled with the receipt of additional revenue and with the approval of the budget office.

DISCUSSION:

Personnel costs comprise 80% of the CMH budget and expense. Increases in salaries are negotiated by the various bargaining units with County Administration. The increases include regular pay increases and base salary increase. Other line items expenses continue to be closely monitored for any savings possible but at this point the expense reduction has to be obtained from the personnel line item.

Transfer of the nursing positions directly to CMH will result in more efficient operations, reducing the administrative costs of the contract to Public Health.

We are also requesting an adjustment to the current (2000-2001) CMH budget to reflect the revenues and expenses listed in the contract between the Washtenaw Community Health Organization (WCHO) and CMH. Because this is the first year of operation as a service provider to WCHO, the budget estimated in September 2000 was tentative until the final contract was signed. The contract reflects an increase to the current budget of \$1,474,925 or 10%.

IMPACT ON HUMAN RESOURCES:

The identified vacant positions will be set aside. These positions will only be filled with the receipt of additional revenue and with the approval of the budget office. Other critical clinical positions will continue to be filled. Positions that will generate revenue will continue to be filled.

IMPACT ON BUDGET:

For 2000-2001, the budget adjustment of \$1,474,925 (10%) will bring the total revised budget to \$16, 123,959. For 2001-2002, CMH's total expenditures and revenues will increase by \$176,046 over the revised 2000-2001 budget of \$16,123,959. CMH has a balanced budget.

IMPACT ON INDIRECT COSTS

None.

IMPACT ON OTHER COUNTY DEPARTMENTS OR AGENCIES:

None.

CONFORMITY TO COUNTY POLICIES:

This action conforms with all appropriate County policies.

ATTACHMENTS:

Budget document.

A RESOLUTION APPROVING THE BUDGET FOR THE COMMUNITY MENTAL HEALTH DEPARTMENT FOR FISCAL YEAR 2001 – 2002.

WASHTENAW COUNTY BOARD OF COMMISSIONERS

September 19, 2001

WHEREAS, the Community Mental Health Department (CMH) has projected an increase in revenue of \$176,046 for next fiscal year; and

WHEREAS, the personnel expenses comprise 80% of the CMH budget; and

WHEREAS, salary expenses are projected to increase by \$698,853; and

WHEREAS, Community Mental Health will hold open a pool of 13.0 vacant positions saving \$675,111 until additional revenue is received; and

WHEREAS, Community Mental Health will have a balanced budget, and

WHEREAS, CMH requests a budget adjustment for fiscal year 2000-2001 to reflect the contract between the Washtenaw Community Health Organization and CMH; and

WHEREAS, this matter has been reviewed by the County Administration, the Finance Department, Human Resources, Corporation Counsel and the Washtenaw County Ways and Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby approves the Community Mental Health Department Budget for Fiscal Year 2001 – 2002 as attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby approves a budget adjustment to the fiscal year 2000-2001 CMH budget, as attached hereto and made a part hereof.

COMMUNITY MENTAL HEALTH
FUND 2930
10/1/01 –8/30/02

REVENUE	<u>Current</u>	<u>Revised</u>	<u>Variance</u>
50000 Federal Revenue	0	386,510	386,510
54000 State Revenue	0	456,964	456,964
58000 Local Revenue	0	0	0
60000 Fees & Services	0	15,122,736	15,122,736
67000 Other Revenue & Reimbursement	0	333,795	333,795
Total:	0	16,300,005	16,300,005

EXPENDITURE

70050 Personal Services	0	12,669,161	12,669,161
72600 Supplies	0	166,526	166,526
80000 Other Services & Charges	0	1,529,076	1,529,076
94000 Internal Service Charges	0	1,858,742	1,858,742
95000 Capital Outlay	0	76,500	76,500
Total	0	16,300,005	16,300,005

COMMUNITY MENTAL HEALTH
 FUND 2930
 10/1/00 – 9/30/01

REVENUE	<u>Current</u>	<u>Revised</u>	<u>Variance</u>
50000 Federal Revenue	318,960	386,510	67,550
54000 State Revenue	477,227	456,964	(20,263)
58000 Local Revenue	4,500	0	(4,500)
60000 Fees & Services	13,542,947	14,946,690	1,403,743
67000 Other Revenue & Reimbursement	305,400	333,795	28,395
Total:	14,649,034	16,123,959	1,474,925

EXPENDITURE			
70050 Personal Services	10,473,313	12,493,115	2,019,802
72600 Supplies	333,173	166,526	(166,647)
80000 Other Services & Charges	2,885,903	1,529,076	(1,356,827)
94000 Internal Service Charges	890,840	1,858,742	967,902
95000 Capital Outlay	65,805	76,500	10,695
Total	14,649,034	16,123,959	1,474,925