

1. Agenda

WASHTENAW COUNTY
BOARD OF COMMISSIONERS
Administration Building Board Room
220 N. Main Street
Ann Arbor, MI
[WASHTENAW COUNTY WEBSITE](#)

2. Roll Call

3. Pledge Of Allegiance

4. Citizen Participation

5. Commissioner Follow-Up To Citizen Participation

6. Resolutions

6.I. 1. WAYS & MEANS – August 7, 2019

- A. A resolution approving the recommendations of the County Administrator for balancing the FY 2020 Community Mental Health Budget, and directing the County Administrator to deliver the recommendations to the Washtenaw Community Mental Health Board

Documents:

[5 1 A ADMINISTRATORS RECOMMENDATION FOR CMH FY20 BUDGET AS AMENDED RESOLUTION.PDF](#)

7. Adjournment

Next Board Meeting
[September 4, 2019]
Board Room, Administration Building
6:45 p.m.

Ways & Means Committee
[September 4, 2019]
Board Room, Administration Building
6:30 p.m.

A RESOLUTION APPROVING THE COUNTY ADMINISTRATOR'S RECOMMENDATIONS AS NECESSARY TO ASSIST THE WASHTENAW COUNTY COMMUNITY MENTAL HEALTH BOARD TO BALANCE COMMUNITY MENTAL HEALTH'S FY 2020 BUDGET

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 22, 2019

WHEREAS, in September, 2018, CMH submitted a FY 2019 budget to the Board of Commissioner for review and approval for the fiscal year beginning October 1, 2018; and

WHEREAS, on October 8, 2018, John Martin, CMH Board Chair, submitted a correspondence to the Board of Commissioners outlining financial challenges facing CMH, and by extension Washtenaw County; and

WHEREAS, the financial challenges facing Washtenaw County's CMH result in large part from the State of Michigan's systemic underfunding of mental health services throughout the State of Michigan; and

WHEREAS, the communication proposed establishing a workgroup including designees from the Board of Commissioners, CMH Board, as well as County and CMH Administration to be charged with exploring solutions to the ongoing financial challenges; and

WHEREAS, a workgroup was established and had an initial meeting on Monday, December 10, 2018. It was agreed that the workgroup would meet on a monthly basis for 1-hour prior to each CMH Board meeting; and

WHEREAS, on February 20, 2019, the Board of Commissioners, through resolution #19-033 formally established the CMH Funding Task Force and defined its scope of purpose as follows: ***the Mental Health Funding Task Force shall be charged with finding viable funding solutions for this stated CMH funding challenges and present such findings in a formal communication to the Board of Commissioners and the Washtenaw County Community Mental Health Board;*** and

WHEREAS, as part of resolution #19-033, taskforce membership was defined and expanded to include CMH Board members, BOC members, organized labor leadership, CMH Administration and County Administration; and

WHEREAS, the Task Force engaged in many hours of discussion encompassing a wide range of information that was provided by all members, including a review of all available options for addressing the budget deficit; and

WHEREAS, In March, BOC Leadership and County Administration requested an independent data analysis of CMH revenue and expenditures; and

WHEREAS, the vendor Rehmann Robson was selected to review and compare FY18

cost structures, rates and correlating services, as well as regional and state-wide benchmark for a comparison of services and rates that are provided by CMH as set forth by the State Mental Health code; and

WHEREAS, the report was completed mid-May and highlighted areas where CMH operations were differed from the state-wide or the region average costs and for specific service codes. The report recommended the following actions be taken to right size CMH to current State funding levels.

- Analysis of Utilization of services by CMH population
- Productivity of Internal Staff
- Compensation of Internal Staff
- Productivity of External Providers; and

WHEREAS, at the request of the Chair of the Board, Community Mental Health and County Administration and Organized Labor Leadership each developed deficit reduction/elimination options and ideas for CMH's FY 2020 budget which were discussed at Strategic Workgroup meetings; and

WHEREAS, on June 7, 2019, CMH provided to the Strategic Workgroup their CMH Contingency FY2020 Deficit Elimination Plan with options totaling \$10,348,832; and

WHEREAS, on July 10, 2019 the County Administrator provided to the Chair of the Board a draft recommendation for balancing CMH's FY 2020 budget. These recommendations were then shared with the Board of Commissioner Leadership team, discussed in small groups with other Board of Commissioners and shared with the CMH Board; and

WHEREAS, the draft recommendation incorporates the options for a deficit elimination plan that were presented by CMH and by the County Administrator; and

WHEREAS, these recommendations are intended to be implemented in a sequence that reflects that options with a broader scope and impact will take longer to fully develop and implement than recommendations with a narrower focus, and that full realization of the reductions necessary to align expenditures with revenues could take as long as 18 months, and to account for these timelines General Fund funds have been identified to provide short term support to CMH in FY 2020 if needed; and

WHEREAS, the estimates associated with this plan may be different than included in this document, and will likely require adjustments as revenue and expenditure changes are calculated; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners acknowledges that the State of Michigan has systemically underfunded

critical mental health services throughout the State resulting in many mental health services providers, including the Washtenaw County Community Mental Health Service Provider, to experience significant budget deficits.

BE IT FURTHER RESOLVED that the Board of Commissioners acknowledges that under the Mental Health Code, the County's CMH Board is charged with providing a draft budget to the Washtenaw County Board of Commissioners in sufficient time to enable the Board of Commissioners to approve a final budget on or before October 1, 2019.

BE IT FURTHER RESOLVED that given the relatively short time frame for the County's CMH Board to provide a draft budget, it is imperative that the attached recommendations be formally communicated to the CMH Board in a timely fashion.

BE IT FURTHER RESOLVED the Washtenaw County Board of Commissioners directs the County Administrator to work with the Washtenaw County Community Mental Health Board to incorporate these recommendations, as needed, in the FY 2020 Community Mental Health budget.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners approves the options listed in the Administrator's Recommendation for Balancing Community Mental Health's FY 2020 Budget, as attached hereto, and made part hereof.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners intend to approve a Community Mental Health budget for FY 2020 which incorporates, as necessary, the recommended options and any other identified strategies that are consistent with the principles of the recommendation to align revenues and expenditures.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners withdraws the option identified to **'reduce Community Living Support contracted provider rates temporarily'** in the estimated amount of \$1,506,000 and will commit to utilizing general fund balance to offset said amount. However, in the event Washtenaw County Community Mental Health realizes more than \$2,000,000 in additional State revenues for FY 2020 through Medicaid rate increases, additional funding up to \$3,500,000 will be utilized in the place of general fund balance.

BE IT FURTHER RESOLVED THAT the Washtenaw County Board of Commissioners directs the County Administrator to pursue ongoing financial support for mental health services from the major health systems operating in Washtenaw County, including both Michigan Medicine and Trinity Health; that this support would include reductions in hospital reimbursements billed to Washtenaw County Community Mental Health, reimbursements for services provided to these health systems, and direct financial support for the benefit of mental health programming provided through Washtenaw County; and that any such support would further lessen the proposed reductions in the CMH FY2020 Budget.

**Administrator's Recommendation for Balancing
Community Mental Health's FY 2020 Budget**

Options to apply to the CMH FY 2020 Budget	
1. Increase in State Revenue - anticipated	\$2,000,000
2. Hiring Freeze – CMH only	\$1,000,000
3. Seek to reduce Administrative Costs by working with the PIHP to ensure that Washtenaw County is fully supported in assisting with delegated functions in compliance with existing contracts	\$1,800,000
4. Employer medical fringe cost reduction	\$ 558,400
5. Building site consolidation with CMH vacating 110 N. 4th	\$ 500,000
6. Move eligible expenses to Millage/CCBHC budgets	\$2,000,000
7. Reduce Community Living Support contracted provider rates temporarily	\$1,506,000
8. Align service delivery cost to available State funding	<u>\$5,400,000</u>
Total	\$14,764,400

Options for General Fund Support for FY 2020	
1. Employer medical fringe cost reduction in 2020 for the General Fund.	\$882,000
2. BOC Economic Development Activities	\$100,000
3. Employee Compensation Study funding	\$900,000
4. BOC Undesignated funds	\$100,000
5. Reduction in general fund appropriation to the Sheriff's Office	\$500,000
6. Reduction in general fund appropriation to Trial Court	\$100,000
7. "Look for \$45,000 in the 2020 Budget"	\$45,000
Total	\$2,627,000