EXPLORING PUBLIC HEALTH SERVICE SHARING & CONSOLIDATION IN OAK CREEK & SOUTH MILWAUKEE

PUBLIC POLICY FORUM

IMPARTIAL RESEARCH. INFORMED DEBATE.

ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken at the request of municipal leaders in Oak Creek and South Milwaukee to explore possibilities for enhanced sharing or consolidation of public health services. We thank officials from the two cities for their financial support of this project, and we hope that elected officials, administrators, and public health stakeholders from the two communities will use the report's findings to inform discussions during upcoming policy debates and budget deliberations.

Report authors also would like to thank the city administrators, public health officials and staff, and other municipal staff who participated in our deliberations and assisted us in our efforts to gather budget and operational data on the two public health departments.

Exploring Public Health Service Sharing and Consolidation in Oak Creek and South Milwaukee

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TABLE OF CONTENTS

BACKGROUND

In December 2016, officials from Oak Creek and South Milwaukee reached out to the Public Policy Forum to participate in a meeting regarding the potential sharing of public health services. The meeting was precipitated by the fact that since June of that year, South Milwaukee's Public Health Officer had been serving as Interim Health Officer on a contractual basis for Oak Creek. With the initial six-month Memorandum of Understanding between the two cities set to expire, the two mayors and administrators were interested in discussing both a short-term extension and the exploration of permanent service sharing or consolidation opportunities.

The request for the Forum's participation stemmed from its previous active role in facilitating service sharing discussions among Milwaukee County municipalities, as well as its experience in researching such initiatives. Since 2011, the Forum has been facilitating a Shared Services and Cooperation Work Group at the request of Milwaukee County's Intergovernmental Cooperation Council. In recent years, it has produced two detailed reports on fire department consolidation in the southern part of Milwaukee County and two reports on consolidated public safety dispatch. The Forum also successfully facilitated efforts to secure a new funding formula for the North Shore Fire Department and to implement the joint purchase of elections equipment by every municipality in the county.

The request also was pertinent given that a survey by the National Association of County and City Health Officials has reported cross jurisdictional sharing between 54% of local health departments nationally.[1] Within Wisconsin, the practice is even more widespread and increasing. A survey of 91 of the 99 local health departments in 2014 indicated that 78% of the respondents are sharing services, up from 71% in 2012.[2]

At the December 2016 meeting, officials from Oak Creek and South Milwaukee agreed that it would make sense to consider a spectrum of service sharing options for the two communities, ranging from the long-term continuation of a shared Public Health Officer to full-scale departmental consolidation. In response, the Forum proposed an analysis that would consider ways in which the two municipalities might share public health staffing and responsibilities with an eye toward ensuring that both communities operate with a Level III designation from the Wisconsin Department of Health Services (the state's highest designation).

This "white paper" is the outcome of that analysis, which was conducted by the Forum with the participation and oversight of the city administrator from each city, as well as active participation from public health officials and staff. The Forum also solicited input from each city's public health board; interviewed public health and administrative officials from Milwaukee County's North Shore to

[1] National Association of County and City Health Officials [Internet]. Washington DC.. 2013 Profile of Local Health Departments. [cited 2015 December 15]. Available from: http://www.naccho.org/topics/infrastructure/profile/upload/2013-National-Profile-ofLocal-Health-Departments-report.pdf

[2] Madamala K, Zahner S, Brown R. Sharing local public health services across jurisdictions: comparing practice in 2012 and 2014. Front Public Health Serv Sys Res 2016;5(2):19–25. DOI: 10.13023/FPHSSR.0502.04

gain insight into the functioning of the consolidated North Shore Health Department; and interviewed the public health officer from West Allis, which provides public health services to West Milwaukee.

This paper provides a potential path forward that can be considered by both governments as they determine whether and how to advance their existing cooperative public health efforts. It is important to note that while the Forum makes no recommendation as to which elements of the proposed path should be selected, our analysis has led us to conclude that enhanced sharing of public health services and responsibilities among the two communities has great potential to enhance programmatic effectiveness and financial efficiency.

CHARACTERISTICS OF STUDY AREA

One of the first questions typically asked by elected officials and citizens with regard to proposals for service sharing or consolidation is whether their own municipality would receive equitable treatment as a result of such an arrangement. Service-level concerns often arise from fears that some participating jurisdictions may have higher demands for service, thus negatively impacting service levels and attentiveness for other participants. Similarly, individual municipalities often worry that the cost allocation methodology will not appropriately reflect their usage and need for the services in question, causing them to subsidize service for their neighbor(s).

Consequently, before considering the possibility of enhanced sharing or consolidation of public health services between South Milwaukee and Oak Creek, it is important for the two potential participants to understand how their respective communities compare to one another with regard to certain demographic and physical characteristics that are logical indicators of service demand and ability to pay. The nature and scope of any differences may impact the viability of enhanced sharing or consolidation, or may dictate that any cost allocation formula appropriately reflect those differences. In this section, we briefly review several such relevant characteristics.

GENERAL DEMOGRAPHICS

The cities of South Milwaukee and Oak Creek cover a combined 33.5 square miles in southeastern Milwaukee County, accounting for about 14% of the county's land area. According to U.S. Census Bureau estimates, the two cities had a combined population of 56,203 in 2015, which was about 6% of the county's total.

General geographic and demographic information for the two cities shows the disparity in size between the two communities, both in terms of population and geography. As shown in **Table 1**, South Milwaukee's population is about three fifths the size of Oak Creek's, while its land area is only about a sixth. The population difference is likely to grow in the future; as shown in the table,

Figure 1: Map of Oak Creek and South Milwaukee

Oak Creek's population grew by 4% from 2011-2015,[3] and that growth is expected to continue at a much faster pace than South Milwaukee's in light of ongoing and anticipated residential construction.

Table 1: General geographic and demographic information, 2015

	Oak Creek	South Milwaukee
Area (sq. miles)	28.45	4.80
Total population	34,974	21,229
Population change, 2011-2015	+1,331	+92
% of residents 65 or older	15.1%	11.1%
% of residents under 18	23.5%	21.9%
% of residents 20 to 34	19.8%	21.9%
Median household income	$65,319	$51,173

Source: U.S. Census Bureau

Certain demographic characteristics are more important to consider than others when contemplating public health services. One such characteristic is age, as elderly populations and populations with a high percentage of children create greater demand for services like flu shots, home visits, and immunizations. Meanwhile, the number of young adults can impact service demands for health issues like sexually-transmitted diseases and drug/alcohol addiction, as well as pregnancy-related services. Oak Creek's population is older than that of South Milwaukee, with 15.1% of its population over the age of 65, as compared to 11.1% in South Milwaukee. Oak Creek also has a slightly larger percentage of its population under the age of 18, while South Milwaukee has a slightly larger percentage between 20 and 34.

Housing characteristics, such as housing density and the number and age of housing units, also can be relevant to the provision of public health services, particularly with regard to efforts to ensure that they are accessible to all residents. **Table 2** shows that the two cities have similar rates of homeownership, but that housing units and households are dispersed over a far greater geographic area in Oak Creek. This suggests additional challenges in Oak Creek for residents seeking to access public health services at one or more centralized locations (particularly for elderly and/or disabled residents who do not drive). The table also shows that South Milwaukee's housing stock is much older, which might suggest greater challenges with regard to lead paint and other housing-related public health issues.

[3] For all of the tables in this section, we use data for the latest year in which it is available.

Table 2: Households and housing units, 2015

	Oak Creek	South Milwaukee
Total housing units	14,395	8,956
% of units in multi-unit structures	43.0%	40.9%
Homeownership rate	59.8%	60.5%
Total households	14,027	8,454
Households per square mile	493	1,761
Median year housing units built	1987	1957

Source: U.S. Census Bureau

Since property taxes play a crucial role in funding municipal public health services, the property wealth and property tax capacity of each city also are relevant factors. **Table 3** shows the 2015 assessed property values of the two cities, as well as 2015 property tax collections (from all sources, e.g. municipality, county, school district, etc.) and tax rates per $1,000 of property value.[4] We see that Oak Creek's tax base relies more heavily on commercial properties, which is one reason why its per capita assessed value is 60% higher than South Milwaukee's. Residential housing values also are considerably higher in Oak Creek.

Table 3: Property values and property taxes, 2015

	Oak Creek	South Milwaukee
Median housing value, owner occupied	$208,800	$155,900
Municipal equalized value	$3,003,919,300	$1,147,266,000
Per capita equalized value	$85,890	$54,042
Commercial equalized value	$904,679,100	$201,223,900
Commercial equalized value as % of total	30.1%	17.5%
Total property tax levy	$71,099,324	$32,054,511
Gross tax rate (per $1,000 equalized value)	$24.08	$28.12

Source: Wisconsin Department of Revenue, Public Policy Forum

HEALTH-RELATED STATISTICS

While size (both geographic and population) and wealth affect the demand for public health services and are important factors to consider when assessing opportunities for distinct communities to share or consolidate services in general, specific public health characteristics perhaps are even more important when considering health department sharing or consolidation. Indeed, analysis of health characteristics can provide a different portrait of the two communities than that gained simply by examining size and prosperity.

[4] The gross tax levy and tax rate reflect property tax payments made by residents to support their local school district, municipality, Milwaukee County, and other taxing entities.

Public health professionals use several types of metrics to gain insight into the general and comparative health of communities. The Wisconsin Department of Health's 2016 Public Health Profiles for South Milwaukee and Oak Creek provide a glimpse of some of these metrics.

Table 4 provides data from the 2016 Profiles relevant to birth outcomes for the two cities. In 2014, South Milwaukee's population was approximately 38% of the total of the two cities and its percentage of total births was 35%, yet it reports proportionally higher birth-related risk factors than Oak Creek in three important categories.

Table 4: 2014 Live birth risk factors for South Milwaukee and Oak Creek

	Oak Creek	South Milwaukee
Total Population	34,710	21,140
Total Births	440	234
Smoker	38	48
Teen Births	13	12
Low Birthweight	28	21

Source: 2016 Wisconsin Public Health Profiles

Table 5 shows that during 2014, alcohol and tobacco played a greater role (proportionally) as an underlying or contributing factor in deaths in South Milwaukee than they did in Oak Creek. In addition, the number of deaths per 100,000 in South Milwaukee attributed to alcohol or other drugs also exceeded that of Oak Creek (as well as the state average).

Table 5: 2014 Deaths linked to substance abuse

	Oak Creek	South Milwaukee
Total Population	34,710	21,140
Number of Deaths	259	216
Alcohol as Contributing Factor in Deaths	1	5
Tobacco as Contributing Factor in Deaths	51	39
Deaths per 100,000 population related to alcohol and other drugs. (Wisconsin: 179.3 per 100,000)	149.8	208.1

Source: 2016 Wisconsin Public Health Profiles

Finally, as shown in **Table 6**, sexually transmitted diseases are a problem in both communities. We provide data on birth risks, alcohol/tobacco deaths, and sexually transmitted diseases because these are areas in which a public health department often is called upon or desires to implement programming and services.

Table 6: 2014 Sexually Transmitted Diseases

	Oak Creek	South Milwaukee
Total Population	34,710	21,140
Chlamydia	84	64
Gonorrhea	9	8

Source: 2016 Wisconsin Public Health Profiles

Given that environmental health is a major component of the health departments of both cities, it also is important to consider data relevant to the number of licensed establishments that are subject to inspections by local public health personnel. **Table 7** shows that as of 2014, Oak Creek housed all of the hotels and motels in the two cities and more than 60% of the restaurants and retail food establishments. It is likely that Oak Creek has many more licensed establishments today as a result of the rapid commercial growth the city is experiencing. That being said, South Milwaukee houses the only pools and nursing homes in the combined region.

Table 7: Licensed establishments

	Oak Creek	South Milwaukee
Camps	1	0
Hotels/Motels	13	0
Pools	22	5
Restaurants	83	53
Retail Food Establishments	44	29

Source: 2016 Wisconsin Public Health Profiles

SUMMARY

When viewed in total, the data in this section illustrate that Oak Creek is larger in population and is likely to grow much faster than South Milwaukee, and that its greater property wealth provides greater wherewithal to pay for the enhanced municipal services that likely will be required to accommodate such growth. At the same time, we see that South Milwaukee's public health needs are greater on a per capita basis than those of Oak Creek, and perhaps comparable overall.

These factors suggest that should the two communities pursue enhanced public health cooperation and/or consolidation, the need to design a cost allocation formula and service delivery framework that would recognize Oak Creek's larger population and projected growth would be tempered somewhat by consideration of South Milwaukee's potential greater demand for public health services on a per capita basis.

DESCRIPTION OF CURRENT PUBLIC HEALTH SERVICES

This section reviews basic activities, staffing levels, and finances of the two public health departments to provide additional context for the consideration of service sharing and consolidation opportunities. As with the characteristics described in the previous section, this information may shed light on the viability of full consolidation. If service levels and expectations for public health services are not aligned in the two communities, then they may not be good matches for a consolidated approach. The information in this section also would be useful in determining an equitable cost allocation formula should consolidation be pursued.

ACTIVITIES

Per State Statutes, municipal governments in Milwaukee County either must establish and operate local health departments or contract with another municipality for public health services. Milwaukee County is unique in this regard; in all other counties, public health largely is a county responsibility handled by the county government or by the county in conjunction with a city government.

Both Oak Creek and South Milwaukee have established independent public health departments that are headquartered in their city hall/administration buildings and that provide a wide range of public and environmental health services. The level and types of services provided by local health departments are determined both by State law and by local prerogative. At minimum, the statutes require that all local health departments employ a full-time public health officer, maintain a board of health as their governing body, and provide the following six services:

- Communicable disease surveillance, prevention, and control
- Generalized public health nursing program
- Services to promote health
- Services to prevent other diseases
- Abatement or removal of human health hazards
- Services to prevent the future incidence of occupational disease, environmental disease, and human health hazard exposure

Local health departments that adhere to those minimal requirements are designated as Level I health departments. The State's Department of Health Services (DHS) also has established service requirements for two additional levels (Level II and Level III) that local health departments may pursue at their discretion. Those that achieve higher levels are eligible for slightly larger amounts of grant funding from the State.

In addition to meeting the Level I requirements, Level II departments must provide or arrange for at least seven programs or services that address at least five health priorities in the current State health plan. Level III departments must provide or arrange for 14 such programs or services.[5] (See

[5] The State plan, *Healthiest Wisconsin 2020,* can be found at https://www.dhs.wisconsin.gov/hw2020/report.htm.

the Appendix for a listing of the 14 program areas currently provided in Oak Creek and South Milwaukee.) Local health departments that aspire to higher levels also must hire public health officers with higher degrees of education and experience as stipulated by DHS. Oak Creek and South Milwaukee both are currently designated as Level III health departments (South Milwaukee elevated its designation from Level I to Level III just days before this report was released).

Table 8 outlines the major public health activities and 2015-16 activity levels for the South Milwaukee and Oak Creek health departments, while **Table 9** shows school-specific activities conducted by the two departments.[6] We see that for several of these activities, South Milwaukee has had comparable or higher activity levels despite its smaller population. This may be attributed – at least in part – to the greater public health need in South Milwaukee revealed in the previous section.

Table 8: Public health activities

	Oak Creek		South Milwaukee	
	2015	2016	2015	2016
Nursing Contacts	1372	1189	791	767
Lead Screening Follow Up	14	18	17	16
Sexually Transmitted Diseases (cases)	111	109	98	113
Reported/Investigated Communicable Diseases	210	215	173	231
Immunization Clinic Clients/Total Vac.	258/370	222/307	406/523	403/536
Adult Seasonal Flu Vac.*	176	163	295	293
Blood Pressure Screenings	134	89	60	42
TB Skin Tests	116	152	131	126
Crib Program (cribs provided)	8	7	n/a	9
Car Seat Program (inspections & installations/car seats provided)	72/9	113/15	n/a	19/5

* South Milwaukee's totals are boosted by the provision of flu vaccines to city employees.

Table 9: School services activities*

	Oak Creek		South Milwaukee	
	2015	2016	2015	2016
Vision Screening	65	80	701	759
Head Lice (# of cases)	19	32	45	22
Health Education Contacts**	875	887	49	48
School Immunization Audits	n/a	n/a	3,534	3,505
Total School Service Contacts**	940	967	750	759

* Wide variances in activity levels may be explained by programmatic differences. For example, South Milwaukee nurses conduct all vision screenings in schools, while Oak Creek nurses only do re-screenings. Also, Oak Creek does health education presentations in public schools, while South Milwaukee has trained public school staff to conduct such presentations and only conducts them in private schools.
** Contacts refer to interactions with nurses

[6] Some data were not available for both communities because of differences in record keeping.

Local health departments also are required to conduct "environmental health" services. Per the Wisconsin Statutes, environmental health "means the assessment, management, control, and prevention of environmental factors that may adversely affect the health, comfort, safety, or well-being of individuals."[7] Environmental health activities typically include licensing and inspections of restaurants, hotels/motels, public swimming pools, etc.; human health hazard investigations; beach monitoring; and services to address radon, asbestos, pest management and similar issues. To conduct these activities, health departments typically employ registered sanitarians, who have been verified by the State to possess appropriate education and experience to take corrective action to protect human health.

Table 10 identifies major environmental health services undertaken by the two municipalities and activity levels in 2015-16. We also include data for the cities of Cudahy and Saint Francis, which participate with South Milwaukee in an Environmental Health Consortium that is housed in South Milwaukee. South Milwaukee dealt with more environmental complaints, issued more citations, and does significantly more beach water testing than does Oak Creek. Oak Creek has higher activity levels than South Milwaukee in most other environmental service categories, however, which is not surprising given its larger number of commercial establishments.

Table 10: Environmental services

	Oak Creek		South Milwaukee		Cudahy/St. Francis	
	2015	2016	2015	2016	2015	2016
Inspections	364	311	257	283	409	384
Beach Water Testing	27	31	119	111	0	0
Beach Advisories	7	5	2	1	0	0
Beach Closures	1	0	2	1	0	0
Rabies Control Cases	42	47	49	37	23	27
Sharps Collections (containers)	332	333	26	27	0	0
Sharps Container Sold/Given Out	300	300	17	18	0	0
Radon Kits Distributed	195	188	n/a	41	0	0
Complaints	62	38	132	107	74	76
Orders Issued	334	613	277	322	337	389
Citations Issued	0	0	4	4	0	0
Lead Hazard Investigations	0	2	2	0	0	2

[7] Wisconsin Statutes, Section 254.01.

PERSONNEL AND BUDGETS

For our analysis of health department personnel and budgets, we use 2017 budgeted positions and compensation levels.[8] As noted above, Oak Creek's health officer position currently is vacant, with the position filled on an interim, contractual basis by the South Milwaukee health officer. However, because that has not been determined to be a permanent state of affairs, our analysis assumes that the Oak Creek health officer position is filled as reflected by the 2017 budget.

The 2017 budgeted staffing composition and associated budgeted salary expenditures of the two health departments are shown in **Table 11**. Part-time positions were converted to full-time-equivalents (FTEs) to allow comparison. The table shows that the two departments have similar total staffing levels, despite the difference in population and geographical size. However, South Milwaukee's provision of environmental health services for Cudahy and Saint Francis must be taken into account.

Table 11: Health department staffing (FTEs) and budgeted salary expenditures, 2017[9]

	Oak Creek	Salary Expenditures	South Milwaukee	Salary Expenditures
Public Health Officer	1	$84,999	1	$92,195
Deputy Public Health Officer	1	$70,556	0	
Senior Public Health Nurse	0		1	$67,854
Public Health Nurse*	1.95	$115,950	1.6	$106,795
Public Health Specialist	1	$63,126	0	
Sanitarian**	1.4	$89,482	0.2	$7,163
Environ. Health Specialist	0		1	$79,779
Clerk***	1.35	$39,067	1.6	$69,723
Total	**7.7**	**$463,180**	**6.4**	**$423,509**

*Oak Creek uses 1 FT and 2 PT nurses; So. Milwaukee uses 1 FT and 1 PT

** Oak Creek uses 1FT and 1 PT Sanitarian; So. Milwaukee uses an Environmental Health Specialist and a PT Sanitarian on a contract

*** Oak Creek uses 3 PT clerks and So. Milwaukee uses 1 FT and 1 PT

There are some distinctions with regard to staff composition. For example, Oak Creek employs a Deputy Public Health Officer, while South Milwaukee employs a Senior Public Health Nurse instead. Analysis of the position descriptions shows that the two positions are quite similar, however, with both involved in the supervision of staff and data collection/evaluation, and with both assigned to be the "next in charge" in the absence of the Public Health Officer. Also, the Deputy Public Health Officer in Oak Creek must be a licensed Registered Nurse.

Another distinction is Oak Creek's employment of a Public Health Specialist (in addition to 1.95 FTE Public Health Nurses) and South Milwaukee's employment of an Environmental Health Specialist instead of a full-time Sanitarian. Oak Creek's Public Health Specialist differs from a Public Health Nurse in both cities in that the specialist is not required to possess a nursing degree and performs only non-clinical functions related to program development and implementation, research, grant

[8] All tables in this section were prepared using information from budget documents or supplied per our request by the two cities; we performed no original analysis on spending or revenue totals.

[9] Each community also contracts for medical advisory services on an as-needed basis.

writing, etc. Conversely, there is very little difference between the job responsibilities and educational/licensing requirements of South Milwaukee's Environmental Health Specialist and Oak Creek's Registered Sanitarian.

Both departments expressed difficulty in attracting and retaining public health employees. This concern is especially acute with regard to filling part-time nursing positions. Turnover affects human resource costs in terms of hiring and training and also is detrimental to program stability. Having sufficient staff for cross-training and redundancy also is at issue in the two relatively small departments.

With regard to compensation levels, the two cities are relatively comparable. In **Table 12**, we show the 2017 budgeted salaries for the full-time positions employed by the two departments. The pay for Public Health Nurses is similar, while South Milwaukee pays more for its Public Health Officer and its Environmental Health Specialist draws a considerably larger salary than Oak Creek's Registered Sanitarian. However, experience also must be taken into account, as higher salaries may be attributable to advancement through pay ranges over several years of service (and in the case of the Oak Creek Public Health Officer, the vacant position was set at the lowest rung of the pay range).

Table 12: Health department salaries of full-time positions, 2017 budgets

	Oak Creek	South Milwaukee
Public Health Officer	$84,999	$92,195
Deputy Public Health Officer	$70,556	
Senior Public Health Nurse		$67,854
Public Health Nurse	$63,126	$64,875
Public Health Specialist	$63,126	
Sanitarian	$64,232	
Environ. Health Specialist		$79,779

Table 13 provides 2017 budgeted expenditures for the two departments. Personnel costs account for the vast majority of each department's total expenditures, so it is not surprising that total departmental expenditures align closely with staffing levels. It also is important to note that certain departmental costs – such as accounting, human resources, and information technology – are budgeted centrally and are not reflected in health department budgets.

Table 13: Budgeted health department expenditures, 2017

	Oak Creek	South Milwaukee	Total
Salaries	$463,180	$423,509	$889,193
Fringe Benefits	$131,919	$141,426	$273,345
Office Supplies	$8,000	$4,472	$12,472
Operational Supplies	$12,100	$27,433	$39,533
Other Expenses	$15,800	$53,334	$28,559
Total	**$630,999**	**$650,174**	**$1,281,173**

A few additional notes are in order regarding budgeted health department expenditures:

- The fact that South Milwaukee's budgeted fringe benefit expenditures exceed those of Oak Creek – despite Oak Creek having more FTEs and spending more on salaries – should not necessarily be construed to mean that South Milwaukee's fringe benefit structure is more generous. Various factors may contribute to this anomaly, including their mix of full-time and part-time staff, the eligibility of part-time staff to receive benefits, and whether individual employees receive individual or family health care benefits.

- Unallocated grant expenses for South Milwaukee represent the share of State grant funds for emergency preparedness and other programming that has not been specifically designated in the budget for salaries, fringe benefits, or other expenditures. It is uncertain at this time how those dollars will be allocated, but it is appropriate to include them in the table given that they have been budgeted and given that they show up in our revenue table below.

- Operational supplies include items that are necessary for programming and services, such as flu vaccines, clinical supplies, etc. These are distinct from office supplies, which are clerical-related.

- Other expenses include miscellaneous items like utility costs, training, travel, office equipment maintenance, etc. For South Milwaukee, these expenses also include various contractual services and equipment purchases linked to grants.

A breakdown of 2017 budgeted revenue sources supporting each health department is shown in **Table 14**. Property taxes are the largest source of revenue supporting health department operations in both cities. The second largest source is fees for licenses and inspections related to environmental health, while the third is grants. Additional sources include fees associated with clinic visits (in both cities these fees only are assessed to those who say they can afford them) and Medicare or Medicaid reimbursement. With regard to the latter, neither city currently is aggressively pursuing such reimbursement.

Table 14: Health department budgeted revenue sources, 2017

	Oak Creek	South Milwaukee	TOTAL
Property Tax Levy	$467,670	$434,252	$901,922
Environmental Health Fees	$77,200	$117,114	$194,314
Fees/Medicare/Medicaid Reimb.	$8,000	$10,200	$18,200
Grants	$78,129	$63,608	$139,133
Intergovernmental		$25,000	$25,000
Total	**$630,999**	**$650,174**	**$1,281,173**

The grant totals received by the two health departments are comprised primarily of formula-based grants from the State, a substantial portion of which involve a pass-through of monies from the federal government. The largest source of grant funding for both departments is for emergency preparedness (this consists of both preparedness/bioterrorism funds and a smaller grant linked to a "Cities Readiness Initiative"). Of South Milwaukee's $61,004 in budgeted grants, $36,270 is linked to those emergency preparedness categories, while $44,921 of Oak Creek's $78,129 is linked to

emergency preparedness. Other smaller formula-based grant categories include maternal and child health; immunizations; prevention; and lead.

In addition to receiving these formula-based grants, the two health departments often receive grants linked to new state or federal initiatives that typically are short-term in nature and for which they must apply. One such grant that both cities will receive in 2017 is a Wisconsin Department of Transportation grant linked to activities to promote use of child car seats. It is important to note that in some cases, grants require a sizable property tax levy match from the recipient community.

Finally, because South Milwaukee administers an Environmental Health Consortium that also provides services to Cudahy and St. Francis, it segregates its environmental health expenditures and fee revenues and uses those figures to allocate shares of the net cost of the consortium to the other two municipalities. In **Table 15**, we show the breakdown of 2017 budgeted expenditures and revenues for the South Milwaukee consortium, and in **Table 16** we similarly break out the finances of Oak Creek's environmental health activities.

Table 15: South Milwaukee Environmental Health Consortium budget, 2017

Expenditures	Amount
Salaries	$95,851
Fringe Benefits	$34,288
Office Supplies	$472
Operational Supplies	$9,734
Other Expenses	$3,584
Administrative Charge	$7,500
Total	**$151,429**

Revenues	Amount
Fees/Licenses	$117,114
Cudahy/St. Francis Revenue	$17,500
South Milwaukee Tax Levy	$17,400
Total	**$152,614**

Table 16: Oak Creek environmental health budget, 2017

Expenditures	Amount
Salaries	$99,153
Fringe Benefits	$28,741
Office Supplies	$330
Operational Supplies	$1,800
Other Expenses	$8,987
Total	**$139,011**

Revenues	Amount
Fees/Licenses	$77,200
Oak Creek Tax Levy	$61,811
Total	**$139,011**

We see that total expenditure amounts for environmental health are similar, though Oak Creek allocates a considerably larger amount of local resources, budgeting about $62,000 of property tax levy in 2017 as compared to the $35,000 in tax levy contributed by South Milwaukee, Cudahy, and St. Francis to the Environmental Health Consortium. This may reflect, in part, Oak Creek's lower fee structure for licenses and inspections. It should be noted, however, that Oak Creek recently updated its fee schedule, which should increase fee revenue and reduce the city's actual property tax levy allocation in 2017.

SUMMARY

Despite their differences in geographical size and population, South Milwaukee and Oak Creek provide similar types and levels of public and environmental health services and devote remarkably similar amounts of resources (including property tax levy) and staffing to deliver those services. Staffing structures also are similar, with the exception of a Public Health Specialist employed by Oak Creek (no similar position exists in South Milwaukee, though similar duties are handled by nurses).

While similarity of services and expenses is not a prerequisite for successful service sharing or consolidation initiatives, it can make it easier for communities to reach agreement on such initiatives. One common obstacle to service sharing or consolidation is the fear that the service or activity demands of one partner will subsume those of the other(s). That would not appear to be a factor in this case given the two cities' similar service levels and activities. Another obstacle involves developing a mutually acceptable means of allocating costs, which is not as imposing if the partners already are dedicating similar amounts of resources, as is the case in South Milwaukee and Oak Creek.

OBSERVATIONS

Our analysis of public health data pertaining to the local health departments in Oak Creek and South Milwaukee paints a broad picture of local health needs and the resources and activities currently devoted to meeting those needs. Our review of this data produced several broad observations that are relevant to the discussion of potential enhanced service sharing or consolidation by city leaders. We have organized these observations into four categories: Public Health Services, Human Resources, Fiscal, and Organizational Support.

PUBLIC HEALTH SERVICES

The two cities appear to be operating very similar public health programs that emphasize environmental health, emergency preparedness, communicable disease functions, maternal and child health, and public health promotion. This is reflected by the fact that both have received Level III designations from the State.

South Milwaukee appears to have slightly higher individual public health needs based on known risk factors. While this would appear to suggest the potential need for greater public health expenditures, the fact that many health department programs are preventative in nature – as opposed to treatment-based – means that the cost of programming should be comparable, a point that is verified by our financial analysis. The preventative nature of many program elements also means that sharing or consolidating may offer opportunities for efficiencies, as preparatory work and program development could be performed just as easily for two communities as for one.

We also observe that professional staff in the two small departments have little opportunity to develop expertise in specific programmatic areas, but instead are called upon to "put out fires" as pressing public health issues or problems emerge. Shared programming or consolidation may offer greater opportunity for staff to develop specialization in areas such as reproductive health or maternal and child health, as well as in public health education and outreach. Specialization not only would hold potential to enhance and strengthen program offerings, but it also could provide greater capacity to enlarge existing offerings and develop new programs.

In the area of environmental health, Oak Creek's needs clearly exceed those of South Milwaukee with regard to health inspections because of its larger and growing numbers of hotels/motels and restaurants. However, the fact that South Milwaukee provides inspections for Saint Francis and Cudahy makes the operations of the two departments comparable in size. In addition, other elements of environmental health services – including rabies control, beach testing, air quality, lead abatement, and response to complaints – are not necessarily factors of population or commercialization. Environmental health services is an area that lends itself particularly well to service sharing because of the ease of charging based upon activity levels. In fact, a shared service cost allocation structure based upon activity level already is well-established in the current South Milwaukee Environmental Health Consortium.

HUMAN RESOURCES

The current staffing levels and organizational structures in the South Milwaukee and Oak Creek health departments also create opportunities for service sharing or consolidation. In part because of their small size, both departments use part-time employees to help meet nursing, clerical, and sanitarian responsibilities. In some instances, such as environmental health services, use of part-time employees may be ideal given fluctuating/seasonal demand. In other instances, however, reliance on part-time staff may reduce program stability and limit specialization.

In addition, both South Milwaukee and Oak Creek have experienced difficulty in recruitment, particularly with respect to recruiting part-time public health nurses (Oak Creek also had a very difficult time recruiting a full-time sanitarian). A consolidation model likely would afford the opportunity to make greater use of full-time nurses, which could aid in both recruitment and retention. It also may provide an ability to establish salary ranges for key positions like sanitarians that approximate those of larger nearby health departments, thus improving recruitment.

We also note that each department employs individuals with specific skill sets that would provide value if shared with the other department. A primary example is Oak Creek's Public Health Specialist, who has the education and training to handle data gathering/analysis and similar tasks, which primarily are left to nurses in South Milwaukee. In addition, individual Public Health Nurses in both communities possess specific skills and expertise that could be effectively utilized in the neighboring community.

Finally, we observe that both small departments have little choice but to require staff to pitch in on tasks that fall outside of their area of expertise. For example, it appears that both sanitarians and nurses must perform clerical functions at times. A transition to a larger, consolidated department could eliminate that need.

A word of caution regarding potential consolidation also is necessary from an HR perspective. To the extent that merging the two departments – or shifting positions and responsibilities based upon a shared services model – could necessitate transferring staff members' employment from one municipality to the other, issues are likely to emerge regarding treatment of previous service time, retirement benefits, etc. Careful thought will be required as to how to protect staff members from loss of benefits or seniority if a transfer of employment is necessary.

FISCAL

Both municipalities are operating similar programs with similar costs and revenue structures. Employee salaries and benefits also appear to be closely aligned. Differences do exist, however, in current environmental health fee structures and in public health reimbursement policies and practices. Creating one fee structure and one set of reimbursement policies could be important for successful service sharing. Opportunities also exist to develop a robust medical billing system and, in fact, the groundwork for such a system already has been laid through the purchase by both municipalities of the same billing software and efforts to develop Medicaid billing proficiency in Oak Creek.

We also observe that while municipal spending on public health services is somewhat tied to statutory obligations, considerable discretion exists as to the *level* of State-mandated health services that need to be provided and the precise types of programs and services that are offered. This point has bearing on the question of whether a quest for financial savings should be the main driver of service sharing and consolidation, as we find that such savings likely would be linked much more to decisions on the types and intensity of public health services to be delivered than on organizational structure.

We would argue that the desire for more efficient and effective service delivery is a far more important rationale for pursuing public health consolidation than a desire for financial savings. As will be revealed in the following section, a consolidated health department offers opportunity to enhance both service quality and intensity while spending about the same amount of money that is currently being spent by the two communities combined. If the desire, however, is to save considerable dollars, then the two cities may be better off looking instead to which existing health department services might be eliminated or scaled back.

ORGANIZATIONAL SUPPORT

Public health department consolidation has proven to be successful in other locations in metro Milwaukee, including West Allis/West Milwaukee and the North Shore Health Department. It also is important to note that some public health-related service sharing already is occurring in South Milwaukee and Oak Creek. Clients from both communities are served by West Allis' WIC program. South Milwaukee provides environmental health services to Saint Francis and Cudahy. Both departments partner with other local health care providers and the local school systems.

Nevertheless, moving beyond the current status to enhance service sharing (or to pursue consolidation) will require considerable planning, which we would suggest must be transparent and inclusive. In particular, it will be important to obtain buy-in from staff, who may already feel left out of the planning process and who undoubtedly will have concerns about their own future in an enhanced service sharing model or a consolidated department.

Other local health departments that have implemented consolidation models report this apprehension as typical, and say it diminishes as the employees share in the implementation and gain experience working together. However, it will be important for both cities to involve staff members in decisions regarding the structure of future services as plans move forward.

RECOMMENDATIONS

Based on our analysis, we conclude that opportunities exist for the health departments in South Milwaukee and Oak Creek to create efficiencies and program improvements by expanding and formalizing existing shared services arrangements and moving toward full consolidation. We recommend, however, that the path toward full consolidation take place in a phased manner, and that the phased approach be constructed in such a way that each phase can stand alone in the event that the two municipalities wish to move no further after each individual phase.

Our recommendation for such an approach is based on the following factors:

- The condensed timeframe associated with this initial analysis precluded us from performing a full financial analysis of the impacts of consolidation. Our high-level analysis finds that, at worst, consolidation should be cost neutral for the two cities, while producing certain programmatic advantages for each. However, a phase-in period of several months would allow sufficient time for that conclusion to be verified.

- Several personnel-related issues would need to be addressed should full consolidation be pursued. Those include consideration of whether long-time employees of one of the two governments would need to switch their employment to the other government under a consolidation model and, if so, how certain retirement benefits should be treated. Again, this initial analysis did not delve into such details.

- While we touch upon the issues of governance and cost allocation for a full consolidation model, lengthier discussion and negotiation would be required to resolve both, and to consider how the decision on where to house the consolidated department would impact back office and/or other indirect costs for the host community. Again, a phased-in approach would allow time for such deliberation and also would allow the two parties to stop short of full consolidation if those issues cannot be resolved to their mutual satisfaction.

In the pages that follow, we lay out a proposed phased approach toward a fully consolidated Oak Creek-South Milwaukee Public Health Department. Again, this approach could be followed as presented, or any portion of it could be used as a stand-alone implementation. However, we do believe that a decision to move forward should, at the very least, reflect strong interest in considering eventual full consolidation.

PHASE I: SHARED ADMINISTRATION

Phase I has been partially implemented through the current agreement between Oak Creek and South Milwaukee to share a Public Health Officer, but it can be expanded upon and strengthened as follows. Implementation of this phase could begin immediately.

Public Health Officer

We recommend that the "interim" status of the shared Public Health Officer be removed and that this be considered a permanent status (until such time as full consolidation occurs, if it does occur).

Doing so would require approval from the Wisconsin Department of Health Services (DHS), and such a request should be submitted immediately.[10]

While the current agreement to share the Public Health Officer has been well received, it would be bolstered by clearer definition of the structure of the shared operation and clearer role identification. Some employees appear to have experienced uncertainty about to whom they report and how to get issues resolved. This can be remedied by clearly laying out the roles of the Public Health Officer and better communicating those roles to all employees in the two departments.

The Public Health Officer needs to be visible in both communities and accessible to employees in both locations. Ideally, a fully functional office for the Public Health Officer would be maintained at both sites.

In addition to ensuring compliance with all State-mandated duties and responsibilities, the Public Health Officer would be charged specifically with leading the following endeavors for both communities:

- Assessment/Planning
- Reporting (to the community and public bodies)
- Contract management
- Communications
- Representation at local, state, regional, and national public health-related meetings
- Representation at Board of Health and Common Council
- Liaison to Mayor and City Administrator
- Management supervision

The Public Health Officer also would need to ensure that all requirements for a Level III designation from the Wisconsin Department of Health Services are fulfilled, assuming that the two communities wish to maintain those designations.

Financial and logistical considerations

Initially, we would envision that the cost of the position would be split evenly between both cities. Because the Public Health Officer currently is an employee of South Milwaukee, it would make sense for her to remain with that city until or unless such time as a full consolidation model is pursued.

Given that both cities have budgeted for a full-time Public Health Officer in 2017, merging the two positions would produce a financial savings. Consideration could be given to allocating a portion of those budgeted savings to an expansion of unmet public or environmental health needs. For example, it is possible that sufficient savings would materialize to hire an additional full-time public health nurse that could be shared between the two departments; alternatively, a half-time position ostensibly could be added while still preserving a portion of the savings for each city's bottom line, or

[10] Preliminary discussions with DHS indicate that having one Public Health Officer preside over the two communities may be problematic if the intent is not ultimately to consolidate. It also is possible that any concerns could be addressed by elevating a Deputy Public Health Officer in one of the communities on an interim basis, though that may temporarily impact efforts to maintain a Level III designation.

the current vacant half-time position in South Milwaukee could be converted to a full-time position, with nursing duties performed in both communities.

Deputy Public Health Officers

Building on the current agreement to share the Public Health Officer, shared administration could be advanced by formalizing the appointment of the current Senior Public Health Nurse in South Milwaukee and the Deputy Public Health Officer in Oak Creek as second in command at each of the two municipalities. We would recommend enhanced collaboration among the two individuals so that, collectively, they could provide greater support for the Public Health Officer as she manages the two distinct departments. Some cross training also could occur to allow each of those positions to serve as a back-up for the other during vacation or other absences. Roles for these positions should be parallel and would need to be clearly defined and shared with employees.

Financial and logistical considerations

None at this time.

Environmental Health Services

We recommend that Oak Creek join the South Milwaukee Environmental Health Consortium. South Milwaukee's Environmental Health Specialist would continue to be the lead staff member for the consortium and would continue to report to the Public Health Officer.

Adding Oak Creek to the consortium is a natural outgrowth of the decision to permanently share a Public Health Officer. In addition, it would produce economies of scale with regard to the conduct of inspections in all four communities and allow for greater combined expertise and leadership in light of the skill sets of the full-time individuals employed by the two cities.

Furthermore, we perceive from our interviews that greater efficiency and leadership will be required to address environmental health responsibilities in Oak Creek, which has seen its number of restaurant and hotel establishments grow, and which may be facing a backlog in terms of inspection activity. South Milwaukee's experienced Environmental Health Specialist could be extremely helpful in that regard, while the close working relationship that would be forged with Oak Creek's full-time Registered Sanitarian could promote effective succession planning.

Additional benefits of a larger consortium staff would include enhanced back-up during vacations and unanticipated absences; greater capacity for staff to attend trainings and meetings with the State; and greater opportunities to conduct educational, prevention, and other environmental health activities not directly related to inspections.

Financial and logistical considerations

The consortium would continue to be housed in South Milwaukee, and its Environmental Health Specialist position would have expanded responsibilities to direct and supervise the functions of the full-time and part-time Sanitarian positions who would transfer from Oak Creek to become South Milwaukee employees. We have no recommendation as to whether those positions would continue

to be physically housed in Oak Creek or move to South Milwaukee. One of Oak Creek's part-time clerical staff currently devotes the equivalent of 0.2 FTE hours to environmental health, and those hours could be devoted to the expanded consortium, redeployed to other clerical functions in Oak Creek, or eliminated.

With regard to cost allocation, we suggest that Oak Creek's payment be based on the approach currently used by South Milwaukee to bill Cudahy and St. Francis (which is based on activity levels and population). That option was suggested when the possibility of having Oak Creek join the consortium was brought before policymakers in 2016. At that time, it was estimated that Oak Creek would pay $30,000 in 2017 to receive environmental health services from the consortium.

Finally, both cost allocation and programmatic effectiveness would be impeded by the fact that Oak Creek and South Milwaukee maintain distinct fee structures and environmental health ordinances. Efforts should be made to standardize those elements if Oak Creek joins the consortium.

Data Collection/Dissemination and Grant Responsibilities

Strong consideration should be given to sharing the services of the Public Health Specialist currently employed by Oak Creek. Both communities possess data, grant management, and task force-related needs that would best be handled by an individual with the skill sets possessed by Oak Creek's Public Health Specialist (as opposed to nurses). Ostensibly, adding South Milwaukee to her data and organizational responsibilities should not produce a vast increase in workload, as such responsibilities can almost as easily be handled for two communities as for one. We would recommend, however, that should such sharing occur, tasks currently handled by the Public Health Specialist that are not directly related to her job description be transferred to nurses or clerical staff in Oak Creek, or perhaps to South Milwaukee's part-time Public Health Technician,[11] who could be similarly shared. Additional shared service roles for this position would need to be defined. Care would need to be given to schedule time to adequately oversee responsibilities in both locations.

Financial and logistical considerations

Ostensibly, if a Public Health Specialist employed by Oak Creek spends some of her time addressing data and grant responsibilities in South Milwaukee, then Oak Creek should be billing South Milwaukee for that time. However, if this arrangement allows the Public Health Officer to deploy South Milwaukee's Public Health Technician to handle some tasks in Oak Creek, and if some additional South Milwaukee nursing time is freed up for joint programming, then the costs could largely offset each other. We recommend that this new arrangement be piloted over the remainder of 2017 to determine whether that is the case and that, in the spirit of cooperation, no dollars change hands.

[11] South Milwaukee employs a part-time individual who spends half of her time as a clerk for environmental health and one tenth of her time as a public health technician.

PHASE II: SHARED ADMINISTRATIVE SERVICES AND JOINT PROGRAMMING

A second phase of service sharing that would stop short of full consolidation – but that also would further advance the two communities toward that outcome – would involve sharing of administrative services and specified programming. This phase could be implemented concurrently or shortly following Phase I, or as part of a more gradual march toward consolidation.

Shared Administrative Services

As the shared Public Health Officer position becomes better defined and more fully implemented, identification of which administrative services could best be combined should become clearer. As a starting point, consideration should be given to possible sharing of databases and related information technology software and services (this should be relatively easy to accomplish given that the two communities already share general IT support services); billing (particularly to Medicaid and Medicare); purchasing (some joint purchasing already has been initiated); and training.

We believe that perhaps the most fruitful area for potential administrative service sharing would involve the development of comprehensive medical billing. For example, the two health departments could work jointly to identify which current services or potential future services are eligible for Medicaid reimbursement, how appropriate structures could be established to seek and maximize such reimbursement, and how the costs associated with implementation of comprehensive medical billing could be shared. It is possible that a single clerical position could be designated and trained to specialize in medical billing and be shared between the two communities.

Joint Programming

With a permanent shared Public Health Officer, the two cities will be better able to identify programs that could be more efficiently and effectively operated to serve residents of both communities. As discussed above, the two departments operate several common or similar programs, and jointly administering at least some of those could eliminate administrative redundancy and produce better programming. Nurses already possessing particular expertise in certain programmatic areas could run those programs in both communities, while other nurses could develop expertise to share across both communities in programmatic areas where such knowledge currently may be lacking.

The following are two sets of programmatic activities that may be suitable for joint implementation:

Car Seat and Crib Programs: During 2016, South Milwaukee served nine residents with its crib program while Oak Creek served seven. In light of these small numbers, a combined program may be more efficient. The car seat program saw 19 checks in South Milwaukee and 113 in Oak Creek. Because this program requires special knowledge, it may make sense for the Oak Creek specialist to absorb the smaller number of inspections done by South Milwaukee. Inspections still could be conducted in both locations, but under the direction of one employee.

Communications and Outreach: Public health promotion is a key activity for both departments. Developing combined education materials and combining classes may lead to efficiencies as well as more effective programs, as employee time would be freed up for increased specialization.

PHASE III: FULL CONSOLIDATION

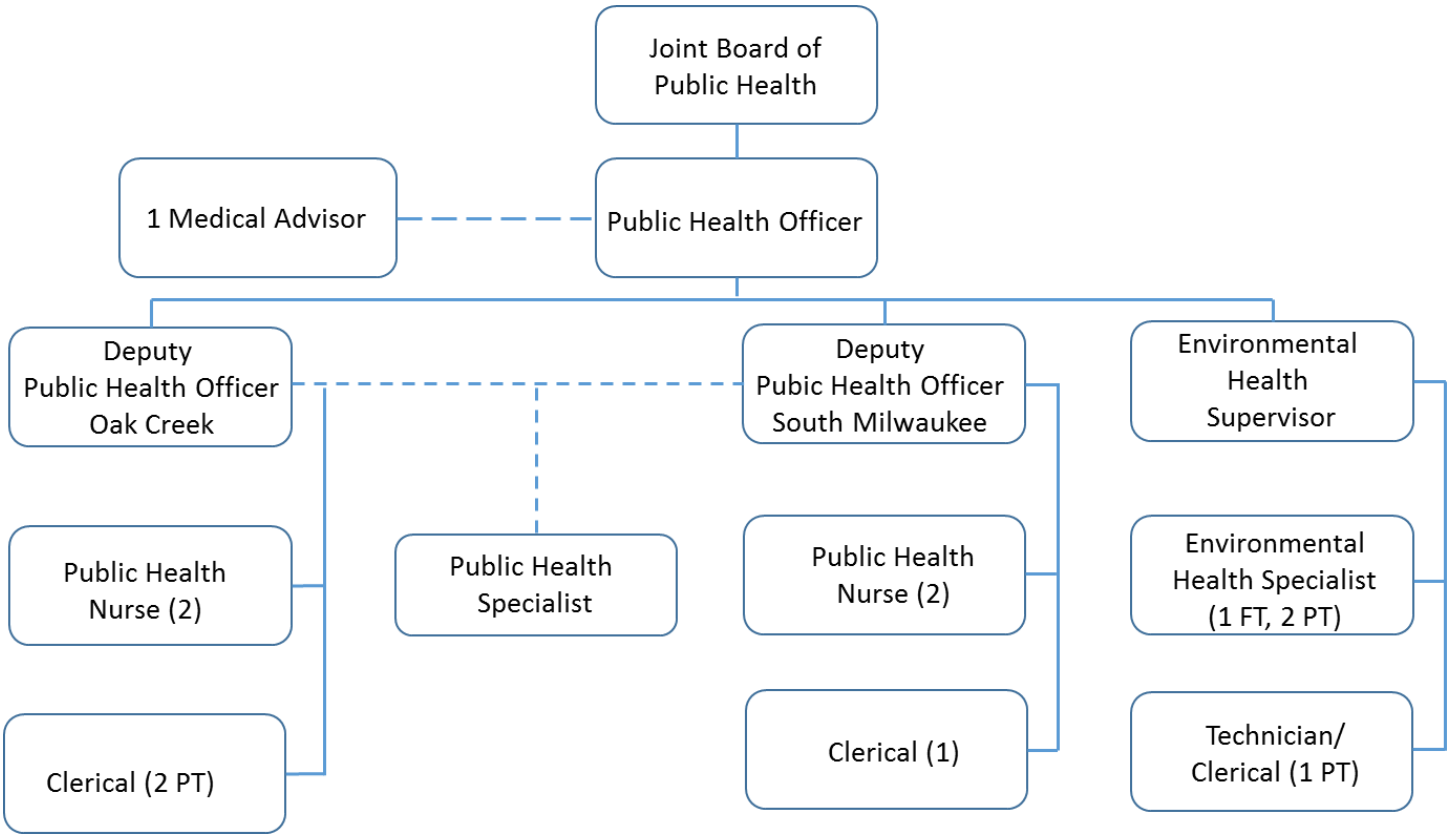
The final phase is full consolidation. Under a full consolidation model, a single, integrated organizational structure would be established to administer a joint health department. In creating such a structure, the two municipalities would need to consider where the new structure would be administratively housed, how its net costs would be allocated, how its employees would be treated in terms of source of employment and compensation, and how it would be governed.

Such decision-making would require considerable deliberation and cooperation by the two communities. The detailed analysis that ultimately would be required is beyond the scope of this initial white paper. However, we do offer some high-level insights and potential answers to those questions below.

Organizational Structure

Chart I illustrates a potential organizational structure for this option that we believe would effectively serve the needs of both communities and maximize staff resources. That being said, we understand that the desire to retain incumbent employees (some of whom may prefer part-time to full-time status) and to address other practical human resource-related considerations may necessitate modifications. Consequently, we consider this proposed structure simply to be a good starting point for discussion.

Chart I: Hypothetical Oak Creek-South Milwaukee Health Department Organizational Chart



This structure assumes that the joint department would maintain two fully-staffed offices at their existing locations in South Milwaukee and Oak Creek. The Public Health Officer would maintain an office in both locations, while each would continue to house a Deputy Public Health Officer/Senior Public Health Nurse to directly supervise nursing staff in each location and back up the Public Health Officer, as described under Phase I. The organizational structure also would include the following features:

- Each location would house two full-time Public Health Nurses, which would represent an increase from the current combined 3.55 FTEs. In addition, each would house the equivalent of one full-time Clerical position (we assume the clerical position in Oak Creek would be two 0.5 FTEs given Oak Creek's current use of part-time clerks), which would be roughly equivalent to current levels of public health clerical support. Both nursing and clerical staff would work across municipal boundaries based on their area of specialty. For example, one of the nurses in South Milwaukee might have expertise in pre-natal care and be assigned to lead such programming in both communities, while we would recommend that one of the part-time clerical staff in Oak Creek develop expertise in billing and reimbursement and handle that task for both offices.

- The Environmental Health Consortium would be housed in one physical location (presumably South Milwaukee) and would consist of one Environmental Health Supervisor, one Environmental Health Specialist (i.e. the full-time Sanitarian position from Oak Creek) , and two part-time Sanitarians (0.4 FTE each). We also envision a part-time (0.5 FTE) clerical position to support the consortium who also would be trained as a Public Health Technician (which would allow the individual to do some limited inspection activities). This structure would provide for increased inspection capacity over current combined resources and over the staffing plan envisioned last year when Oak Creek considered joining the consortium (that plan called for 2.4 FTE program staff vs. the 2.8 FTEs we are proposing). We envision that costs would be allocated among the four communities per the existing approach, which is based on both activity levels and population.

- The Public Health Specialist would be housed in the location that does not house the Environmental Health Consortium (presumably Oak Creek). As discussed in Phase I, that position would be in charge of data collection/reporting, grant management, task force work, and related duties across both communities and would report directly to the Public Health Officer.

- There would be one Medical Advisor who would be utilized as needed on an hourly basis under the direction of the Public Health Officer.

As noted in the previous section, the staffing structure for a hypothetical consolidated health department would be predicated on the value that the community and its elected officials place on public health services. The organizational structure that we have designed is based on an assumption that, at minimum, Oak Creek and South Milwaukee would wish to maintain a level of service that would allow the new department to receive a Level III designation by the State, as well as to successfully pursue accreditation from the Public Health Accreditation Board. We also assume that there would be a desire to address certain gaps in service that were identified in our interviews, such as a backlog of environmental health inspections in Oak Creek.

For context, it is worth noting that health department staffing varies across communities based upon health service needs, citizen expectations, and public policy decisions. For example, the North Shore Health Department employs only 7.2 FTEs, as compared to the 13.3 FTEs in our hypothetical consolidated department. The areas served by the hypothetical Oak Creek-South Milwaukee Health Department and the North Shore Health Department would be similar in population (about 56,000 for Oak Creek-South Milwaukee vs. 65,000 for the North Shore) and geographic size (33.5 square miles for Oak Creek-South Milwaukee vs. 25 square miles for the North Shore), though the North Shore is a wealthier community, which may reflect reduced public health service needs.

In contrast, the West Allis Health Department, which also provides public health services for West Milwaukee, serves a similar population (about 65,000) over 12.5 square miles and employs 37.8 FTEs. The sharp contrast in staffing reflects the much broader range of services provided by the West Allis Health Department. For example, West Allis provides staff support to the Commission on Aging, 2.2 FTEs in support of its senior center, and 10.75 FTEs in support of its WIC program. A more comparable review of environmental and community health services in West Allis shows 4.5 FTEs in environmental services, and 13 in community health (1 director, 8.5 nurses, 2 public health specialists and .1 community health worker).

The North Shore department's lower staffing reflects the comparably low public health service levels that traditionally have been provided in that part of Milwaukee County, as well as citizen expectations. The West Allis model reflects a department with comparably higher public health service levels and citizen expectations. An Oak Creek-South Milwaukee consolidated department similarly could reduce or increase service levels based upon public health expectations in those communities, public health goals, and the funding that is available to support those goals.

Fiscal Impacts

To estimate the fiscal impacts of our full consolidation model, we begin by assigning estimated salary and fringe benefit costs to the organizational chart discussed above. **Table 17** shows our estimated personnel costs for the consolidated department on the public health side, while **Table 18** shows those costs for the Environmental Health Consortium. These are only high-level estimates and they are based on the following assumptions:

- In estimating salaries, we use 2017 budgeted amounts for each position that is unique to South Milwaukee or Oak Creek. Consequently, we do not take into account the fact that salaries for certain positions may need to be increased in light of increased spheres of responsibility. Where there are common positions between the two departments, we use the higher of the two budgeted salaries. Also, for the Environmental Health Consortium, we use the same hourly rates for part-time staff that were used by the two departments during plan development when Oak Creek considered joining the consortium in 2016.

- In estimating insurance benefits, we use a baseline of $21,000 for each full-time employee, which is the approximate value of benefits provided to an employee of South Milwaukee who is on a family health insurance plan. We do not assign insurance costs to part-time employees. Because we have no way of knowing whether full-time employees of the consolidated department will wish to participate in its health care offerings – and if they do,

whether they will seek individual or family insurance – we use 80% of the $21,000 baseline ($16,800) as a proxy and assign that amount to each full-time employee. This may overstate what the actual health insurance cost will be, but we decided to err on the side of being conservative.

- For Wisconsin Retirement System (WRS) pension costs, we use a multiplier of 6.8% of salary, which is the multiplier used by both cities in their 2017 budgets.

- We are silent on the subject of savings for use of a single Medical Advisor on a contract basis. There may, in fact, be minor savings given that one individual would be providing advice that would collectively apply to both communities.

- Our analysis does not take into account "legacy" costs associated with liabilities resulting from post-retirement health care benefits.

Table 17: Public health personnel costs, consolidated department

	# of FTEs	Salary	FICA	WRS	Insurance	Total
Public Health Officer	1	$92,195	$7,053	$6,269	$16,800	$122,317
Deputy Public Health Officer	1	$70,556	$5,398	$4,798	$16,800	$97,551
Senior Public Health Nurse	1	$67,854	$5,191	$4,614	$16,800	$94,459
Public Health Nurse	4	$265,488	$20,310	$18,053	$67,200	$371,051
Public Health Specialist	1	$63,126	$4,829	$4,293	$16,800	$89,048
Clerk	2*	$100,856	$7,715	$6,858	$16,800	$149,030
Total FTE	**10**	**$660,075**	**$50,496**	**$44,885**	**$151,200**	**$906,656**

* We envision one full-time clerk and two 0.5 FTE clerks

Table 18: Environmental health personnel costs, consolidated department

	# of FTEs	Salary	FICA	WRS	Insurance	Total
Environ. Health Supervisor	1	$79,779	$6,103	$5,425	$16,800	$108,107
Environ. Health Specialist	1	$64,232	$4,914	$4,368	$16,800	$90,314
Sanitarian	0.8*	$46,176	$3,532	$3,140		$52,848
Clerk/Technician	0.5	$16,400	$1,255	$1,115		$18,770
Total FTE	**3.3**	**$206,587**	**$15,804**	**$14,048**	**$33,600**	**$270,039**

* We envision two 0.4 FTE part-time sanitarians

Our next step is to estimate other costs associated with the consolidated department (e.g. office and operational supplies) as well as revenues. For other costs, we simply use the sum of 2017 budgeted costs for the two departments. This approach likely overstates the total amount, as some efficiencies in purchasing supplies likely would be realized if the departments were consolidated.

With regard to public health revenues, we anticipate that reimbursement from Medicaid/Medicare and other sources would increase substantially in light of the approach we are suggesting to have one half-time clerk position dedicated almost exclusively to billing and reimbursement. Neither

department is devoting substantial effort to conducting such billing at the present time, so we believe there is potential to significantly increase such revenues. As a rough estimate, we show a $9,100 (50%) increase in that revenue category for the consolidated department.

With regard to environmental health fees and licenses, we believe there is potential for significant additional fee collections from having Oak Creek raise its fees to be consistent with South Milwaukee and from the enhanced capacity that would exist to conduct additional inspections. As an estimate, we increase license and fee revenues by 10%.

Finally, with regard to State grants, we simply combine grant totals budgeted in 2017 for the two communities to come up with an estimate for the consolidated department. It is our understanding that under State law, communities that merge their health departments are guaranteed that their existing grant amounts will remain in place for a period of three years after consolidation. After that time, they are subject to re-calculation based on the population and other characteristics of the new department. We are unable to determine how grant amounts for the consolidated department might be impacted once the initial three-year period has elapsed. It also should be noted that a larger, consolidated department may be eligible or more likely to obtain new federal or State grants, but we do not factor that potential into our fiscal analysis.

Tables 19 and 20 show our estimated total budgets for public health and environmental health. It is important to note that for environmental health, we are assuming that payments for South Milwaukee, Cudahy, and St. Francis would remain the same, which means that Oak Creek would be billed for the remaining gap between budgeted expenditures and budgeted revenues. In practice, a new cost allocation formula would be developed that would result in each community proportionally paying the share of that gap that equates to the percentage derived from its usage and population. We do not take that approach here because we lack sufficient data to develop such a formula.

Table 19: Total public health budget, consolidated department

Expenditures	Amount
Salaries	$660,075
Fringe Benefits	$246,581
Office Supplies	$11,345
Operational Supplies	$27,999
Other Expenses*	$56,888
Total	**$1,002,888**

Revenues	Amount
Clinic Fees/Fed Reimbursement	$27,300
Grants/Donations	$141,737
Property Tax Levy	$833,851
Total	**$1,002,888**

*$40,575 in unallocated grant revenues budgeted by South Milwaukee in 2017 are included in this amount.

Table 20: Total environmental health budget, consolidated department

Expenditures	Amount
Salaries	$206,587
Fringe Benefits	$63,452
Office Supplies	$1,127
Operational Supplies	$11,534
Other Expenses	$12,246
Admin	$7,500
Total	**$302,446**

Revenues	Amount
Fees/Licenses	$213,745
Intergovernmental	$17,500
South Milwaukee Tax Levy	$17,400
Oak Creek Tax Levy	$53,801
Total	**$302,446**

In **Table 21**, we total the estimated expenditures, revenues, and property tax levy that would be associated with our hypothetical consolidated health department and compare those totals with existing combined totals. We find a need for a small increase in projected combined property tax levy for public health, and a small decrease in combined property tax levy needed for environmental health. Overall, we project a small combined property tax levy savings.

Table 21: Estimated total fiscal Impact of consolidation scenarios

	Current	Consolidated	Cost/(Savings)
Public Health Expenditures	$989,548	$1,002,888	$13,340
Public Health Revenues	$159,937	$169,037	($9,100)
Public Health Tax Levy	$829,611	$833,851	$4,740
Environmental Health Expenditures	$291,625	$302,446	$10,821
Environmental Health Revenues	$211,814	$231,245	($19,431)
Environmental Health Levy	$79,811	$71,201	($8,610)
Total Cost/(Savings)			**($3,870)**

Cost Allocation

Section 251.11 of the Wisconsin Statutes currently requires municipalities involved in multiple jurisdiction health departments to use a cost formula that is based exclusively on population or equalized value. State legislation is pending, however, that would allow municipalities involved in such departments to allocate costs among themselves in any manner they collectively choose.

Assuming that statutory authority exists to do so, we suggest that Oak Creek and South Milwaukee consider a hybrid approach in which net costs for environmental health services continue to be assigned to consortium members based on both activity level and population, while net costs for public health services be allocated based on population. Our rationale is that activity levels appropriately capture the extent of environmental health services and should therefore factor into that allocation formula. Conversely, the cost of public health services cannot be effectively captured using activity totals given that a primary service is public education, and given that certain educational forums and programs might be delivered in one community but serve residents of both.

Governance

Issues of governance involve questions of where to house the new consolidated department as well as the establishment of a board of health to preside over it. With regard to the former, the two primary options would be to establish the new department as a freestanding governmental entity (similar to the North Shore Fire Department) or to house it within one of the two governments. With regard to the latter, at issue is the composition of the board.

We strongly recommend that the consolidated department be housed in one of the two communities, which would logically be Oak Creek given its size. The primary advantages of such an approach are administrative/logistical simplicity in that a new governmental body would not need to be created; the ability of one of the host governments to provide administrative support services (e.g. payroll, accounting, etc.), thus eliminating the need to create a new administrative structure for a freestanding entity; and the ability for the host city to collect health-related revenues and bill the other for its share of the costs, as opposed to having to create new revenue collection and billing procedures in a new governmental entity.

A potential disadvantage is that the host city may be perceived by citizens as having "control" over the department, but that perception could be addressed through the composition of the governing board. It is also worth noting that the North Shore Health Department is not a freestanding governmental entity and is housed in Brown Deer, and that the Shorewood-Whitefish Bay health department was housed in Shorewood before merging with the other North Shore communities.

In either case, a new board of health should be established per Section 251.04 of the Wisconsin Statutes. If the host city model is used, then the new local board of health serving both communities could be formed by local ordinance in the host city. We recommend that the two cities have equal representation on the board, appointing three members each who would serve along with the Medical Officer. The members from each community would be appointed by the respective mayors subject to confirmation by the respective common councils. The new board of health would function similarly to existing boards in the two communities per State statutes, including the responsibility of appointing the Public Health Officer.

A Precursor to Further Consolidation?

Given the partnership that already exists between South Milwaukee, Cudahy, and St. Francis with regard to environmental health – as well as other cooperative relationships in areas like public safety dispatch, Emergency Medical Services, and mutual aid for fire and rescue – it is logical to consider whether pursuit of health department consolidation by Oak Creek and South Milwaukee might encourage the other South Shore municipalities to join the effort. From a financial standpoint, having Cudahy and/or St. Francis join the department could produce additional economies of scale that would enhance savings for both communities. On the other hand, those concerned about a potential loss of control might be further alarmed by the prospect of expanding the consolidated department, which would call for an expansion of shared governance.

Considering the pros and cons of a larger regional public health department is beyond the scope of this initial analysis. However, our previous work on intergovernmental service sharing and consolidation has shown us that in many cases, bigger is indeed better. If the potential benefits

associated with a larger consolidation are substantial, then that might further convince leaders from Oak Creek and South Milwaukee of the merits of pursuing their initial collaboration. Consequently, if the approach suggested in this section is implemented, we would suggest that efforts be made to gauge the interest of the other communities and consider the potential fiscal and programmatic impacts in a subsequent phase of analysis.

SUMMARY

The three-phased approach presented in this section would afford elected and public health leaders from Oak Creek and South Milwaukee an opportunity to immediately avail themselves of service sharing opportunities that would be relatively easy to implement and that would contribute to enhanced service levels and greater programmatic efficiency. Taking such action also would embark the two cities on a path toward full consolidation. While the phased-in approach would provide city leaders the option of stopping short of full consolidation, it may not be appropriate to proceed down that path unless there is strong interest in considering a full consolidation model.

Immediate service sharing opportunities revolve around shared leadership – which already is occurring on an interim basis – as well as shared data gathering/grant management and shared environmental health services. For each of these items, a primary benefit of service sharing would be the opportunity to derive mutual benefit from expertise and skill sets possessed currently only by one community. Immediately following implementation of those steps, joint programming and administrative service provision could be pursued, both of which have potential to further improve efficiency and enhance service capacity.

The full consolidation model we present would provide for greater nursing and environmental health staff capacity without an increase in cost. In addition, greater use of full-time staff could provide for enhanced recruitment and retention. Several additional advantages would accrue from the creation of a larger health department to replace two small departments, including the ability to develop a nurse staffing model that emphasizes specialization in priority program areas; effective back-up during vacations and unanticipated absences; the potential to offer higher salaries in high-demand positions; the ability to better recruit nursing staff in light of greater career ladder opportunities and more comprehensive programming; enhanced programmatic capacity due to economies of scale; and possible cost efficiencies with regard to procurement, training, and administration.

CONCLUSION

The potential pursuit of enhanced sharing or consolidation of public health services in Oak Creek and South Milwaukee will hinge upon both programmatic and fiscal considerations. On the program side, our analysis finds that the sharing or consolidation of staff resources could be a mechanism for resolving existing recruitment challenges, enhancing programming capacity and quality, improving billing and reimbursement, and eliminating redundant administrative functions. On the financial side, we find that significant savings are unlikely to materialize, but existing appropriations could be combined to produce higher-quality services.

In the end, the decision to move forward also will hinge on whether elected and public health officials perceive the potential benefits to outweigh any inevitable concerns that will emerge regarding possible loss of local control. Our interviews with leaders from other Milwaukee County communities that have pursued health department consolidation – as well as our review of national literature – indicates that such concerns can be alleviated by establishing mutually acceptable governance and cost allocation structures, and that they typically dissipate once policymakers and citizens are able to witness the improved service levels that sharing and consolidation often bring.

While further detailed analysis would be required for us to firmly recommend to the leaders of the two communities that they should immediately pursue full consolidation, our initial analysis does lead us to believe that a phased-in manner of pursuit is advisable. We are eager to assist the two cities should they decide to move forward.

APPENDIX

In order to obtain a Level III Rating, a Wisconsin health department must provide 14 programs aimed at meeting one of the 23 "Healthiest Wisconsin 2020" state plan focus areas. Table 22 identifies these 23 focus areas and the programs developed by Oak Creek and South Milwaukee to meet the 14-program requirement.

Table 22: Level III Program Areas for Oak Creek and South Milwaukee*

State Plan Focus Area	Oak Creek Program	South Milwaukee Program
Social, economic, and educational factors that influence health		
Health disparities	Wisconsin Well Woman	
Access to high-quality health services	TB Dispensary	
Collaborative partnerships for community health improvement		
Diverse, sufficient and competent workforce that promotes and protects health	Respiratory Program	
Emergency preparedness, response, and recovery	Emergency Preparedness	Emergency Preparedness
Equitable, adequate, and stable public health funding		
Health literacy		
Public health capacity and quality		
Public health research and evaluation		
Systems to manage and share health information and knowledge		
Adequate, appropriate, and safe food and nutrition		
Alcohol and other drug use	AODA	South Milwaukee Unite Against Drug Abuse Coalition
Chronic disease prevention and management		Vision Health Adult Health Education Adult Immunization
Communicable disease prevention and control	Sharps Collection	Sharps Disposal

*See https://www.dhs.wisconsin.gov/hw2020/profiles.htm for a more in depth discussion of the Healthiest Wisconsin 2020 focus areas

Table 22: Level III Program Areas for Oak Creek and South Milwaukee* *(continued)*

State Plan Focus Area	Oak Creek Program	South Milwaukee Program
Environmental and occupational health	WNV/Mosquito Control Radon Program Lead Risk Assessor Agent of the State Dept. of Agriculture, Trade and Consumer Protection Agent for the State Dept. of Health Services: Food Safety and Recreational Licensing	Radon Testing Lead Program
Healthy growth and development	School Health Maternal and Child Health	Developmental Screening Maternal and Child Health Positive Parenting
Injury and violence	Stepping On (Fall Prevention)	Car Seat Program Safe Sleep
Mental health		
Oral health		
Physical activity		Community Physical Activity

*See https://www.dhs.wisconsin.gov/hw2020/profiles.htm for a more in depth discussion of the Healthiest Wisconsin 2020 focus areas