

**County of Milwaukee  
Inter-Office Communication**

**Date:** December 18, 2014

**TO:** Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Mike Hafemann, Superintendent, Milwaukee County House of Corrections (HOC)

**Subject:** Informational Report from the Superintendent, House of Correction, regarding Debit Release Card project.

Executive Summary

The House of Correction is planning to convert from paper checks to Debit Release Cards to return funds to released inmates. This will allow the HOC to reduce staff time printing checks and addressing queries from released inmates regarding their checks.

The released inmate will have 30 days to get their funds free of any charges, provided they use a fee-less ATM. An extensive list of fee-free ATMs in our area will be included with the inmate's Debit Card.

Many inmates have difficulties cashing checks and do not have bank accounts. Debit Release Cards can alleviate the hassle and cost associated with check cashing. Another advantage is that inmates can opt to add more funds to the card and use it as their "banking system" going forward (i.e. like a traditional debit/credit card).

The HOC met with the Sheriff's Department and Corporation Counsel to address issues and other concerns. Corp Counsel determined "the potential benefits of a debit card system for inmate funds outweigh the potential risks of litigation," and the Sheriff's Department issues and concerns were addressed. Therefore, we are moving forward and implementing the Debit Release Cards as a one-year trial program.

Discussion

The vendor we have selected is JPay. The County has been satisfied with other services provided by JPay. Currently, JPay allows inmates and their families to put funds (via phone, the internet, etc.) into an inmate's trust account so that the inmate can purchase commissary, barber, and other items while housed at the HOC and County jail.

The proposed additional JPay services have already been "vetted out" under the National Association of State Procurement Officials (NASPO). Procurement contacted NASPO and helped us get a Participation Agreement to use any or all of the services included in JPay's agreement with NASPO.

Inmates can also use their Debit Release Card at a Point of Sale (e.g., grocery store). To help illustrate this, let's say an inmate has \$29.30 on their card. They get \$20 out at a free ATM. They can then use the card at a Point of Sale to access and use the remaining funds.

## Fiscal Effect

At this time, the primary savings from changing to Debit Cards will be staffing costs. The HOC's Inmate Account staff sends released inmates, at both the HOC and jail, a check within two weeks. Numerous calls are received by the HOC's staff about these checks. With Debit Release Cards, JPay will address and process these calls.

We estimate that the elimination of calls to the HOC's Inmate Account staff will allow the HOC to unfund a position without causing any layoff. This is a savings of \$27,364 in salary and a total of \$47,745 with benefits.

Each card has a \$3 activation fee. The HOC will pay the activation fee so that the inmates have a free means of getting their funds. Based on number of releases each month, we believe this will cost the HOC about \$15,156 per year to issue cards for both the HOC and jail. However, this will be offset by the savings identified above (i.e. reduced staff costs).

Overall, we estimate that this change will result in a net savings estimate for the County of about \$32,589 per year in staffing costs. Additionally, the HOC will eliminate the need to print and pay for release checks.

These cards are the first step toward implementing other cost saving measures and revenue producing programs. For example, under NASPO, JPay can also provide cash-handling lobby kiosks and a Money Order lockbox program. These programs will also be implemented to reduce our cash-handling and other staffing costs related to inmates' deposits. Dorm kiosks are also being installed which will not only make phone, and perhaps commissary, procedures more efficient, but more importantly, will provide increased educational opportunities to inmates. JPay has partnered with Correctional Education Association (CEA) to offer pre-GED reading, writing and numeracy, English as a second language, reentry and life skills, and computer literacy that inmates can download from the kiosk to a tablet. Kiosks will also have other options, such as e-books and music. Although not the main objective, the kiosks could produce more revenues for the County, as well.

This one-year trial is valued at less than \$100,000, and the funds for the cost of these services have already been identified in the 2015 budget. Therefore, we have respectfully submitted this item as an Informational Report unless otherwise directed.

Respectfully Submitted,



Michael Hafemann, Superintendent

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