MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/12/2013

Original Fiscal Note X

Substitute Fiscal Note ___

SUBJECT: Request for approval of a partial-year contract for Electronic Monitoring Unit (EMU) services with WCS for SCRAMx services estimated to total just over $94,000 in expenditures in 2013.

FISCAL EFFECT:

___ No Direct County Fiscal Impact

___ Existing Staff Time Required

X **Increase Operating Expenditures**
(If checked, check one of two boxes below)

X **Absorbed Within Agency's Budget**

___ Not Absorbed Within Agency's Budget

___ Decrease Operating Expenditures

X **Increase Operating Revenues**

___ Decrease Operating Revenues

___ Increase Capital Expenditures

___ Decrease Capital Expenditures

___ Increase Capital Revenues

___ Decrease Capital Revenues

___ Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	$94,000	$0
	Revenue	($188,000)	$0
	Net Cost	($94,000)	$0
Capital Improvement Budget	Expenditure	$0	$0
	Revenue	$0	$0
	Net Cost	$0	$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Superintendent of the House of Correction (HOC) is requesting approval of a partial-year contract between the HOC and WCS, Inc. There is no tax levy impact for the current year's budget. This is because, in January of 2013, funds in the amount of $657,500 were transferred from the House of Correction and Office of the Sheriff into the Appropriations for Contingency account. These monies were budgeted and previously contracted (by the Sheriff) for the Electronic Monitoring Units (EM or EMU) programming costs.

   Earlier this year, the vendors that supply the Electronic Monitoring Unit (EMU) equipment reported that the Office of the Sheriff had cancelled the contracts for equipment rental. Since amendment 1A062 provided a transfer of "three-quarters of the year" that was budgeted for the EMU, Superintendent Hafemann reinstated the EMU program for a partial year. This required new MOU contracts to replace those that were approved but terminated prematurely (i.e. before the contract was scheduled to expire).

B. As envisioned by the terms of the 2013 Adopted Budget and Amendment 1A062, the funds approved for EMU programming were to be transferred back to the House of Correction in order to enable the operation of the EMU program once the Superintendent was put into place. Since the Superintendent assumed control of the House of Correction in May of 2013, the funds were subsequently transferred to the HOC, and he reinstituted the program as expected.

Amendment 1A062 funded the program for three-quarters of the year. Therefore, the HOC contract with WCS, Inc. is for the period of **May 28, 2013 to December 31, 2013.**

Based on the billing so far this year and estimated averages to year end, this year's charges should total just over $94,000. Therefore, total 2013 operating expenditures included in this request are approximately $100,000. Funds that were transferred into the HOC's budget earlier this year for the EM programs are more than sufficient to cover these costs.

Changes may be made to this program due to an upcoming RFP, so we will be presenting our recommendations for the 2014 program at a later date.

C. The tax levy impact associated with this request in 2013 will be positive, as revenues are greater than expected (due to number of inmates in the program) and will exceed the associated operating expenses of $94,000. The EM program is currently generating a $24 per diem per inmate (as set under County Ordinance 20.01*). This currently equates to about $30,076 a month. Since the program started in June and there was a ramping up period, the total revenues for this year are estimated at approximately $188,000 by year end. The impact, therefore, appears to be the net of $94,000 in increased revenues.

There can be additional costs associated with electronic monitoring which might be reflected elsewhere in the actual budget (e.g., additional Correction Officers to manage the program or participate in an Absconder unit). However, if this program is presented to the Board and re-approved in 2014, it should also be at a positive overall net savings with projected per diem revenues being greater than total operating expenditures. We are making that projection due to our 2013 estimates, and also because of the recent audit that was completed by the County's Audit Department which shows the cost benefits of maintaining a robust EM Program.

This program does not impact capital expenditures.

D. This proposal assumes that July through September billing averages for SCRAMx services continue the remainder of 2013 and the per diem set by Ordinance remains stable.

Department/Prepared By _____

Authorized Signature _____

Did DAS-Fiscal Staff Review?	**Yes**	No	
Did CBDP Review?	**Yes**	No	Not Required

*20.01. **Cost of maintaining prisoners at county jail and house of correction...**Each prisoner listed in s. 303.08(4), Wis. Stats., is liable for charges in an amount of twenty-four dollars ($24.00) per day, which represents the cost of his/her board in the jail or house of correction if confined pursuant to s. 303.08, Wis. Stats., Huber Law or s. 973.09(4), Wis. Stats., conditions of probation. In addition, those inmates on electronic surveillance shall be charged a rate of twenty-four dollars ($24.00) per day.