

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 11/13/2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: The Acting Sheriff of Milwaukee County requests a fund transfer from the Milwaukee County Contingency Fund to partially fund the overtime structural deficit in the 2017 budget and assist the MCSO in reaching a breakeven status by year end.

FISCAL EFFECT:

- | | |
|-------------------------------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input checked="" type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

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	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

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.¹ 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.

Effective September 1, 2017 Inspector Richard R. Schmidt became the Acting Sheriff of Milwaukee County upon the resignation of David A. Clarke, Jr. Sheriff Schmidt assumed control of the Office that was projecting a deficit of (\$6,737,192) based upon July and August operations. As a fiscal conservative one of Sheriff Schmidt's primary directives to his officers and staff was to immediately reduce overtime and spending and to be within the 2017 budget by year end to breakeven.

To attain this goal Sheriff Schmidt has eliminated all unnecessary security services and initiatives, realigned department staffing to reduce overtime and frozen all spending except for critical services and commodities. Significant overtime reductions are being realized in Milwaukee County Circuit Courts and the County Jail Facility. Sheriff Schmidt's overtime directive has had an immediate impact and reversed the increasing variance of overtime dollars from budget. Overtime as of August 31st was projected at \$10,385,405, however, as a result of the Sheriff's efforts in two months overtime is now projected at \$9,838,643.

The Sheriff has frozen ALL spending and purchasing allowing ONLY for critical services and supplies necessary to sustain daily operations. Projected expenditures in these categories have been reduced from \$7,450,573 as of July 31st to \$5,144,318 at the end of October – favorable to budget by \$2,137,698.

It is a primary objective of Sheriff Schmidt to "right the ship" financially by reducing overtime, minimizing contract services and commodity spending and breakeven at year end. The projected deficit at July 31st has already been reduced from (\$6,737,192) to (\$3,634,512) at the end of October – an improvement of \$3,102,680.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

As Sheriff Schmidt's emphasis continues on reducing overtime and minimizing spending the projected deficit will continue to lessen. However, it is apparent that despite these concerted efforts the Sheriff, alone, will not reach the goal of breakeven in four months after the previous eight months of building deficits. Therefore, the Sheriff is requesting a fund transfer of up to \$3,600,000 from the Milwaukee County Contingency Fund to assist in funding a portion of the overtime in 2017 to maintain critical duties and operations.

A transfer of existing finds will not impact the outcome of 2017 Milwaukee County financial results, but will assist the Sheriff in reaching his goal of BREAKEVEN in a most difficult year.

Department/Prepared By William R. Lethlean, Public Safety Fiscal Administrator

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required