

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 01/07/2014

Original Fiscal Note X

Substitute Fiscal Note

SUBJECT: Authorization to pay electronic monitoring services invoices from the 2013 EMU contracts with JusticePoint Inc and WCS until the new vendor(s) is selected by the RFP process

FISCAL EFFECT:

No Direct County Fiscal Impact Increase Capital Expenditures

Existing Staff Time Required Decrease Capital Expenditures

Increase Operating Expenditures
(If checked, check one of two boxes below) Increase Capital Revenues

Absorbed Within Agency's Budget Decrease Capital Revenues

Not Absorbed Within Agency's Budget

Decrease Operating Expenditures Use of contingent funds

Increase Operating Revenues

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	\$912,000	\$0
	Revenue	(\$1,086,400)	\$0
	Net Cost	(\$174,400)	\$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. We are requesting payment of invoices for services rendered under contracts with JusticePoint Inc and WCS for Electronic Monitoring (EM) services. Both of these vendors have agreed to continue to provide EM services until a vendor has been selected through the RFP process. We believe that sufficient monies were budgeted for the EM program, so no changes to funding are being requested.

B. Maintaining a robust EM program does appear to benefit the County. At this time, the per diem revenues collected are greater than expenses.

The \$870,000 budget to fund the electronic monitoring units appears to be sufficient to cover these costs. The RFP will hopefully ensure costs stay under the budget allocation of \$870,000. An accrual of about \$36,000 from 2013 budget will also help.

C. The tax levy impact associated with this request in 2014 will be positive, as revenues are greater than expected (due to number of inmates in the program) and will exceed the associated operating expenses. The EM program is currently generating a \$24 per diem per inmate (as set under County Ordinance 20.01). The costs are currently less than revenues. On a monthly basis, the total cost for both vendors is about \$76,000. The revenue average over the last three months is about \$90,500/month. The impact of continuing the EM program, therefore, appears to be

the net of \$14,500 per month in increased revenues. The remainder of 2014 and 2015 impact could be somewhat more positive, if the RFP results in reduced costs.

*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). A recent audit that was completed by the County's Audit Department shows the cost benefits of maintaining a robust EM Program.

This program does not impact capital expenditures.

D. This proposal assumes that per diem rates set by Ordinance remain stable. It also assumes that EM costs are stable although the RFP could result in cost reductions.

Department/Prepared By June Jackson
Authorized Signature Michael H. Jensen

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