

**MILWAUKEE COUNTY FISCAL NOTE FORM**

DATE: 8/30/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to execute an inmate health services contract for inmates at the County Correctional Facilities of the Office of the Sheriff. .

**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 |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" 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 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	87,126	
	Revenue	0	0
	Net Cost	87,126	0
<b>Capital Improvement Budget</b>	Expenditure	333,595	
	Revenue		
	Net Cost	333,595	

## 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.<sup>1</sup> 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.

From the Office of the Sheriff requesting to execute a professional services contract with Armor Correctional Health Services, Inc. to provide inmate medical and mental health services at the County Correctional Facilities of the Office of the Sheriff.

In 2012, the Office of the Sheriff was budgeted to expend \$16,433,491 on inmate medical services assuming full staffing. The Sheriff would expend \$4,108,373 from October 1, 2012 till December 31, 2012 if it continued to operate its inmate medical and mental health unit. The cost of the contract with Armor Correctional Health Services, Inc. for the same time period is \$4,195,499.

The 2013 anticipated costs of the contract with Armor Correctional Health Services, Inc. totals \$14,298,974. The cost includes use of Armor Correctional Health Services, Inc.'s EMR system. In addition, there are the following remaining county costs included in the 2013 budget request: legacy costs of \$2,421,803, crosscharges of \$863,740 and revenue of \$40,000 for a total 2013 projected cost of \$17,544,517.

In addition to providing an updated EMR, Armor Correctional Health Services, Inc. will meet or exceed all requirements of the Christensen Consent Decree and will obtain NCCHC certification within twelve months. Projected costs for the Inmate Medical and Mental Health unit for 2013 totaled \$17,210,922 if the service was continued to be provided by Office of the Sheriff personnel utilizing its current staffing plan of 111.5 positions after vacancy and turnover.

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<sup>1</sup> 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.

Department/Prepared By Molly Pahl, Fiscal Operations Manager

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Authorized Signature Molly Pahl  
KRS

Did DAS-Fiscal Staff Review?  Yes  No