

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 02/20/13

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: The Sheriff of Milwaukee County requests the authority to execute a contract for inmate health services at the County Correctional Facilities.

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

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure	4,556,335	
	Revenue		
	Net Cost	4,556,335	

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.

From the Office of the Sheriff of Milwaukee County 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.

In 2013, the Office of the Sheriff was budgeted to expend \$17,599,836 on inmate medical and psychiatric services assuming full staffing of 121.3 FTE determined by the Department of Administrative Fiscal and Strategic Services.

The annual anticipated costs of the contract with Armor Correctional Health Services, Inc. totals \$16,217,380. The cost includes use of Armor Correctional Health Services, Inc's EMR (Electronic Medical Records) system. In addition, there are the following remaining county costs included in the 2013 budget request: legacy costs of \$4,999,050, crosscharges of \$979,741 and revenue of \$40,000 for a total 2013 projected cost of \$22,156,171.

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 total \$17,599,836 if the service was continued to be provided by the Office of the Sheriff personnel utilizing its current staffing plan of 121.3 positions after vacancy and turnover.

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.

Department/Prepared By William R. Lethlean, Accounting Manager

Authorized Signature *William R. Lethlean*

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required