



Office of the Comptroller

Milwaukee County

Scott B. Manske • Comptroller

DATE: January 19, 2022

TO: Supervisor Anthony Staskunas, Chairman, Judiciary, Safety, and General Services Committee

FROM: Scott B. Manske, Comptroller
Cynthia (CJ) Pahl, Financial Services Manager

SUBJECT: File 21-763 – Additional Information Requested

Total Capacity – Phone and Video Visitation

Providing free minutes to residents within the CJF and HOC should be considered within the capacity limits of phone and video calling due to available equipment and average daily populations within each dorm. The CJF on average has 6 hours available per day within each dorm to utilize 12 phone stations and two video visitation stations. With an average dorm population of 64 residents, this equates to 68 minutes per resident per phone station and 11 minutes per resident per video visitation station. The HOC on average has 10 hours available per day within each dorm to utilize five phone stations and two video visitation stations. With an average of 70 residents per dorm, this equates to 43 minutes per resident per phone station and 17 minutes per resident per video visitation station.

	Total Hours	Total Feasible Hours	Per Dorm Phone Stations	Per Dorm Video Vis Stations	Residents Per Dorm	Phone Minutes Available Per Resident Per Day	Video Minutes Available per Resident Per Day	Phone Minutes Available Per Resident Per Week	Video Minutes Available per Resident Per Week
CJF	8	6	12	2	64	68	11	473	79
HOC	12	10	5	2	70	43	17	300	120

The number of free minutes provided to residents should be informed by the capacity limits above. It is likely that the increase in demand will necessitate the need for a scheduling tool to ensure equal access for each resident. Without a scheduling tool, it is possible that disagreements and other intimidation between residents over phone use would occur. A tool to track free minutes used on a daily/weekly basis would also be necessary to prevent any overcharging that could potentially occur. An increase in minutes will increase workloads for correctional officers due to resolving issues, addressing grievances, and dealing with resident arguments related to device access.

Using a 3rd Party Vendor

Provide 75 free phone minutes and 75 free video minutes per WEEK:

If the proposed policy were executed under the terms of the proposed agreement, the average number of commissionable telephone minutes drops from 185 minutes to 110 minutes. It is assumed that the vendor would not direct bill the County for the 75 free minutes but would reduce the County's revenue share on the remaining commissionable minutes. Based on discussions with the proposed vendor, it is assumed that the revenue share on the remaining calls is dropped from 65.0 percent to 48.8 percent. The resulting annual telephone revenue loss to the County is \$828,000.

With respect to 75 free video minutes per week, as discussed in the previous fiscal note, the average number of commissionable video minutes drops from 44 minutes to 0, plus the provision of an extra 31 additional free minutes. Under the current contract, the County estimates that a vendor earns approximately \$1.1 million annually and the County earns \$0.3 million. It is assumed that the County at a minimum would lose its annual video revenue of \$0.3 million and would have to make the vendor whole for its revenue loss, for an expense of \$1.1 million. It would likely have to pay the additional cost of extra minutes provided for roughly \$0.4 million. Therefore, the annual cost of the free 75 minutes of video calling would likely be at least \$1.8 million.

The likely fiscal impact to the County of providing 75 free phone and 75 free video minutes *per week* is estimated to be \$2.6 million.

Provide 75 free phone minutes and 75 free video minutes per DAY:

Moving to a model of 75 free phone and video minutes per day would fundamentally be providing a totally free calling program for residents. Residents on average utilize 185 minutes of phone per week or 26 minutes per day. Residents on average utilize 44 minutes of video per week or 6 minutes per day. Determining the exact cost of a totally free calling program through a 3rd party vendor is difficult as the County has little data for which it could potentially cost out these services. However, based on the revenue earned by the 3rd party vendor, certain assumptions can be made to estimate a potential cost. Those costs include the County lost revenue, and the likely payment to the 3rd party vendor for both unlimited phone and unlimited video services.

The likely fiscal impact to the County of providing *unlimited free phone and video* is estimated to be \$4.0 million.

Phone and Video Program - County Rev Loss and Addl Payments to Vendor		Est		Est
	75 Free Minutes		All Minutes Free	
Phone - County Lost Revenue	\$ (828,024)		\$ (1,495,718)	
Video - County Lost Revenue	\$ (273,828)		\$ (273,828)	
Phone Addl Payment to Vendor	\$ -		\$ (700,531)	Est
Video Addl Payment to Vendor	\$ (1,500,000)	Est	\$ (1,500,000)	Est
Total County Net Rev Loss and Cost	\$ (2,601,852)		\$ (3,970,076)	

Provide free phone and free video in-house:

Moving to County provided phone and video service within the HOC and CJF presents many risks and both capital and general operating expenses. The County has never provided this type of service in the past and has instead relied on specialized 3rd party vendors with years of knowledge and experience, and the necessary support, infrastructure, and vendor relationships to provide these services successfully. To the best of our knowledge, no other jurisdictions completely insource yet. While potential costs of insourcing are discussed below, it should be cautioned that these estimates are very preliminary and due to time constraints, in some cases are based on various assumptions that would need to be fully vetted in the future. Other areas of concern would need to be fully vetted as well, such as call recording, live monitoring, alerts when certain numbers are dialed, blocked calls to witnesses, judges orders, programmable call restrictions, system shutdown during emergencies, voice analytics, etc.

If these services were insourced, the project would likely have a duration of 12-18 months to fully insource. During this time, the County would need to keep the current system and current vendor in operation, requiring a full separate infrastructure build out. The deployment of new equipment would require that housing dorms be shut down and residents moved to alternate locations. Very detailed communication and training plans would need to be created and provided.

This does not include additional costs that may be necessary within the Office of the Sheriff and the House of Correction to fully support an insourced model. Given the time constraints with producing these estimates, those potential costs are not included here.

Implementation of a fully insourced phone and video service program would cost an estimated \$4.4 million. Annual operating costs, not assuming the revenue loss, would cost an estimated \$2.0 million. When assuming the revenue loss, annual operating costs would cost an estimated \$3.8 million.

It is important to note again that due to the time constraints in creating a potential insourced model, these estimates are early estimates. Any effort to move to a fully insourced model should be fully reviewed and vetted with all stakeholders involved, including the Office of the Sherriff, House of Correction, DAS – IMSD, DAS – Risk Management, DAS – Procurement, and other affected parties.

Implementation Costs	
Phone System	
Item Description	Estimate
Avaya System Cost (450 Phones, Licenses, Call Recording, Professional Services)	\$ 1,670,000
Phone Back Box Installation	\$ 135,000
Wiring	\$ 346,000
Core Switch/Switches/Switch Installation and Configuration	\$ 152,800
UPS	\$ 15,000
Telecom Contractor	\$ 52,000
Project Manager	\$ 93,600
Network Contrator	\$ 52,000
IMSD Implementation Resource	\$ 78,000
Contingency	\$ 503,000
Estimated Cost:	\$ 3,097,400
Video Visitation System	
Item Description	Estimate
Access Points (120)	\$ 132,000
Rugged Resident Video Unit Enclosures	\$ 420,000
Rugged Visitor Video Unit Enclosures	\$ 161,000
Video Visitation Software	\$ 75,000
Resident Tablets for Enclosures	\$ 21,000
Visitor Tablets for Enclosures	\$ 8,050
Recording Solution	\$ 180,000
Installation	\$ 58,100
Contingency	\$ 211,000
Estimated Cost:	\$ 1,266,150
Total Implementation Cost	
	\$ 4,363,550

Annual Operating Cost	Estimate
Avaya Software Support	\$ 44,000
Video Visitation Software Support	\$ 25,000
Recording Storage / Server w/ DR	\$ 150,000
Live Monitoring / Alerts for Flagged Numbers	\$ 50,000
Voice Analytics	\$ 150,000
IMSD FTE x4	\$ 400,000
Avaya Support Services	\$ 245,000
Business Management resource	\$ 95,000
Support for Life Cycle	\$ 872,710
Total Annual Operating Cost:	\$ 2,031,710
Lost Revenue	\$ 1,769,545
Total Annual Operating Cost Including Lost Revenue:	\$ 3,801,255