

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: January 23, 2019

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to execute a contract with NCCHC Resources, Inc. (NRI) for the provision of contract monitoring services for the Correctional Medical Services Contract.

FISCAL EFFECT:

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

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	\$333,188.00	\$270,506.80
	Revenue		
	Net Cost		
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.

The Sheriff's Office and House of Correction are seeking authority to execute a 1-year contract with NRI for a total cost of \$373,188.00. The House of Correction's 2019 budget included \$140,000.00 for costs related to a contract monitor. Just under \$100,000 of those funds have been allocated to a short-term contract with NRI for the period beginning 1/1/2019 and ending 3/30/2019 (Armor Extension period). \$40,000 of the original 2019 budget for contract monitoring remains. Therefore, an additional \$333,188.00 will be required to fund the services for the 1 year term of this Agreement, which will run from April 1, 2019 – March 30, 2020.

If the proposal is accepted, it would be necessary to fund the contract from the existing debt service reserve. Please see Section C for more detail.

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.

In 2019, the total contract cost will be \$373,188.00. This cost includes 504 annual hours of lead contract monitoring services, 204 hours of medical monitoring, 204 hours of fiscal monitoring, 72 hours of transition support, 96 hours of executive lead support, 84 hours of back office support, and approximately \$26,000 in travel and related expenses.

\$40,000 of the \$140,000 is remaining and will be allocated to this cost from the existing HOC budget for a contract monitor, leaving a balance of \$333,188.00 which must be funded from the debt service reserve as stated.

Additional years of the contract will be accounted for in the requested operational budget of the overseeing agency (House of Correction). Additional years may be entered into at the County's option.

No one-time costs are expected at this time. Annualized impacts are listed in Section C, below. Additional costs may be incurred if the contractor is requested to perform any additional services or assist on any other projects. Such costs are permitted in the contract by amendment only, at the rates listed in the contract document.

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.

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.

In 2019, \$40,000.00 of the contract cost will be covered from the House of Correction's requested budget for a medical contract monitor.

Additional costs in 2019 (\$333,188.00) will be covered through the debt service reserve. A report requesting to add these funds to HOC's budget has been submitted.

Funds required for future budget years will be requested through the House of Correction's operational budget request to the County Board.

The chart below represents the annual increases to the contract value that will represent the budget requests for this area by the House of Correction.

Renewal Year	Not-to-Exceed Cost
Renewal Year 2 (2020)	\$410,506.80
Renewal Year 3 (2021)	\$451,557.48
Renewal Year 4 (2022)	\$496,713.23
Renewal Year 5 (2023)	\$546,384.55

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The information provided in this form assumes that Milwaukee County will contract with a third party for Correctional Medical Services. Should the County not enter into a contract with Wellpath, LLC, it is possible that the scope of services provided for NRI to oversee and act as third party auditor for any other type of service delivery model would vary substantially from the costs proposed to monitor a third-party medical provider.

Department: Milwaukee County House of Correction

Prepared By: Lindsey Shreves, PSB

Authorized Signature:  _____

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

