

**MILWAUKEE COUNTY FISCAL NOTE FORM****DATE:** 09-21-2020Original Fiscal Note Substitute Fiscal Note 

**SUBJECT:** From the Interim Superintendent, House of Correction, requesting authorization to execute a multi-year service agreement with the Wisconsin Department of Corrections (DOC) and to receive revenue in the approximate amount of \$230,000 a year by allowing DOC inmates to utilize the Milwaukee County Day Reporting Center for a daily fee starting on October 1, 2020 with five, one-year renewal options beginning January 1, 2021

**FISCAL EFFECT:** No Direct County Fiscal Impact Expenditures Increase Capital 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.*

|                                   | <b>Expenditure or Revenue Category</b> | <b>Current Year</b> | <b>Subsequent Year</b> |
|-----------------------------------|--|---------------------|------------------------|
| <b>Operating Budget</b>           | Expenditure                            | \$0                 | \$75,000*              |
|                                   | Revenue                                | \$64,400            | \$425,040*             |
|                                   | Net Cost                               | \$0                 | (\$350,040)*           |
| <b>Capital Improvement Budget</b> | Expenditure                            | \$0                 | \$0                    |
|                                   | Revenue                                | \$0                 | \$0                    |
|                                   | Net Cost                               | \$0                 | \$0                    |

\*Additional programming for 24 more participants above the 20 in the initial phase may require additional staff at the DRC. It is unlikely the full \$150,000 will be required for 2021, but that is the annual cost estimate for the added staff. The

additional 24 would also be at \$46/day, so the total revenue is now estimated at \$230,000 times two. A phased amount is discussed below and is input above to help clarify this new revenue source will be an ongoing in subsequent years.

## 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.
  - A. Approval of this contract will authorize the Interim Superintendent of the House of Correction (HOC) to enter into a multi-year contract with the Wisconsin Department of Corrections to utilize the Milwaukee County Day Reporting Center (DRC) for a daily fee per inmate; a minimum of 20 inmates at \$46 per service day. **Up to another 24 inmates may be included at the same rate.**
  - B. Total cost for the contract to manage the Day Reporting Center is \$794,244 per year. This cost was included in the 2020 Adopted Budget and also in the HOC's 2021 budget request. This request does not change the contract price and existing HOC and DRC programming staff will support these additional participants. Revenue is estimated at \$46 per service day (which excludes weekends and holidays) for 20 inmates, which is approximately \$230,000 a year. **Another 24 inmates would essentially double this revenue to just over \$460,000 per year in total. However, a ramping up phase for the additional 24 participants is roughly estimated to increase revenue by \$195,040 and staffing costs at \$75,000.**
  - C. The program is anticipated to start on October 1st, so 2020 should yield about \$55,200 in new revenue. The cost of \$794,244 plus other nominal pass through charges (e.g., utilities, phone services) less projected revenues is included in the HOC's 2021 budget request for WCS to provide services at the DRC. If this request is not approved, revenues would decrease by \$230,000 in 2021 since it was included in the HOC's 2021 budget request. **Up to 24 more inmates will start participating on December 1 also at \$46/day, so the**

<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.

**Current Year amount should be somewhat higher than the \$55,200 input and \$64,400 is now estimated.**

- D. Page 1 of this form assumes the HOC's 2021 departmental budget request is adopted, which included the cost of \$794,244 for management of the Day Reporting Center and \$230,000 in anticipated revenue. The potential additional cost of \$150,000 for staffing and additional revenue for 24 more participants was not known in time to be included in the departmental budget request.**

Department/Prepared By      HOC/June Jackson

Authorized Signature June Jackson      9/22/2020      Did DAS-Fiscal Staff  
Review?        Yes        No

Did CBDP Review?        Yes        No        Not Required