

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** August 20, 2021

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution in support of a policy to require any item available for sale to individuals housed in the County’s detention facilities be charged no higher than the Manufacturer’s Suggested Retail Price (MSRP), or if unavailable, no higher than 125 percent of the average retail/sale price in Milwaukee County

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required                                       | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input 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	See Narrative	See Narrative
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## 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 resolution would have the County Board express its support for the County Executive and Director of Procurement to include as part of any request-for-proposals (RFP) for the commissaries at the House of Correction and Criminal Justice Facility, a limit to what those held in the facilities can be charged to the Manufacturer's Suggested Retail Price (MSRP), or in lieu of that, no higher than 125 percent of the average retail or sale price in Milwaukee County.
  - B. There are no direct costs associated with this resolution in the current or subsequent year. The current commissary and trust accounting professional services contract with Aramark Correctional Services, LLC, is in effect through December 31, 2022. (File No. 21-420, adopted May 20, 2021)

It should be noted that the policy stated in this contract, if included in future commissary and trust accounting contracts, is likely to adversely impact the commissions the House of Correction (HOC) and Criminal Justice Facility (CJF) receive. For 2021, the total budgeted commission from the commissary agreement is \$795,416, including \$505,416 for the HOC and \$290,000 for the CJF. As part of the current agreement, the County is able to use Aramark's CORE Banking for commissary and trust accounting. If purchased separately, HOC fiscal staff estimate the cost to be in excess of \$100,000 with annual licensing costs of \$5,000 to \$10,000 per year.

It is unclear as to the fiscal impact the policy proposed would have on the County's ability to retain a vendor to provide this service and/or the future commissions paid to the County. This information could be better determined in the next RFP for services beginning in 2023.

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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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Therefore, this fiscal note does not calculate the impact as it does not obligate the County for a future contract and does not occur until 2023.

C. No budgetary impacts are expected in 2021 or 2022. If this policy is included in future commissary agreements beginning in 2023, it is likely to adversely impact the commissions received by the County. The resolution would not authorize the expenditure of any additional funds.

D. No assumptions were made.

Department/Prepared By Ken Smith, Research Services Division, Office of the Comptroller

Authorized Signature *Ken Smith*

Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required