

LRB-FISCAL REVIEW SECTION ANALYSIS

JULY 29, 2002

ITEM 3, FILE 020570

JUDICARY & LEGISLATION COMMITTEE

JAMES CARROLL

File #020570 is a communication from the Comptroller's Office transmitting a communication relative to audits of per diem fees charged by Milwaukee County.

Background

Sections 303.18 and 800.095, Wisconsin State Statutes, require the City to reimburse the County for certain costs related to transporting and housing persons, convicted of city violations, at the House of Corrections. Violators may pay fines in lieu of serving a sentence. (Violators who are indigent may perform community service in lieu of paying fines.)

The City funds this reimbursement through the Care of Prisoners Special Purpose Account. The account's expenditure authority is assigned to the Comptroller's Office.

Since the early 1990's, the City and Milwaukee County have disagreed on the calculation of the per diem rate. Milwaukee County bills at a higher per diem rate based on the full cost of operating the House of Correction. Since 1991, the Office of the Comptroller has periodically audited the per diem calculation for compliance with a 1964 Wisconsin Supreme Court decision governing the per diem calculation and has found ineligible charges included.

Audit Conclusions

The Comptroller's Office audited the County's calculation of the 2001 per diem rate and determined that the correct per diem rate in accordance with the Wisconsin Supreme Court decision is \$7.71 rather than the \$14.05 billed by Milwaukee County. After the City Attorney reviewed and approved the calculation, the City began paying at the \$7.71 rate effective with the payment for February, 2002. Milwaukee County computed a per diem rate of \$17.02 for 2002 and began billing the City at that rate as of May, 2002. The City has continued to pay at the \$7.71 rate.

The City Attorney reviews the Comptroller's estimated per diem rate and directs the Comptroller's Office to pay a rate that is in compliance with the Supreme Court decision. The City Attorney's Office also continues to review the disagreement with the County, but has been unable to reach a settlement with the County.

2001 Activity

The table below shows the total cost of the Care of Prisoner SPA for 2001.

| Items | # of Occurrences | Rate | Total Cost |
|------------------------------|-------------------------|-------------|---------------------|
| Boarding Days | 20,710.32 | \$6.80 | \$ 140,830.18 |
| Transportation | 2,695 | \$6.00 | \$ 16,170.00 |
| Single Commitments* | 2,695 | \$5.00 | \$ 13,475.00 |
| Multiple Commitments* | 1,940 | \$2.50 | \$ 4,850.00 |
| Reconciliation** | | | (\$ 15,718.68) |
| Total | | | \$159,606.50 |

**The City pays commitment and transportation fees based on the 1981 agreement with the County. The County bills the City \$30 for each commitment.*

*** Deduct December 2001 bill that was paid in 2002*

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