



Ottawa County Sentenced Work Abatement Program (SWAP)

Cost-Analysis
October 2011



2011 County Board of Commissioners

Philip Kuyers, Chairperson
James Holtrop, Vice-Chairperson
Joseph Baumann
Greg DeJong
Don Disselkoen
Jim Holtvluwer
Robert Karsten
Jane M. Ruiten
Roger Rycenga
Dennis Swartout
Stu Visser

TABLE OF CONTENTS

**2011 Cost-Analysis
Sentenced Work Abatement Program (SWAP)**

I. Introduction.....	1
II. Cost-Analysis.....	1
III. Conclusions and Recommendations	1

APPENDIX

Actual/Projected Program Cost (2008-2012).....	A
Net County Cost to Keep SWAP Program	B

INTRODUCTION

The Sentenced Work Abatement Program (SWAP) was created in 1991 to allow local units of government and non-profit agencies to employ minimum-security inmates for the purpose of performing a variety of work projects (e.g. lawn mowing, hedge-trimming, litter pick-up, painting). As an incentive, inmates participating in SWAP receive a one day reduction in their jail sentence for every four days of SWAP service.

The first Evaluation of SWAP was conducted in July 2006 by the Planning and Performance Improvement Department. The Evaluation determined that the cost to the County for SWAP was \$65,162 during the 2005 program year. After reviewing the Evaluation, the County Board of Commissioners approved a resolution recommending that County funding for SWAP not exceed \$20,000 in any fiscal year. That resolution also required that a cost-analysis be conducted of the program each year.

This cost-analysis calculates the projected cost of SWAP for the 2012 program year and the cost implications that would result if the program were discontinued.

COST-ANALYSIS

The total projected expenses for the 2012 program year are \$342,098 (**Attachment A**). The program's total projected revenue, which is collected in part from fees-for-service charged to participating agencies, is projected to be \$295,016. Thus, the County's total projected General Fund contribution for SWAP is \$47,082.

If SWAP were discontinued there would be no direct program expenses; however, there would be an increase in jail expenses. The increased expense that would result from discontinuing the program in 2012 is \$30,777 (**Attachment B**).

The difference between the County's anticipated General Fund contribution and the increased expenses if the program is discontinued is \$16,305. This net difference is under the Board's \$20,000 funding threshold.

CONCLUSION AND RECOMMENDATIONS

Since the County's net General Fund contribution for SWAP does not exceed the Board's \$20,000 threshold, the following recommendation is made:

Recommendation: Continue the SWAP Program in 2012. Conduct a cost-analysis each year to verify that the program does not cost the County more than \$20,000 annually.

Attachment A
Sentenced Work Abatement Program (SWAP)
Actual/Projected Program Cost (2008-2012)

	Actual Cost			Projected Cost			
	2008	2009	2010	2011 Jan - Jun	2011 Jul - Dec	2011 Total	2012 Total
Program Revenue							
Regular Hours Provided ¹	63,750	68,103	54,942	27,663	21,612	49,275	43,698
Fees For Service (Per Regular Hour)	\$5.24 ²	\$5.89 ²	\$6.10	\$6.10	\$6.50	\$6.28 ²	\$6.50
Total Regular Hour Revenue (From Fees)	\$334,107.63	\$401,354.10	\$335,143.15	\$168,741.25	\$140,478.00	\$309,219.25	\$284,033.75
Overtime Hours Provided ¹	2,437	2,635	2,384	1,243	1,141	2,384	2,312
Fees For Service (Per Overtime Hour)	\$7.83 ³	\$8.83 ³	\$9.15	\$9.15	\$9.75	\$9.44 ³	\$9.75
Total Overtime Hour Revenue (From Fees)	\$19,079.79	\$23,275.65	\$21,813.60	\$11,373.45	\$11,124.75	\$22,498.20	\$22,542.00
Total Revenue (From Fees)	\$353,187.42	\$424,629.75	\$356,956.75	\$180,114.70	\$151,602.75	\$331,717.45	\$306,575.75
Reduction in Jail Revenue (Early Release) ⁴	(\$6,140.75)	(\$7,015.75)	(\$6,238.75)	(\$3,244.50)	(\$3,244.50)	(\$6,489.00)	(\$6,489.00)
Reduction in Jail Revenue (SWAP Release) ⁵	(\$7,254.48)	(\$7,916.41)	(\$6,317.52)	(\$2,846.16)	(\$2,846.15)	(\$5,692.31)	(\$5,070.52)
Total Program Revenue	\$339,792.19	\$409,697.59	\$344,400.48	\$174,024.04	\$145,512.10	\$319,536.14	\$295,016.23
Program Expenses							
Staff Salary ⁶	\$443,842.91	\$472,057.17	\$402,384.79	\$199,587.08	\$165,028.65	\$364,615.73	\$337,819.67
Transportation ⁷	\$22,049.14	\$14,350.73	\$15,288.81	\$10,708.26	\$8,495.70	\$19,203.96	\$17,404.78
Reduction in Jail Cost (Early Release) ⁸	(\$12,421.86)	(\$14,191.86)	(\$12,620.10)	(\$6,563.16)	(\$6,563.16)	(\$13,126.32)	(\$13,126.32)
Total Expense To County	\$453,470.19	\$472,216.04	\$405,053.50	\$203,732.18	\$166,961.19	\$370,693.37	\$342,098.13
Total Net Loss (Per Year)	(\$113,678.00)	(\$62,518.45)	(\$60,653.02)	(\$29,708.14)	(\$21,449.09)	(\$51,157.23)	(\$47,081.90)
Fee For Service	Break-Even						
(Per Regular Hour)	\$20,000 Annual Net Operating Loss	\$6.93	\$6.77	\$7.14	\$7.11	\$7.42	\$7.50
		\$6.63	\$6.49	\$6.80	\$6.43	\$6.57	\$7.08
State Minimum Wage (Per Hour) ⁹		\$8.03	\$8.03	\$8.03	\$8.03	\$8.03	\$8.03

Source: Fiscal Services Department and Sheriff's Office

¹ Hours for 2008, 2009, and 2010 are actual. Hours for 2011 and 2012 are projected based on the hours for 2010 and a decrease in work crews as of July 2011.

² The fee for service is the average hourly fee based on annual hours and revenue. The hourly fee increased in June 2008 from \$5.00 to \$5.35, in December 2008 to \$5.70, in July 2009 to \$6.10, and in July 2011 to \$6.50.

³ The fee for service is the average hourly overtime fee based on annual hours and revenue. The hourly overtime fee increased in June 2008 from \$7.50 to \$8.03, in December 2008 to \$8.55, in July 2009 to \$9.15, and in July 2011 to \$9.75.

⁴ Because the County jail is not at maximum capacity (462 inmates per day), the early release of SWAP participants results in a reduction in jail revenue (i.e. inmates pay \$25 for each day served in jail). The reduction in revenue for 2008, 2009, and 2010 is based on the actual number of jail bed days saved each year (3,509 in 2008; 4,009 in 2009; 3,565 in 2010); the 2011 and 2012 reduction in revenue is based on the average number of jail bed days saved per year from 2006 through 2010 (3,708). This cost is based on variable expenses and the 2008-2010 collection rate for jail stays (7%).

⁵ Because inmates are billed a lower rate for the jail days that they work in SWAP (i.e. \$10 per day instead of \$25 per day), there is a reduction in jail revenue of \$15 per SWAP day. The reduction in revenue for 2008, 2009, and 2010 is based on the actual number of SWAP hours billed each year, the number of SWAP officer hours billed, and the average number of SWAP hours billed per inmate per day; the 2011 and 2012 reduction in revenue is projected based on 2010 data and a decrease in work crews as of July 2011. This cost is based on variable expenses and the 2008-2010 collection rate for jail stays (7%).

⁶ Includes salary & fringe benefits for a SWAP Sergeant and several correction officers. Data for 2008 includes 50% of a Sergeant's time and 100% of six correction officers' time. Data for 2009 includes 40% of a Sergeant's time and 100% of six correction officers' time. Data for 2010 through June 2011 includes 40% of a Sergeant's time and 100% of five correction officers' time. Data for July 2011 through 2012 includes 40% of a Sergeant's time and 100% of four correction officers' time.

⁷ Data for 2008, 2009, and 2010 are actual. Data for 2011 and 2012 are projected based on the U.S. Energy Information Administration Short-Term Energy Outlook Report and a decrease in work crews as of July 2011.

⁸ The reduction in jail cost for 2008, 2009, and 2010 is based on the actual number of jail bed days saved each year (3,509 in 2008; 4,009 in 2009; 3,565 in 2010) multiplied by the cost of three meals per day (\$3.54). The reduction in jail cost for 2011 and 2012 is projected based on the average number of jail bed days saved per year from 2006-2010 (3,708) multiplied by the cost of three meals per day (\$3.54). The 'jail cost' figure does not include fixed expenditures since the jail is not at capacity.

⁹ Includes FICA, workers compensation, and unemployment. The minimum wage increased from \$7.76 to \$8.03 on July 1, 2008.

Attachment B
Net County Cost To Keep SWAP Program
(Projected for 2012)

Total Cost to County With SWAP	\$47,081.90
Total Cost to County Without SWAP	
Program Revenue	
SWAP Agency Contracts (reduction)	(\$306,575.75)
Inmate Jail Fees (increase) ¹	\$11,559.52
County Revenue	(\$295,016.23)
Program Expenses	
4 Corrections Officers - lowest seniority (reduction) ²	(\$259,961.00)
SWAP Transportation (reduction)	(\$17,404.78)
Inmate Meals (increase) ³	\$13,126.32
County Expenses	(\$264,239.46)
Total Cost to County Without SWAP	\$30,776.77
Net County Cost to Keep SWAP Program	\$16,305.13

Source: Fiscal Services Department and Sheriff's Office

¹ Because the County jail is not at maximum capacity (462 inmates per day), the early release of SWAP participants results in a reduction in jail revenue (i.e. inmates pay \$25 for each day served in jail). Also, because inmates are billed a lower rate for the jail days that they work in SWAP (i.e. \$10 per day instead of \$25 per day), there is a reduction in jail revenue of \$15 per SWAP day. If SWAP were discontinued, however, these reductions in jail revenue would become added revenue from increased inmate jail fees

² If SWAP were discontinued, the 4 SWAP Officers would move into the jail and supplant the 4 lowest seniority Corrections Officers. This is the reduction in cost from salary and fringe benefits of the 4 lowest seniority Corrections Officers

³ Because SWAP participants receive a reduced jail sentence in exchange for their time in SWAP, the early release of SWAP participants results in a reduction in inmate meal expenses. If SWAP were discontinued, however, these reductions in inmate meal expenses would become added expenses.



Ottawa County Planning and Performance Improvement Department

12220 Fillmore Street, Suite 260

West Olive, Michigan 49460

(o) 616.738.4852 (f) 616.738.4625

www.miottawa.org/CoGov/Depts/Planning/