

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : September 25, 2015

TO : Chris Abele, County Executive
Supervisor Willie Johnson, Jr., Co-Chairman, Finance, Personnel and Audit Committee
Supervisor James "Luigi" Schmitt, Co-Chairman, Finance, Personnel & Audit Committee
Teig Whaley-Smith, Director, Department of Administrative Services

FROM : Michael Hafemann, Superintendent of House of Correction

SUBJECT : Revenue Deficits in excess of \$75,000 – House of Correction

Policy Issue:

County Ordinance 56.02 requires each person in charge of any County office, department agency, or any non-departmental account to:

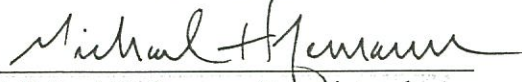
" ... submit a written report to the County Executive, the committee on Finance and Audit of the County Board and the Department of Administration whenever such person has reason to know or believe that a deficit of seventy-five thousand dollars (\$75,000.00) or more in any revenue account will occur for the division of county government under the supervision of that person.

Background:

Item	Short Description	Budget Amount	Actual amount to date	Projected Amount	Variance between budget and projected
4926	ELECTRONIC SURVEILLANCE REV	\$ 1,164,000	\$ 417,654	\$716,000	(\$448,000)

- **What is causing the deficit?** Fewer inmates are eligible and/or able to find an acceptable residence to allow them to participate in the County's Electronic Surveillance (ES) program.
- **Are there funds available to offset the revenue deficit?** With your approval, a surplus in sanction revenues can offset this deficit. The HOC is also scaling back expenditures in commodities and services and is forecasting to break-even if the sanction revenues can be utilized to offset the ES deficit.
- **Will this be an issue beyond the current year?** Electronic Surveillance revenues are variable. In 2013, collections averaged \$97,000 per month. At this time, it is averaging about \$60,000 a month. Our departmental budget request did reduce the revenue estimate for 2016 to about \$71,000 per month or \$850,000.

- **What is plan of action or alternatives to offset the deficit?** The HOC is scaling back expenditures in commodities and services. A surplus in sanction revenues can also offset this deficit.



Michael Hafemann, Superintendent
House of Correction

cc: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
Steven Kreklow Director, Office of Performance, Strategy, and Budget, DAS
Stephen Cady, Research and Policy Director, Office of the Comptroller
Jerome Heer, Director, Department of Audit