

COUNTY OF MILWAUKEE INTER-OFFICE MEMORANDUM

DATE: June 6, 2016
TO: Finance Committee
FROM: John Barrett, Clerk of Circuit Court/Register in Probate
SUBJECT: Credit Management Control

The County Executive's plan for collection of court debt involves referral of the debt to the State Department of Revenue. The Department of Revenue adds 15% to every debt. As an alternative to the County Executive's plan, we issued an RFP for court debt collection. Credit Management Control submitted the highest scoring proposal. That proposal reduced the cost of debt collection that we are currently paying and still included a zero percent charge for restitution collected for crime victims.

The court debt that is collected is varied in nature. It includes traffic tickets, fines and forfeitures, guardian ad litem fees, restitution, adversary counsel fees and various other debts. If this debt is sent to the State of Wisconsin rather than Credit Management Control, the 15% surcharge is added to the debt regardless of whether the State collects the money or whether it is sent back to us for collection, It is a non-waivable cost and adversely affects the citizens of Milwaukee who are least able to pay this additional surcharge. Failure to adopt a debt collection program for Milwaukee County would likely result in legislative action that would require Milwaukee County to enter into an agreement with the State Department of Revenue, including the 15% surcharge.

John Barrett

smg