



County Board Finance & Audit Committee

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COUNTY EXECUTIVE'S UNBALANCED 2011 BUDGET INCLUDES \$27.5 MILLION DEFICIT

Milwaukee, WI – After the first round of reviewing County Executive Scott Walker's 2011 Recommended Budget, a supermajority of the County Board's Finance & Audit Committee has identified a deficit of at least \$27.5 million. Clearly, the County Executive's 2011 budget is not balanced. There is also a \$7 million deficit for 2010 which is not being addressed with an action plan by the County Executive.

Deficits identified in the County Executive's 2011 Recommended Budget:

- *Employee benefits (Org. Units 1972 and 1950)*

Like last year, concessions from represented employees not realized through negotiations are counted in the bottom line. While it may be useful to explore ways to reduce employee benefits, and the Finance Committee is willing to work on such issues, the fact remains that just under **\$17 million** remains as a liability this Budget.

- *Sheriff's Department*

Budget includes a revenue number regarding Huber fees that the Sheriff himself told the Finance Committee he did not include when developing his departmental budget. He indicated this is a number he cannot justify. This false revenue figure puts a deficit of more than **\$700,000** in the Sheriff's budget.

- *County Treasurer*

The Treasurer's budget includes **\$1 million** in Unclaimed Property revenues that the Treasurer stated were not put in his own department budget. He indicated that this is a revenue number he could not justify.

- *Milwaukee County Transit System (MCTS)*

The Director of MCTS testified that **\$2 million** in Video Advertising revenue were not included in her own departmental budget and was a revenue figure that she could not vouch for. Yet it was included in the County Executive's budget.

- *Behavioral Health Division (BHD)*

The Behavioral Health Division budget includes the reduction of **\$6.8 million** of required match money from Milwaukee County for the Badger Care Plus program which was required by the State. The Department of Administrative Services Director stated she had no information that such reduction will be permitted by the State, which itself is dealing with a multibillion dollar budget deficit.

- *Capital Improvement Budget*

The capital fund improvement budget is also based on assumptions that may fail to be realized, such as realizing the proceeds from real estate sales. No solid numbers are estimated, but the assumptions put into question whether the recommended capital projects that have been put forward by the County Executive could be realized.

- *Total 2011 Budget Deficit*

This brings the total 2011 deficit in County Executive Walker's budget to \$27.5 million. This does not include the current **\$7 million deficit** for 2010. No plans have emerged from the County Executive on how he will address this current year deficit.

There are many other assumptions and risks in departmental budgets, and the Finance Committee has questioned some of the assumptions. No solid number is available and has not been added to the actual deficit number that the committee has been able to identify, however, as the Committee continues to go through the details of each departmental budget, there is risk of identifying additional deficits.

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