



Budget Briefing

Cook County

FY2012 Executive Budget Recommendation

October 24, 2011

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President, Cook County Board of Commissioners



Key Budget Accomplishments for Taxpayers

- Commitment to Stroger sales tax repeal
- Long-term financial planning
- First-ever preliminary budget
- Reducing jail population and jail size
- Saved taxpayers over \$800M over the past 2 years
- Countywide performance management initiative
- Reduced health subsidy without reducing patient care
- Allocating \$400M in funding over 3 years for regional, job-creating capital projects



Our Framework

Long-Term Solutions

- 1,057 layoffs and \$219M of structural changes
- Less than 1% of budget in one-time fixes
- Closing \$19M in loopholes
- Commitment to improving fund balance

Fiscally Responsible Process

- Making sense of the budget calendar
- Instituting performance management
- Approaching budget by functions to focus on service delivery
- Taking responsibility for the entire County budget

Collaborative Approach

- Achieving City-County savings of \$11M
- Opening our doors to our Unions
- Collaborating with every Elected
- Working with civic and community leaders on best practices



Our Challenges

Toughest budget gap in County history

- Maintaining commitment to Sales Tax decrease
- Virtually every original request from elected officials was for a budget increase
- Declining revenues (e.g. gas, cigarette taxes, etc.)

Structural Issues

- Governance structure
- Low-hanging fruit last year, e.g. Chief Judge special purpose fund balances

Timing

- Had only a 8 months to prepare budget
- Have only two quarters of STAR data

Labor

- Recommendation of over 1,000 layoffs
- No acceptance on unpaid holidays



President's Office Will Lead by Example

- Layoffs – headcount reduction of 18% (282 layoffs)*
- Institution of managed competition
- Overall budget reduction of 11%; last year, 10% adopted**
- Cut executive office staff 15%; last year, 19% adopted
- Led Countywide performance management initiative
- Recruited and professionalized staff to do more with less

*Includes ~180 custodial positions due to managed competition

**10% does not include furlough and shutdown day savings

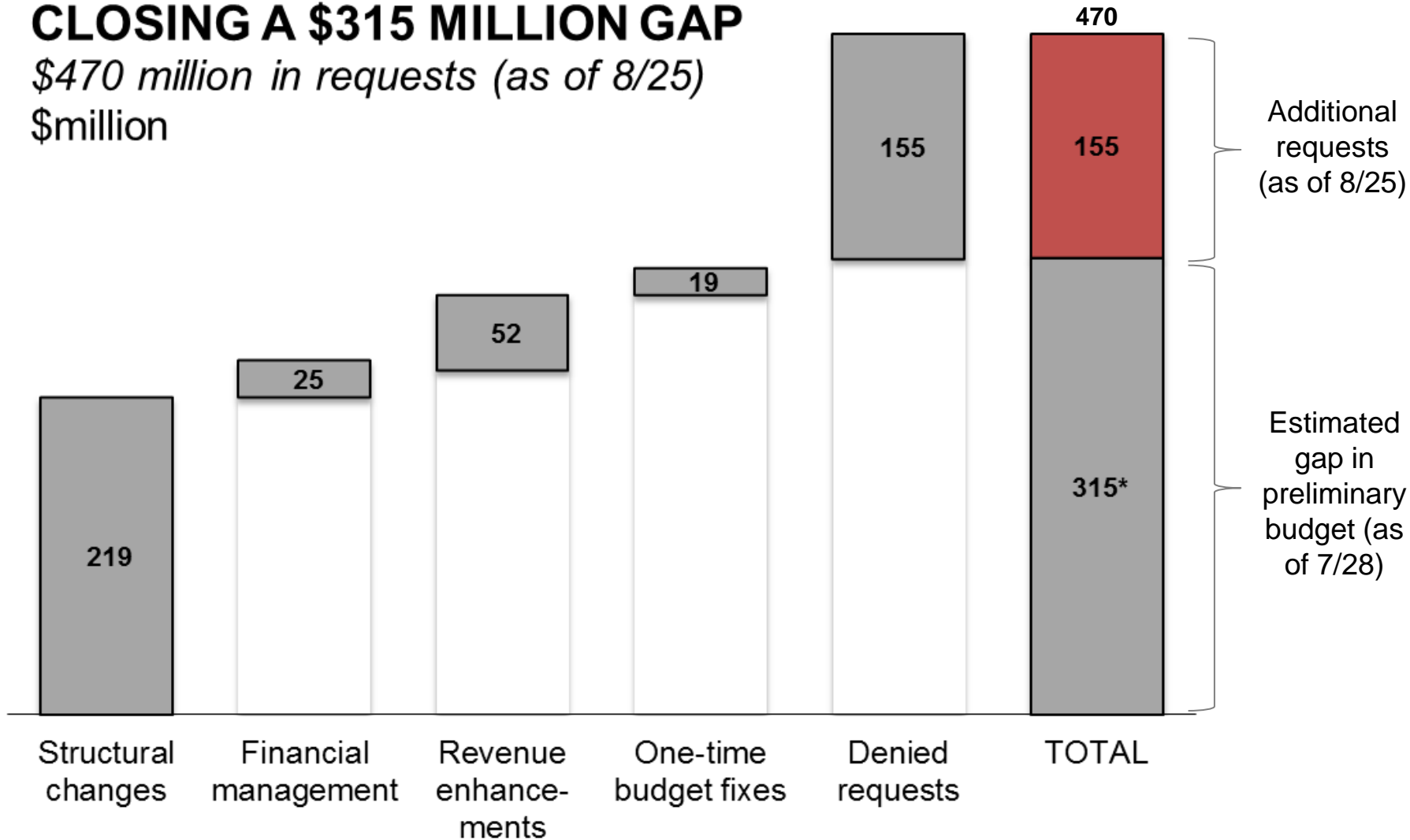


Closing the Gap Required Heavy Structural Changes

CLOSING A \$315 MILLION GAP

\$470 million in requests (as of 8/25)

\$million



*Gap comprised mainly of patient fees, sales tax reduction and other declining revenues



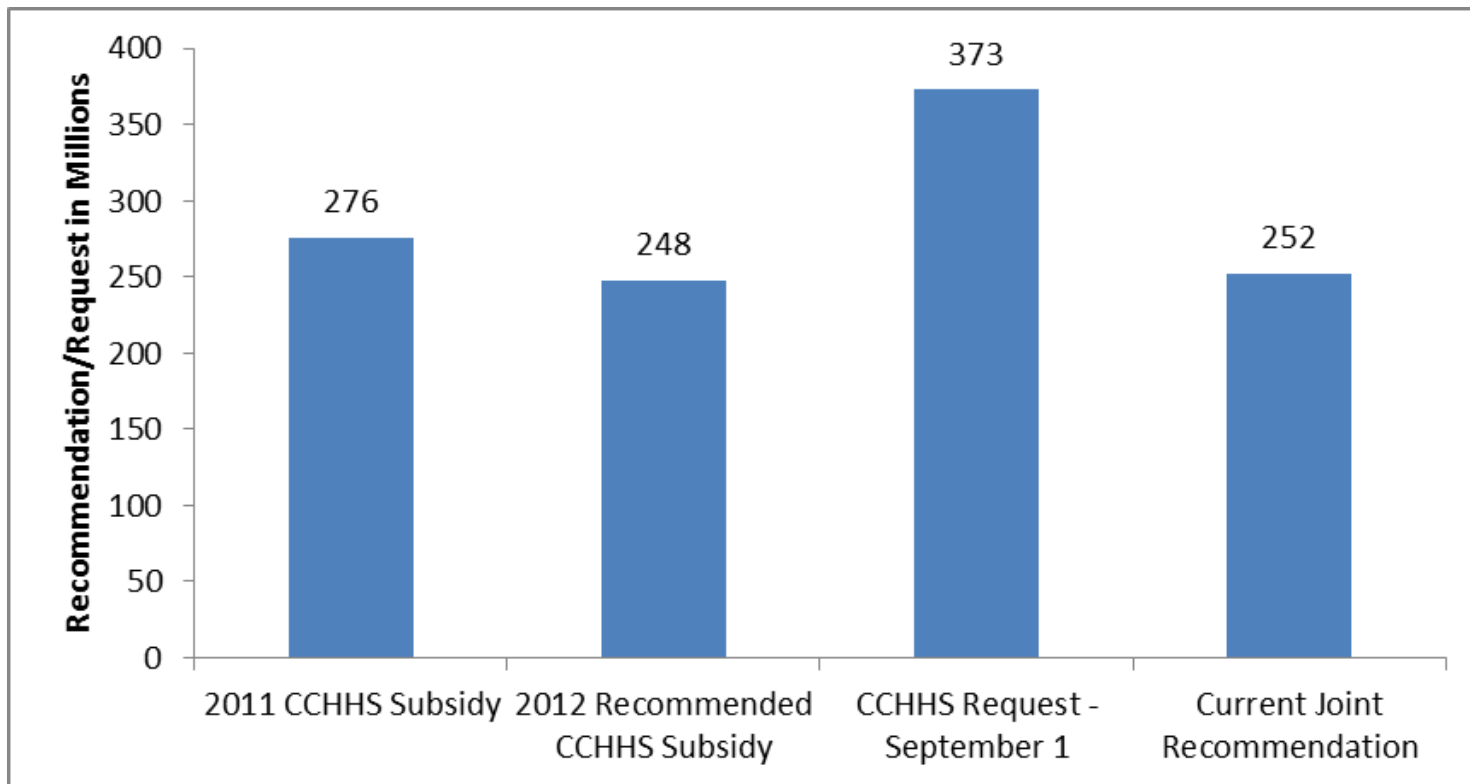
Revised Budget Requests and Our Recommendation

(All budget figures in \$ Millions)	2011 Budget	2012 REVISED Request	2012 President's Recommendation	2011 Budget vs. 2012 Request
President's Office	107	96	96	-11%
Public Defender	52	51	51	-2%
CCHHS Subsidy	276	252	252	-9%
Sheriff	409	401	401	-2%
Chief Judge	133	133	129	0%
State's Attorney	89	86	86	-3%
Clerk of the Circuit Court	74	74	72	-1%
Juvenile Temp. Dtn. Ctr.	38	47	41	22%
Assessor	24	22	22	-9%
County Clerk	8	8	8	-3%
Board of Review	7	8	7	17%
Board of Comm.	7	7	7	0%
Recorder of Deeds	6	6	6	-5%
Treasurer	5	5	5	-6%
Inspector General	2	2	2	9%
Public Administrator	1	1	1	-1%
TOTAL	1,239	1,196	1,185	-3%



Structural Changes – Health Care

- **No reduction in patient care**
- **Minimal layoffs**
- **Able to solve a \$121M gap between original request and solution**





Structural Changes – Public Safety

Initiative	Impact
<ul style="list-style-type: none">• Reducing the jail population by 1,000 and the size of the jail	<ul style="list-style-type: none">• FY2012 cost savings of over \$5M• Future cost savings will be realized in 2013 and beyond
<ul style="list-style-type: none">• Reducing the JTDC population by 150	<ul style="list-style-type: none">• Reducing unnecessary incarceration of children• FY2012 cost savings of over \$1M• FY2013 cost savings of \$7M
<ul style="list-style-type: none">• Ending the unincorporated subsidy	<ul style="list-style-type: none">• FY2012 cost savings of \$5.5M• Future cost savings of \$11M+



JTDC – the Story

- **Jail almost twice as many children as other Counties**
 - In 2010, Harris County, TX: 820,000 youth, 156 Detained
 - In 2010, Cook County, IL: 890,000 youth, 312 Detained
- **Total daily cost of JTDC, along with health services and schooling is \$616 per bed – \$224,840 per juvenile per year**
- **43% of juveniles are put through the jail process, but detained for less than 1 week**
- **Committed to working with Chief Judge and JTDC Transitional Administrator to reduce population by 50% over 2 years by closing centers**
- **First center to be closed in June 2012**
- **Added \$800,000 to Juvenile Probation budget for contract services to alternative secure group homes**



Revenue Enhancements

Closing Loopholes	2012 Impact	Description
Close Tobacco Tax Loopholes	\$12,000,000	Ensuring all tobacco products, not just cigarettes, are taxed (e.g. "roll your own tobacco").
End Tax Subsidy of Unincorporated Cook	\$5,500,000	Ending free ride given to unincorporated residents by incorporated residents on municipal services
Aligning Taxes		
Reconcile Use Tax Rate %0.25	\$14,000,000	Aligning rate with other Counties to fund increased maintenance costs; sale of titled property only (e.g. cars, yachts); .25% lower than City tax
Adjust Alcohol Tax by Half or Less	\$10,900,000	Tax has not been adjusted since 1989, far lower than City (e.g. for beer, 6¢ to 9¢ per gallon, City at 29¢)
Instituting Fees		
Institute Parking Fees at Facilities	\$6,000,000	Charging less than a round-trip bus fare at courthouses; fee adjustment at Stroger still below surrounding lots

New fees or tax alignments account for ~2% of overall revenue.



Financial Management

Initiative	2012 Impact	Description
Motor Fuel Tax Financing	\$25,000,000	Bonding off Motor Fuel Tax to finance a suburban infrastructure plan to improve roads, highways, bridges



What's Next

Commitment to pass budget prior to FY2012 fiscal year

Oct. 25 – Early Nov.

Gather feedback

- Hold department hearings with Finance Committee
- Hold public hearings (North, South, West, City)
- Incorporate feedback into budget revisions, as necessary

Early Nov. – Nov. 18

Pass budget

- Amendments will be presented over next 3 weeks
- Amendments must be budget-neutral
- Present budget for Board vote

Dec. 1, 2011 – Nov. 30, 2012

Budget accountability

- Quarterly review sessions via STAR
- Implementation of layoff notices and plans
- Increased budget controls via quarterly reports & allocations



Recap of Key Budget Accomplishments for Taxpayers

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