



November 10, 2021

The Honorable John P. Daley
Cook County Commissioner, 11th District
118 North Clark Street, Room 567
Chicago, Illinois 60602

Dear Commissioner Daley:

The Civic Federation recently completed its analysis of the County's proposed FY2022 budget. I am writing to convey our findings in advance of next week's Board of Commissioners meeting to adopt the FY2022 budget. The full report is available at civicfed.org/CookCountyFY2022.

The Civic Federation supports the proposed \$8.04 billion budget. As detailed in the report, Cook County officials have worked in recent years to build up reserves, maintain manageable long-term debt levels and conduct long-term forecasting. These steps have helped the County plan for budget gaps over time and have put the County in a good financial position to recover from the economic disruptions caused by the COVID-19 pandemic.

Steady fiscal stewardship has paid off for Cook County, both generally and amid the lingering economic effects of the COVID recession. The County's receipt of significant federal American Rescue Plan Act funding creates a revenue backstop in case the economy doesn't grow as projected. With this funding, the County will also be able to hire personnel and implement community initiatives aimed at pandemic recovery, which will help set up the County up for future financial stability.

The Federation supports several aspects of this year's budget, such as the County's Independent Revenue Forecasting Commission including Cook County Health's revenue projections within its forecasting scope and the health system's improved revenue collections. Additionally, legislation passed this year will begin providing more publicly available information about charity care offered throughout the County.

Despite these improved fiscal and transparency measures, the Civic Federation remains concerned about Cook County Health's reversal on its long-term goals for Provident Hospital. After a two-year delay in construction of a new Provident, the Federation urges the Cook County Board to receive ongoing updates on utilization of emergency and inpatient services in a public forum.

Improvements in the County's pension funding levels are being powered by supplemental pension contributions generated from a 2016 sales tax increase. Fiscal year 2022 will mark the seventh consecutive year of supplemental payments to Cook County employee pensions. However, the County has declined to share the sales tax proceeds with the Forest Preserve District, the governance for which Cook County Commissioners are also responsible. In an attempt to address its own pension crisis, the

Forest Preserves will ask the voters for a property tax increase via referendum during the 2022 general election.

While related, the County and the Forest Preserves are separate units of government with separate, sometimes competing missions. The County Board of Commissioners insists on maintaining oversight for both governments and is directly involved in the District's rising personnel and pension costs. As such, the County Board should be prepared to take swift action if the Forest Preserves' upcoming property tax referendum does not pass.

Other Federation recommendations for the County include ensuring that public progress reports on the use of American Rescue Plan funds provide detailed information about operations, personnel and expenditures; obtaining statutory authority for the supplemental pension payments; and maintaining an archive of all livestreamed Cook County Health Board of Directors and Committee meetings.

The Civic Federation would like to express our sincere thanks and appreciation to Cook County Chief Financial Officer Ammar Rizki, Budget Director Annette Guzman and Cook County Health Chief Strategy Officer Andrea Gibson for providing us with briefings on the budget and providing answers to our questions.

Thank you for this opportunity to comment on Cook County's finances. If you have any questions, please call me at 312-593-8870.

Sincerely,



Laurence Msall
President

cc: Cook County President Toni Preckwinkle
Lanetta Haynes Turner, Chief of Staff to President Preckwinkle
Ammar Rizki, Chief Financial Officer
Annette Guzman, Budget Director
Israel Rocha, Jr., Cook County Health Chief Executive Officer
Pamela Cassara, Cook County Health Chief Financial Officer
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