

FY2019 Mid-Year Budget Review

OFFICES UNDER THE PRESIDENT

Objective: Update on FY2019 Goals and Objectives, review FY2019 YTD budget, FY2019 year-end projections and discuss challenges and opportunities impacting the FY2020 budget.

I. Highlights of 2019 – Review of Goals and Objectives

Justice Advisory Council

- **FY2019 Goal:** Advocate for policies which decrease racial, ethnic, and socio-economic disparities in criminal justice system. Impact in the reduction of both the jail and JTDC population demonstrate this objective and in 2019 we set a target to reduce the JTDC population by 7% to 195 down from 210 year-end in 2018.

Provide impact on any key performance indicators:

- As of June 2019, the JTDC population hold steady at 183, down 13% which exceeds the target set for 2019
- Both bond reform efforts and juvenile justice reform legislation such as setting bonds at affordable rates for non-violent offenses, increased age from 11 to 13 and reforms of automatic transfer of youth has reduced population in an impactful way advancing racial, ethnic, and socio-economic equity in the criminal justice system.

Alignment with Policy Roadmap

Safe and Thriving Communities: Reducing the Jail and JTDC population impacts our Policy Roadmap key performance indicator for CCDOC and JTDC towards the goal to create safe communities and an equitable and fair justice system for all residents. It also addresses the objective of increasing alternatives to detention and access to supportive services for justice-involved residents.

Chief Financial Officer

Department of Budget and Management Services

FY2019 Goal: DBMS will continue to monitor current year expenditure activity to ensure adherence to Board approved appropriation. To meet this goal of responsible stewardship DBMS tracks the number of departments projecting above current budget. Enhanced reporting and data analysis tools will aide in achieving the target of 20 departments tracking above current budget in 2019.

Provide impact on any key performance indicators:

- 97% of departments are currently tracking within Budget
- This measure exceeds the budgeted goal of 89% of departments tracking within budget

Alignment with Policy Roadmap

OPEN Communities: Good Government - Residents trust Cook County government and its elected officials to be good stewards of County resources. We aim to be an excellent administrator of the vital services

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residents rely on by being transparent, accountable and effective. Maintaining good financial health by continuing to live within our means speaks to fiscal responsibility.

This goal meets the objective to ensure the best use of taxpayer dollars by promoting responsible and innovative fiscal management practices.

Office of the Chief Procurement Officer

FY2019 Goal: ENHANCE ACCESSIBILITY TO VENDORS: OCPO plans to enhance telecommunication capabilities to allow vendors to join by way of video conference for pre-proposal conferences. This will make the process more accessible for vendors located out of state and/or the Country and will increase competition and transparency. We anticipate the outcome to be increased vendor participation in County solicitations and so have increased our target for vendors bidding on projects to 900 for FY2019.

Provide impact on any key performance indicators:

- This initiative has not been completely rolled out yet.
- Software/Hardware for buyers to conduct videoconference meetings has been procured and installed.
- Training for all staff on how to use the equipment will take place in July.
- Complete public roll out expected in September 2019.

Alignment with Policy Roadmap

Open Communities: One objective of Open Communities is to make doing business with Cook County simple, transparent and accessible for residents, municipalities and businesses. Enhancing Accessibility to vendors is directly tied to this objective. It also speaks to the two strategies below.

- Improve in-person and virtual customer experience for residents interacting with Cook County.
- Streamline the procurement process to make it more efficient and accessible.

Office of Contract Compliance

FY2019 Goal: STRATEGIC OUTREACH TO M/W/V/SDVBES(ECONOMIC DEVELOPMENT):

The Office of Contract Compliance has targeted underutilized industries to conduct outreach efforts to increase the pool of available certified M/W/V/SDVBES (Protected Class Enterprise – PCE). To achieve this goal, we set a target of increasing our certification pool to 720 in FY2019. Currently, there are 510 certified M/W/V/SDVBES and 209 pending applications.

Provide impact on any key performance indicators:

Outreach is the key to increasing the pool of certified PCEs. In FY2019 OCC has participated in over 20 outreach events, exceeding the 2019 year-end number of outreach events; and has begun direct contacts with currently certified firms to encourage maintenance of certification.

Alignment with Policy Roadmap

Open Communities: The Office of Contract Compliance's efforts toward increasing the pool of certified PCEs supports the objective of promoting responsible and innovative fiscal management practices by increasing equity in purchasing. Moreover, expanding the pool of certified PCEs furthers the Vital

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Communities objective of growing key economic clusters by encouraging minority and women business ownership and labor force participation in sectors that offer living wage jobs.

Bureau of Administration

Environment and Sustainability

FY2019 Goal: IMPROVE HEALTH OF PEOPLE AND NATURE; RESOURCES, AND FOSTER ECONOMIC DEVELOPMENT, BY REDUCING AND REMEDIATING LAND POLLUTION

Current Status of Goal:

Grant for brownfield assessment received for work with partners Chicago Heights, Ford Heights and Sauk Village. Contract executed July 2019. In addition, federal grant received to fund a Revolving Loan Fund for cleanup of sites in these and other communities, after sites are assessed.

Provide impact on any key performance indicators:

Anticipate being on target to conduct 10 Phase I brownfield assessments in 2019. Phase I is the first step towards assessment, planning and budgeting for future use, cleanup, and return of the parcels to the tax rolls and producing jobs for the community.

Alignment with Policy Roadmap

Sustainable Communities: This initiative supports the objective to ensure environmental justice and a healthy environment for all people and places.

Medical Examiner

FY2019 Goal: International Standards Organization Accreditation

In June 2019, the American Society of Quality National Accreditation Board (ANAB) awarded the County Medical Examiner's Office International Standardization Organization (ISO) accreditation for forensic testing and forensic inspection.

Alignment with Policy Roadmap

Open Communities: Our goal is to provide excellent customer service to decedent families, funeral homes, law enforcement, etc. Updating internal policies and procedures and maintaining national accreditation ensures the MEO is accountable to the public.

Department of Transportation and Highways

FY2019 Goal: REGIONAL TRANSPORTATION LEADER Continue to collaborate with regional transportation agencies on regionally significant projects, like the Elgin-O'Hare expressway, Central Tri-State (I-294 tollway, the widening of Interstate 80 to address freight and transit mobility and the CREATE Program

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Current Status of Goal:

In 2019, the DoTH continues to be a Leader and collaborate with the transportation industry by awarding another 34 projects through the Invest in Cook Grant Program. Also, the CREATE Program was successful in receiving a U.S. Department of Transportation Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program Grant. The project, WA-11 is the Dolton Junction Interlocking which will upgrade and reconfigure the CSX Transportation, Indiana Harbor Belt Railroad and Union Pacific track and signaling connections at Dolton Interlocking and improves nine at-grade crossings at a total project cost of up to \$19,206,398. This project's Right of Way Acquisition was funded by 2018 Invest in Cook Program enabling this USDOT Grant to fund construction.

Provide impact on any key performance indicators:

The County's investment of \$8.5 million leverages an additional \$31.5 million in federal, state and local funds. The commitment of County transportation resources will enable \$40 million in project activity across all phases to get underway in the coming year.

Alignment with Policy Roadmap

Smart Communities: Projects in the 2019 program directly benefit 32 municipalities with a focus on south Cook, which received 44% of funding across 11 projects. This initiative supports the County's efforts to coordinate the development of public infrastructure projects across all levels of government.

Bureau of Technology

FY2019 Goal: Voice Over Internet Protocol (VOIP) Rollout

- Project is 35% complete as of 5/2019
- This project will lead to more efficient network maintenance delivery by combining the County's phone service with other data service already on the network.

Alignment with Policy Roadmap

Smart Communities / Public Infrastructure: Moving to VOIP allows BOT to consolidate the County's telephone infrastructure into existing internet infrastructure. This means there is only one network to maintain. This addresses the objective to better serve residents by investing in and deploying proven technology infrastructure.

FY2019 Goal: Improve performance in customer satisfaction surveys

- BOT continues to improve its performance in customer satisfaction surveys conducted after employees use our services, reaching 97% satisfied or highly satisfied as of 5/2019
- BOT is using these as a KPI to drive our operations; we identify areas for improvement and direct resources to improve performance where needed.

Alignment with Policy Roadmap

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Open Communities: Using data to improve operational performance is a key tenant of the Policy Roadmap. This helps the County meet the objective to be transparent and accountable through the use of data.

Bureau of Economic Development

Economic Development

FY2019 Goal: Chicago Metro Metal Consortium (CMMC) serves as a platform for collaboration among public and private partners across the Chicago region to strengthen and support the fabricated metal and machinery sectors. Efforts in 2019 will increase CMMC's focus on promoting careers in manufacturing. In partnership with the University of Illinois, CMMC will be working with manufacturers that are part of the U.S. Department of Defense's supply chain to remain competitive in the face of changing technology and defense spending. To support our goal of economic development through initiatives and programs we have set a target of leveraging \$300,000 in external funds and technical assistance in FY2019.

The Bureau serves as the backbone organization for the [Calumet Manufacturing Industry Sector Partnership](#) which has leveraged over \$650,000 in additional funds to support workforce training in the Southland, engaged 32 manufacturers through 2 meetings, 1 networking event and 3 tours of local manufacturers to introduce new technologies, increase sales for businesses and strengthen relationships between local schools and manufacturers.

- The Chicago Defense Resiliency Program supports the region's 1,360 companies in the Chicago metro area that perform US Department of Defense related work, representing \$5.3 billion annually, employing over 20,000 people. Through this program, the County brings new resources and services to these firms. As part of the Illinois Defense Network, this program is funded by a \$166,000 grant from the US Department of Defense (DoD).
- To support the CMMC's commitment to strengthening the talent pipeline for manufacturers, Cook County received a \$140,000 grant from the Illinois Department of Commerce and Community Affairs to promote apprenticeship opportunities in the Southland.

Alignment with the Policy Roadmap

Vital Communities: This is just one of the initiatives to champion a regional approach to grow the economy and combat racial and economic equality.

Planning and Development

FY2019 Goal: Preparation of the County's Assessment of Fair Housing Plan, a federally mandated fair housing plan to limit barriers to affordable housing and encourage the development of more affordable housing units (projected # of residents impacted: 1,250,000)

- Partner Agencies are engaged and collaborating on a public participation plan and schedule. Research on impediments is underway.
- 1,250,000 residents projected to be impacted by the plan.

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Alignment with the Policy Roadmap

Vital Communities: This initiative aligns with the objective to advocate for fair housing practices across the region.

Bureau of Human Resources

FY2019 Goal: Improve job awareness by increasing the number of residents trained to access the TALEO system to apply for County residents.

- The 1st in-person trainings were conducted on 6/2/2019 and 6/26/2019.
- BHR is in the process of developing the content for the online sessions and anticipates the implementation of the online session will be prior to the end of the fiscal year.

Alignment with Policy Roadmap

Open Communities: This objective is to improve services to Cook County residents by attracting and supporting a diverse, compassionate, high-quality workforce. BHR believes that by providing a tutorial on the TALEO system, applying for a County job will appear less intimidating and increase the number of completed applications received.

Bureau of Asset Management

FY2019 Goal: Improve efficiency with the implementation of new Handheld Devices 2nd Quarter of FY19

DFM successfully procured Apptree Application to allow for our FAMIS (Facilities Asset Management Information System) work order system to now be loaded onto handheld devices for 300 employees. This implementation allows for improved services, efficiency, greater transparency, real time data collection, and reduction in data entry/paper use.

Reduced service order completion from 10 days to 2 days over the last 12 months.

Alignment with Policy Roadmap

Open Communities: This initiative supports the objective to foster a culture of using data and evidence to drive decisions and delivery of services.

FY2019 Goal: Improve communication with the implementation of Interactive Directory Touchscreen technology with the ability to post County advertisements, Board meetings, way finding.

These screens will provide additional transparency and facilitate interfacing with the public and tenants. This will be an improved vehicle for communication per building as well as revenue generating.

RFP has been completed. Bureau of Technology performing final review. Plan to post in September 2019.

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Alignment with Policy Roadmap

Open Communities: This initiative supports the objective to improve in-person and virtual customer experience for residents interacting with Cook County. These screens will allow for greater transparency in interfacing with the public and tenants and provide an improved venue for communication and emergency announcements per building as well as a potential source of revenue.

II. Comparison of YTD budget (as of 5/31/2019) vs expense projections with explanations for major variances and corrective action steps

Operating Expenses	FY 2019 YTD Budget	FY2019 YTD Actuals	\$ Variance	% Variance
Personnel	70,590,403.4	55,809,790.0	14,780,613	21%
Contractual Services	4,303,474.7	2,436,910.0	1,866,565	43%
Supplies and Materials	1,377,037.0	972,174.0	404,863	29%
Operations and Maintenance	5,971,864.0	4,043,684.0	1,928,180	32%
Rental and Leasing	754,724.9	342,699.0	412,026	55%
Contingencies and Special Purposes	104,868.7	218,067.0	(113,198)	-108%
Total	83,102,372.7	63,823,324.0	19,279,049	23%

Operating Expenses by Office	FY 2019 YTD Budget	FY2019 YTD Actuals	\$ Variance	% Variance
President (includes JAC)	1,421,433.2	1,233,727.0	187,706	13%
Chief Financial Officer	11,461,833.9	9,448,424.0	2,013,410	18%
Chief Information Officer	19,244,454.0	7,751,570.0	11,492,884	60%
Chief Administrative Officer	12,015,129.6	10,095,051.0	1,920,079	16%
Office of Economic Development	4,907,795.6	4,013,978.0	893,818	18%
Chief of Human Resources	3,087,276.0	2,052,551.0	1,034,725	34%
Chief of Asset Management	29,296,974.4	27,930,973.0	1,366,001	5%
Department of Human Rights And Ethics	422,977.0	344,989.0	77,988	18%
Administrative Hearings	670,206.0	552,367.0	117,839	18%
County Auditor	\$574,292	399,694.0	174,598	30%
	83,102,371.7	63,823,324.0	19,279,048	23%

Personnel

Personnel expense favorable variance can be largely attributed to many departments experiencing difficulties filling vacant positions. Departments are actively working with HR to post and fill positions as needed.

For example, the information technology job market is extremely competitive, with some specializations experiencing near zero unemployment rates. This phenomenon has forced BOT to compete against private sector organizations that offer strong compensation and benefits packages.

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Contractual Services

The County Board approved a new software reseller -- SHI International -- in Q2 FY19. This role was previously held by CDWG. The recent conversion from CDWG to SHI has caused delays as countywide procurement liaisons are learning how to place software, maintenance and maintenance renewal purchases through a new vendor. It is expected that remaining funds will be spent by year-end.

In the FY2019 Budget, \$2Million was budgeted for the Census 2020 initiatives.

Funds have not yet been expended from this budget line item. The County issued a Request for Proposal (RFP) and expects a Program Administrator (Vendor) to be hired during the Fourth Quarter of 2019 to oversee and conduct Census activities for the County.

Operations and Maintenance

Variances are high in this area as BOT are still awaiting renewal expiration dates which will arrive later part of FY19. Vendors prepare invoices 2 months prior to the renewal end date. Once invoices are received and paid -- renewals are processed and extended.

The budget is appropriate for the contractual support, and the variance will self-correct once the renewal invoices are processed.

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III. Comparison of YTD budget (as of 5/31/2019) vs revenue projections (if applicable) with explanations for major variances and corrective action steps

Revenue	FY 2019 YTD Budget	FY2019 YTD Actuals	\$ Variance	% Variance
401130-Non Retailer Trans Use Tax	8,356,110.75	7,441,638.00	(914,472.75)	-11%
401150-County Sales Tax	406,200,000.00	406,523,137.00	323,137.00	0%
401170-County Use Tax	38,924,627.48	40,296,080.00	1,371,452.52	4%
401190-Gasoline / Diesel Tax	46,302,751.94	46,760,155.00	457,403.06	1%
401210-Alcoholic Beverage Tax	17,297,482.53	18,342,554.00	1,045,071.47	6%
401230-New Motor Vehicle Tax	1,373,299.28	1,428,756.00	55,456.72	4%
401250-Wheel Tax	280,077.89	387,280.00	107,202.11	38%
401310-Off Track Betting Comm.	565,000.00	592,384.00	27,384.00	5%
401330-II Gaming Des Plaines Casino	4,224,660.00	4,285,491.00	60,831.00	1%
401350-Amusement Tax	20,091,748.63	21,395,470.00	1,303,721.37	6%
401370-Parking Lot and Garage Operation	24,432,823.81	23,826,084.00	(606,739.81)	-2%
401390-State Income Tax	6,450,000.00	7,979,369.00	1,529,369.00	24%
401430-Cigarette Tax	57,236,214.41	51,134,151.00	(6,102,063.41)	-11%
401450-Other Tobacco Products	3,488,890.20	4,344,930.00	856,039.80	25%
401470-General Sales Tax	1,300,000.00	1,686,147.00	386,147.00	30%
401490-Firearms Tax	824,920.26	694,682.00	(130,238.26)	-16%
401530-Gambling Machine Tax	90,000.00	131,400.00	41,400.00	46%
401550-Hotel Accommodations Tax	12,770,918.70	12,585,837.00	(185,081.70)	-1%
401570-Video Gaming	220,000.00	189,916.00	(30,084.00)	-14%
402300-Building and Zoning	1,808,750.00	1,389,060.00	(419,690.00)	-23%
402350-Environmental Control	1,105,000.00	1,040,849.00	(64,151.00)	-6%
402400-Highway Dept Permit Fees	600,000.00	674,148.00	74,148.00	12%
402450-Liquor Licenses	197,500.00	300,806.00	103,306.00	52%
403100-Supportive Services	7,500.00	8,918.00	1,418.00	19%
403210-Medical Examiner	1,247,200.00	1,662,529.00	415,329.00	33%
403280-Contract Compliance M/WBE Cert	20,000.00	11,250.00	(8,750.00)	-44%
TOTAL	\$ 655,415,475.87	\$ 655,113,021.00	\$ (302,454.87)	-0.05%

Explanation of variances greater than 1% and \$1 million.

401170-County Use Tax: Revenue of \$40.53 million through the period ended May 31, 2019 was above budgeted revenue of \$38.9 million, and resulted in a favorable variance of \$1.4 million or 6.0%

The positive variance was due to the robust economy and strong incentives at the dealerships, more residents are purchasing the cars through dealerships versus private parties.

401210-Alcoholic Beverage Tax: Revenue of \$18.4 million through the period ended May 31, 2019 was above budgeted revenue of \$17.3 million, and resulted in a favorable variance of \$1.0 million or 6.0%

The positive variance was due to a major distributor amending several of their returns which generated net additional taxes due.

401350-Amusement Tax: The County Amusement Tax - Revenue of \$21.4 million through the period ended May 31, 2019 was above budgeted revenue of \$20.1 million and resulted in a favorable variance of \$1.3 million or 6% based on current collections. The positive variance was due to stronger than expected ticket sales for sporting events and an unexpected increase in revenue from live theaters.

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401390-State Income Tax: Revenue of \$8.0 million through the period ended May 31, 2019 was above budgeted revenue of \$6.5 million and resulted in a favorable variance of \$1.5 million or 24% based on current collections by the State of Illinois. The positive variance can be largely attributed to an April spike in statewide income tax revenues which the Illinois Department of Revenue attributed in a letter to Gov. Pritzker to “A number of factors” including, “the performance of the stock market, better federal reimbursement for Medicaid, the elimination of the federal state and local tax deduction and changes in the federal tax law that meant many taxpayers didn’t withhold sufficient taxes through payroll deductions, backloading their end-of-year tax payments.

401430-Cigarette Tax Revenue: of \$51.1 million through the period ended May 31, 2019 was behind budgeted revenue of \$57.2 million and resulted in an unfavorable variance of (\$6.1) million or (11%) based on current collections. The negative variance is due to a greater than anticipated impact from the prior raise the age legislation in various municipalities and stampers slowing down orders in anticipation of the Statewide Tobacco legislation that will also raise the age to 21 and impose an additional \$1.00 Tax per pack.

402350 – Environmental Fee: The YTD revenue deficit is simply a result of straight-line calculation of anticipated revenues. The department’s actual revenue is weighted toward the second half of the year and is currently ahead of what was estimated for the Comptroller’s Office.

Environment and Sustainability anticipates reaching the annual budgeted revenue. The variance below is due to a lack of May revenue information at the time the preliminary budget was prepared.

403210 – Medical Examiner: Received payment from the State for toxicology equipment that was sold to the Illinois State Police. This revenue was not projected in FY2019.

What corrective action will be taken if required?

The Department of Revenue will continue to ensure compliance across all its home rule taxes. These compliance efforts will allow for an equitable playing field for all taxpayers. Any unexpected revenue variances resulting from external factors (economic downturns, federal or state regulatory changes etc.) will be paired with potential budgetary holdbacks if necessary. However, the individual revenue shortfalls are not severe enough to initiate any holdbacks for the General Fund.

All Offices under the President are expected to end FY2019 within budget.

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IV. Year-End Projections (How do you believe you will end the year?)

Revenue	FY 2019 Adopted Budget	FY2019 Year End Estimate	\$ Variance	% Variance
401130-Non Retailer Trans Use Tax	\$ 18,500,000.00	\$ 16,384,926.00	\$ (2,115,074.00)	-11%
401150-County Sales Tax	\$ 831,500,000.00	\$ 831,823,137.00	\$ 323,137.00	0%
401170-County Use Tax	\$ 80,500,000.00	\$ 81,871,453.00	\$ 1,371,453.00	2%
401190-Gasoline / Diesel Tax	\$ 93,700,000.00	\$ 94,157,403.00	\$ 457,403.00	0%
401210-Alcoholic Beverage Tax	\$ 36,800,000.00	\$ 37,845,071.00	\$ 1,045,071.00	3%
401230-New Motor Vehicle Tax	\$ 3,000,000.00	\$ 3,055,457.00	\$ 55,457.00	2%
401250-Wheel Tax	\$ 4,500,000.00	\$ 4,607,202.00	\$ 107,202.00	2%
401310-Off Track Betting Comm.	\$ 1,100,000.00	\$ 1,127,384.00	\$ 27,384.00	2%
401330-II Gaming Des Plaines Casino	\$ 8,650,000.00	\$ 8,710,831.00	\$ 60,831.00	1%
401350-Amusement Tax	\$ 38,500,000.00	\$ 39,803,721.00	\$ 1,303,721.00	3%
401370-Parking Lot and Garage Operation	\$ 51,000,000.00	\$ 50,393,260.00	\$ (606,740.00)	-1%
401390-State Income Tax	\$ 12,900,000.00	\$ 14,517,378.00	\$ 1,617,378.00	13%
401430-Cigarette Tax	\$ 120,000,000.00	\$ 110,697,938.00	\$ (9,302,062.00)	-8%
401450-Other Tobacco Products	\$ 7,400,000.00	\$ 8,256,040.00	\$ 856,040.00	12%
401470-General Sales Tax	\$ 2,600,000.00	\$ 3,417,101.00	\$ 817,101.00	31%
401490-Firearms Tax	\$ 1,550,000.00	\$ 1,382,682.00	\$ (167,318.00)	-11%
401530-Gambling Machine Tax	\$ 2,200,000.00	\$ 2,241,400.00	\$ 41,400.00	2%
401550-Hotel Accommodations Tax	\$ 33,500,000.00	\$ 33,314,918.00	\$ (185,082.00)	-1%
401570-Video Gaming	\$ 650,000.00	\$ 374,916.00	\$ (275,084.00)	-42%
402300-Building and Zoning	\$ 3,617,500.00	\$ 3,696,395.00	\$ 78,895.00	2%
402350-Environmental Control	\$ 4,795,000.00	\$ 4,545,147.00	\$ (249,853.00)	-5%
402400-Highway Dept Permit Fees	\$ 1,200,000.00	\$ 1,200,000.00	\$ -	0%
402450-Liquor Licenses	\$ 395,000.00	\$ 330,806.00	\$ (64,194.00)	-16%
403100-Supportive Services	\$ 15,000.00	\$ 17,836.00	\$ 2,836.00	19%
403210-Medical Examiner	\$ 2,494,400.00	\$ 2,492,539.00	\$ (1,861.00)	0%
403280-Contract Compliance M/WBE Cert	\$ 40,000.00	\$ 39,250.00	\$ (750.00)	-2%
TOTAL	\$ 1,361,106,900.00	\$ 1,356,304,191.00	\$ (4,802,709.00)	-0.35%

Explanation of variances greater than 1% and \$1 million.

401130-Non-Retailer Transaction (private party) Use Tax: Projected end of year revenue of \$16.4 is anticipated to be below the budget of \$18.5 million, an unfavorable variance of \$2.1 million or 11%. The projected unfavorable variance can be largely attributed to that more consumers are opting to purchase their vehicles from dealerships, due to increased incentives and attractive pricing, rather than from private individuals.

401170--County Use Tax: Projected end of year revenue of \$81.8 million is anticipated to be above budgeted revenue of \$80.5 million, a favorable variance of \$1.4 million or 2%. The projected positive variance is due to dealership offering incentive and attractive pricing for cars.

401210-Alcoholic Beverage Tax: Projected end of year revenue of \$37.8 million is anticipated to be above budgeted revenue of \$36.8 million, a favorable variance of \$1.0 million or 3%. The positive variance was due to a major distributor amending several of their returns which generated net additional taxes due.

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401350-Amusement Tax: The County Amusement Tax - Projected end of year revenue of \$39.8 million is anticipated to be above budgeted revenue of \$38.5 million, a favorable variance of \$1.3 million or 3%. The positive variance is due to stronger than expected ticket sales for sporting events and an unexpected increase in revenue from live theaters.

401390-State Income Tax: Projected end of year revenue of \$14.5 million is anticipated to be above budgeted revenue of \$12.9 million, a favorable variance of \$1.6 million or 13%. The positive variance can be largely attributed to spike in statewide income tax revenues which the Illinois Department of Revenue in a letter to Gov. Pritzker attributed to “a number of factors” including, “the performance of the stock market, better federal reimbursement for Medicaid, the elimination of the federal state and local tax deduction and changes in the federal tax law that meant many taxpayers didn’t withhold sufficient taxes through payroll deductions, backloading their end-of-year tax payments”.

401430-Cigarette Tax Revenue: Projected end of year revenue of \$110.6 million is anticipated to be below budgeted revenue of \$120.0 million, an unfavorable variance of \$9.3 million or 8%. The negative variance is due to a greater than anticipated impact from the prior raise the age legislation in various municipalities and stampers slowing down orders in anticipation of the Statewide Tobacco legislation that will also raise the age to 21 and impose an additional \$1.00 tax per pack.

What corrective action will be taken if required?

401430-Cigarette Tax Revenue: The Department of Revenue will continue compliance efforts in 2019 but given recent legislation we should expect significant decreases in Cigarette revenues in 2019 and 2020.

401130-Non-Retailer Trans Use Tax: Department of Revenue will continue to ensure compliance across this tax type and all others as well.

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V. Challenges/Opportunities to be addressed in FY2020 budget

Challenges

- Departments continue to be challenged with recruiting quality professionals. We will continue to collaborate with Human Resources on recruiting/outreach to fill vacant positions with quality professionals.
- The County has experienced a steady increase in members moving towards the more costly PPO plan over the HMO plan in recent years. If this trend continues in 2020 we may find that resources available for other anticipated wellness programs may be further constrained.

Opportunities

- ROI will continue training County employees to improve County processes and create efficiencies. ROI anticipates increasing the number of employees trained (125 in 2019) and process improvements (26 in 2019) in 2020. Those trainings and process improvements will vastly improve operational efficiencies across Cook County government.
- DBMS will expand the Interactive Budget website beyond the Preliminary Forecast to include the Executive Recommendation for FY2020. By doing so, we are improving transparency in fiscal reporting.
- BOT will continue planning efforts to identify County resiliency in case of disruptions using various impacts such as business continuity plan development and disaster recovery implementation for critical IT systems.
- BAM will Demolish Divisions I and IA on the jail campus. The bulk of the demolition work will occur in FY2020. That project is the first step in the 18-year plan for the replacement of the Jail by the Cook County Adult Detention Center.
- Start construction on the new facility at Provident Campus. The planning and design work will be completed in early FY2020 This is a significant step forward to bringing increased out-patient healthcare service lines in addition to a new state-of-the-art in-patient hospital facility to the south side healthcare campus.