

2020

Cook County Mid Year Budget Hearing

July 17, 2019



Toni Preckwinkle
President, Cook County Board of Commissioners

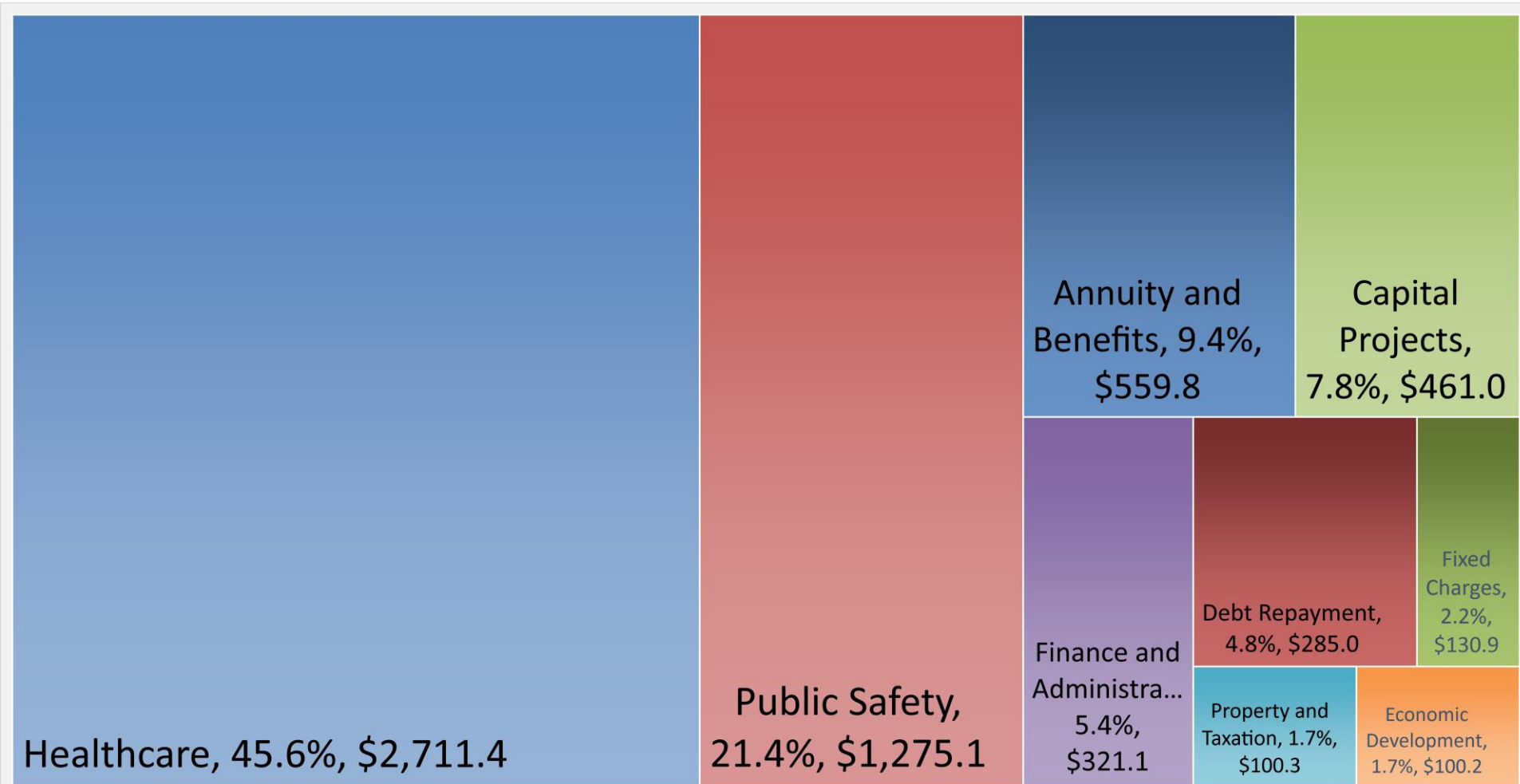
FY2019 Overview



FY2019 Total Budget: \$5.94B



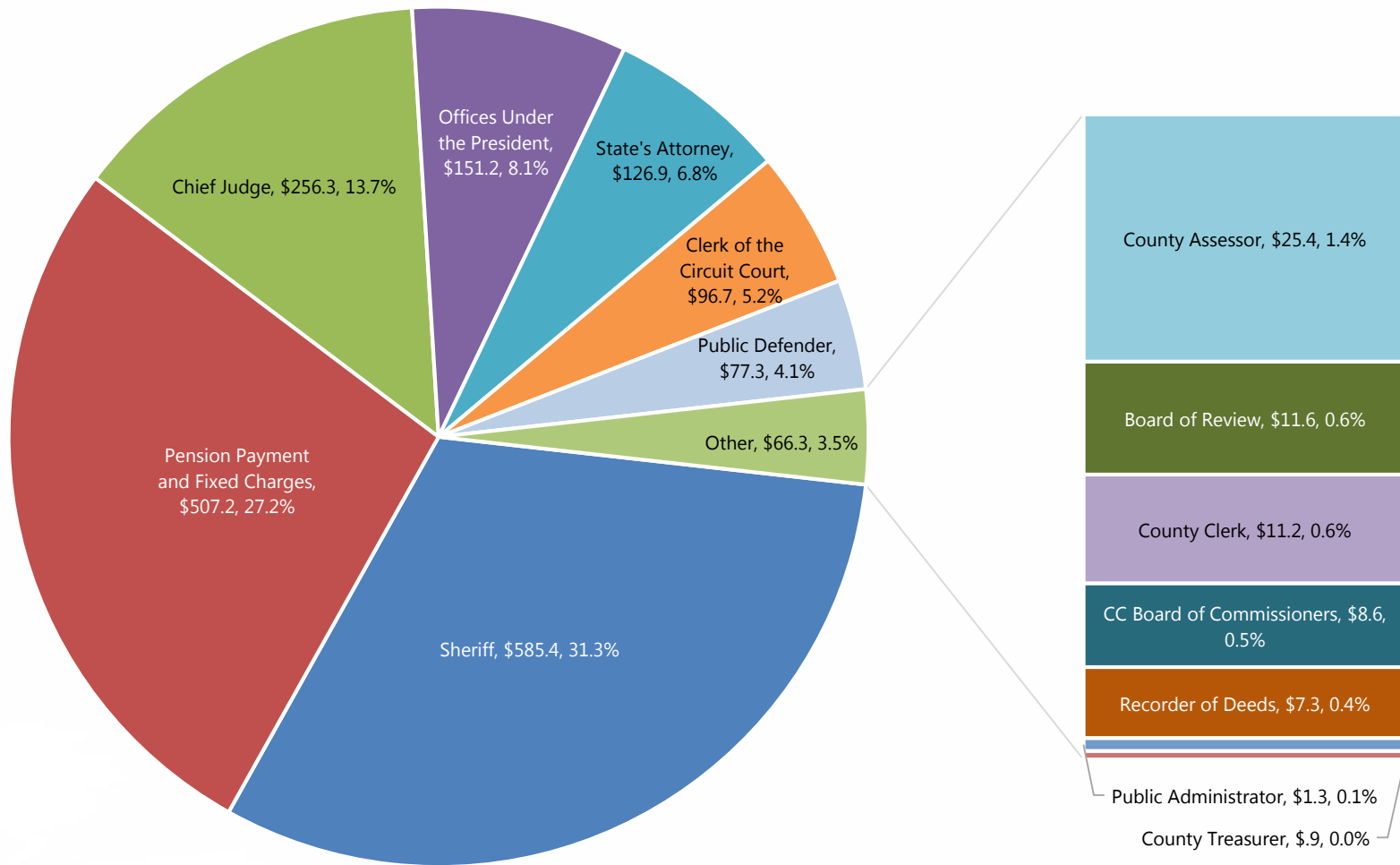
Healthcare and Public Safety make up 67% of the Total Budget (88% of the Operating Budget)



General Fund Budget: \$1.8B



Offices Under the President make up 8% of the General Fund Budget



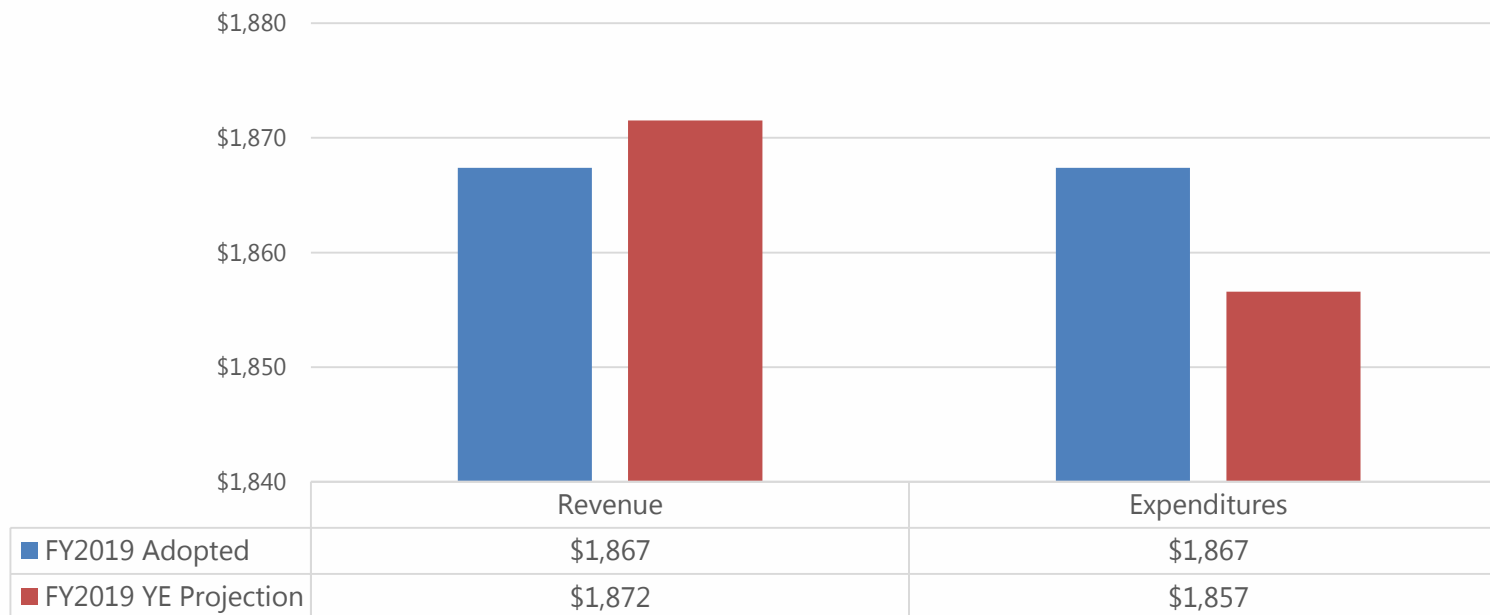
in millions

Preliminary 2019 Year-End Projections



The General Fund is projected to end FY2019 \$14.9 million favorable to budget

General Fund - FY2019 YE Projection



Revenues \$4.1 million or 0.2% **above** the adopted budget

Expenses \$10.8 million or 0.6% **below** the adopted budget.



Primary 2019 Variance Drivers

Revenue Drivers

\$4.7M

Cigarette Tax down \$9.3M/7.8% due to "Tobacco 21" which raised the age to purchase tobacco products from 18 to 21

Non-Retailer Use Tax down \$2.1/11.4% due to lower private vehicle sales

Treasurer Revenue up \$5.9M/16.6%

Expense Drivers

\$10.8M

Salaries and Wages expenses down \$6.8M/0.5% due to many Offices not hiring as expected

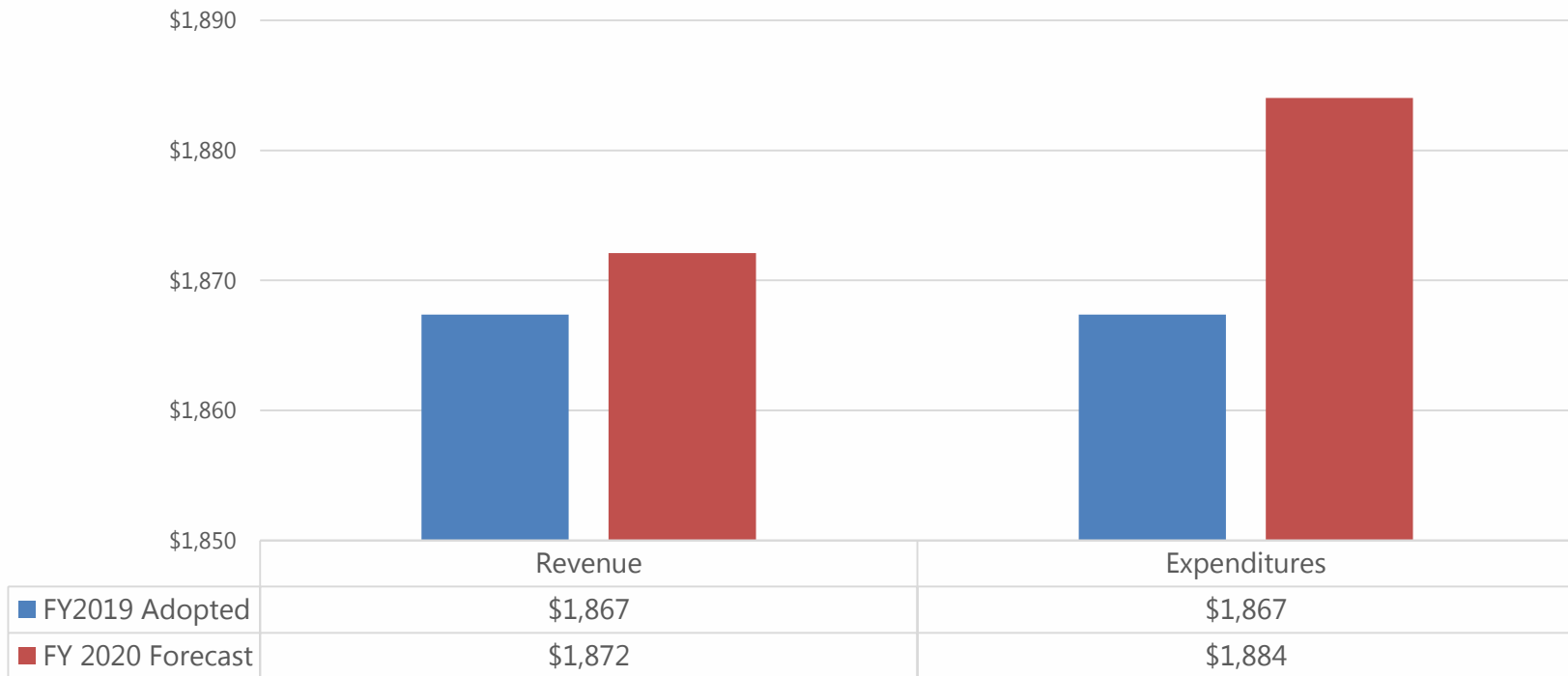
Contractual Services down \$4.7M/2.4% due to slowed contracting for planned projects

FY2020 Preliminary Forecast



The outlook for FY2020 includes a General Fund deficit projected at \$11.9 million

General Fund - FY2020 Forecast



Revenues \$4.7 million or 0.3% **above** FY2019 adopted budget

Expenses \$16.6 million or 0.9% **above** FY2019 adopted budget



FY2020 Variance Drivers

Revenue Drivers

\$4.7M

Sales Tax revenue **increase** \$21.1M/2.5% due to increased consumer spending

Cigarette Tax **decrease** \$13M/10.8% "Tobacco 21" which raised the age to purchase tobacco products from 18 to 21

New State Revenue: \$9.8M

Cannabis Regulation and Tax Act - \$3.3 million

Illinois Gaming Act – \$3.2 million

Sports Wagering Act – \$3.3 million

Expense Drivers

\$16.6M

Personnel related expenses **up** due to Board approved mid-year 2% COLA

Employee Health Benefits up \$11.7M/5.7%

PPO rates increased by 8%

HMO rates increased by 5.9%

PPO membership increased 1.9%

Pension costs **down** \$10.0M/2.9% due to assumptions changes to retiree health benefit valuations

State Fiscal Impact



Tax Name	Description	Implementation Date	Projected Revenue FY2020
Cannabis Regulation and Tax Act	Provides that Counties would be permitted to impose up to a 3% tax on recreational cannabis sales that occur within municipalities and 3.75% for sales occurring within unincorporated areas.	January 1, 2020	\$3.3 Million
Illinois Gaming Act	Provides that 2% of adjusted gross receipts generated by the Chicago and south suburban Cook casino shall be paid, subject to appropriation to Cook County for criminal justice – Expands number of gaming positions (slots/video)	Pending Governor's Signature	\$3.2 Million*
Sports Wagering Act	Establishes additional 2% tax on adjusted gross wagering receipts for wagers placed in Cook County. Pays the additional 2% tax directly to Cook.	Pending Governor's Signature	\$3.3 Million
Online Sales Tax	Allows County to apply its 1.75% Retailer Occupation Tax (Sales Tax) to online sales being made in the County.	TBD	TBD

*Estimate is limited to County Ordinance revenue collected from expanded terminals in Cook County for existing gambling entities e.g. Rivers Casino and race tracks)

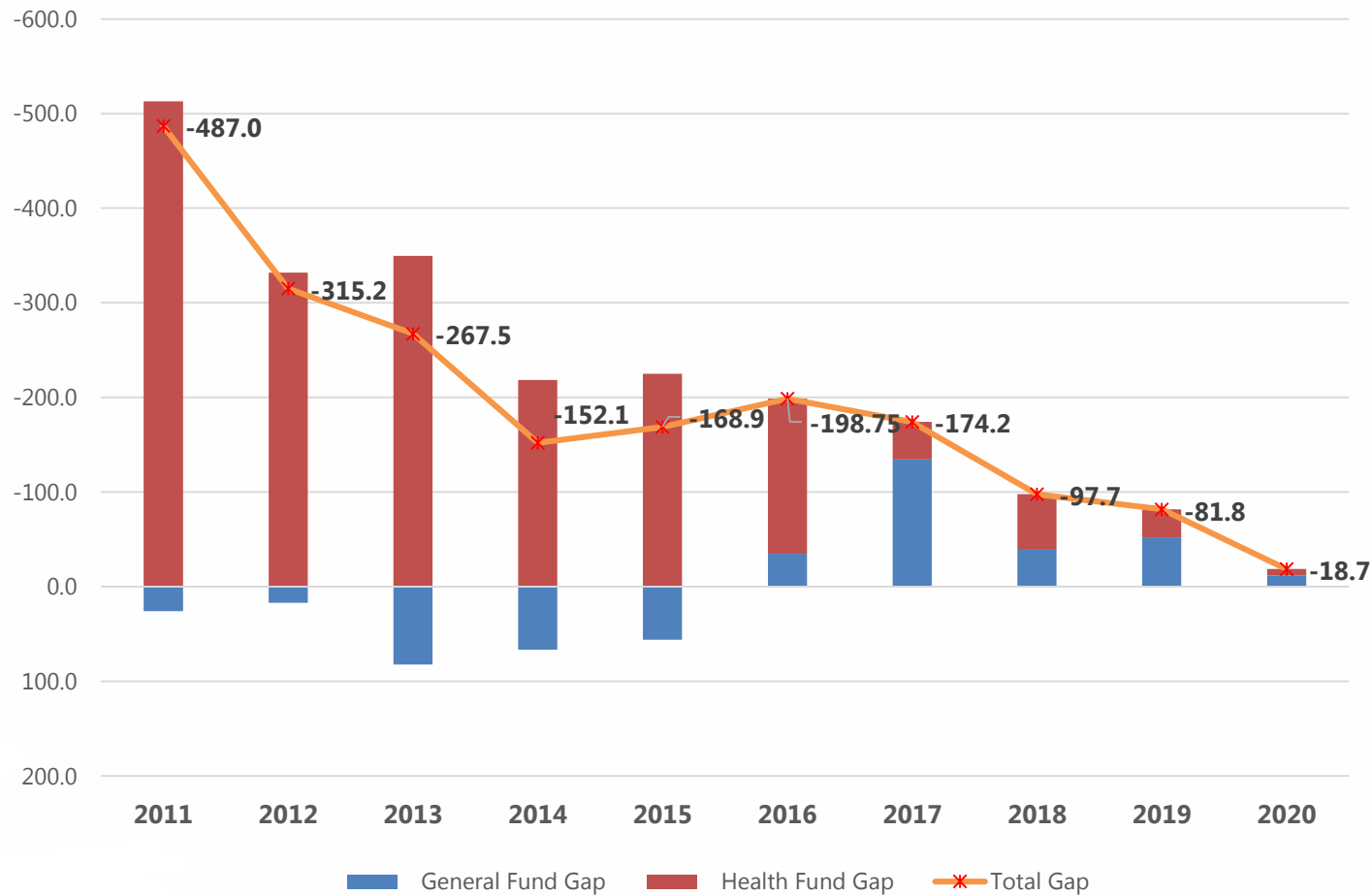
Long Term Financial Planning



Historical Budget Gaps



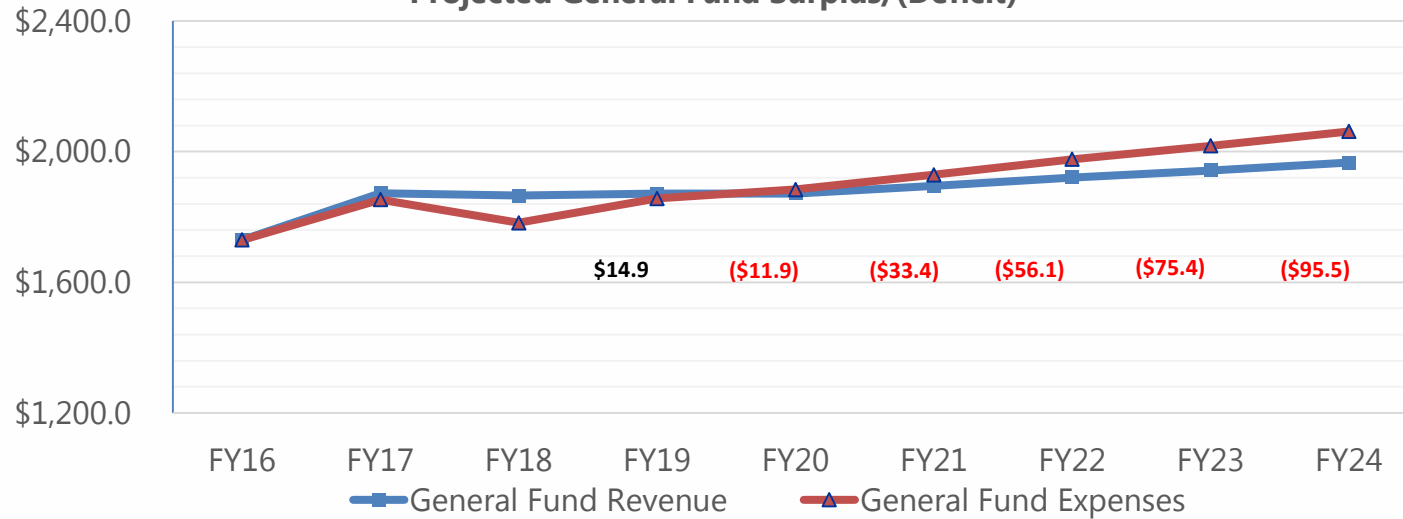
Structural solutions reduced deficits by 96% since 2011



Long-Term Financial Planning

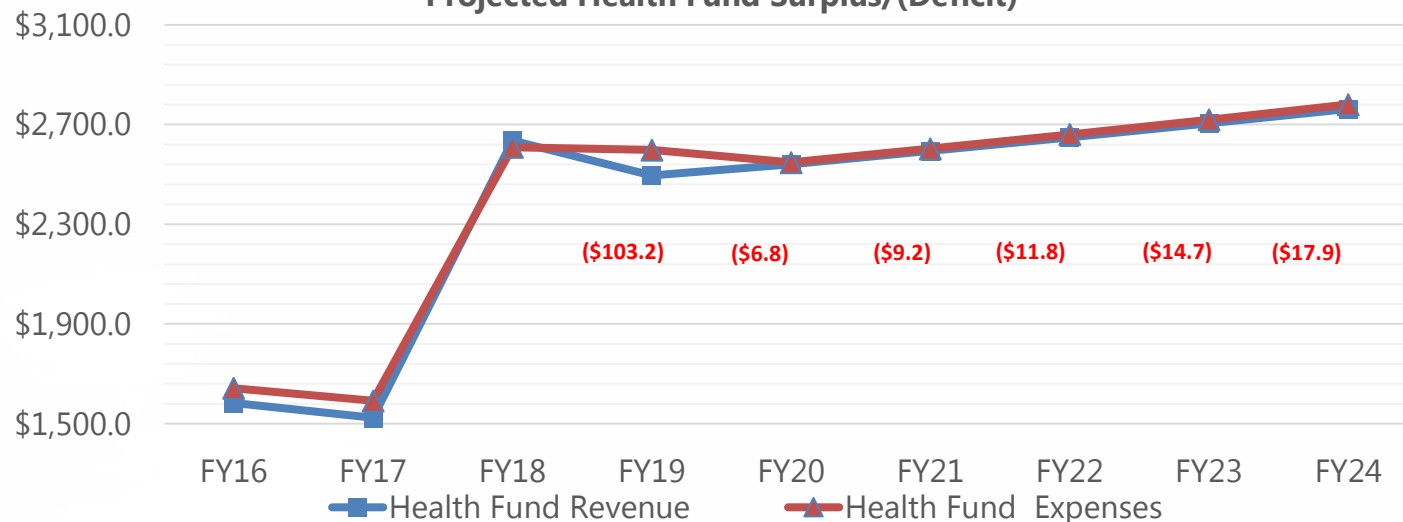


Projected General Fund Surplus/(Deficit)



**General Fund
Projected
FY21deficit:
\$33.4M**

Projected Health Fund Surplus/(Deficit)



**Health Fund
Projected
FY2021deficit:
\$9.2M**

Total FY21 = \$42.6M*

*Based FY20 Prelim Forecast

Proposed Budget Calendar



July 17

Mid-Year Budget Hearings

Aug-Sept

Finalize FY2020 budget requests with Departments

October 10

Present President's Executive Budget Recommendation

**October 25 –
November 1**

Department and Public Hearings/Amendment
System Open

November 8

Commissioner Amendments Due

November 14

Board of Commissioners Vote on Appropriation Bill