



# The Civic Federation

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## Frequently Asked Questions About The Civic Federation's Cook County Modernization Report

**Q: Why has the Civic Federation produced the Modernization Report?**

**A:** Cook County's ability to continue to provide to the public health services, law enforcement and judicial services, tax administration, and official records-keeping is jeopardized by its inefficient operations and outmoded governance structure.

The Civic Federation embarked on the Cook County Modernization Project because it believes these problems must be addressed immediately beginning in December of 2010, when a new President of the Cook County Board of Commissioners takes office. The Modernization Project provides recommendations that can be implemented in the first 100 days of the new administration, as well as others that are more long-term. The goal of those recommendations is to help the new administration create a government that is more efficient, less costly, and more accountable to taxpayers.

**Q: What is the goal of the Cook County Modernization Plan?**

**A:** The Civic Federation's main goal in producing the Cook County Modernization Plan is to provide County leaders with ideas for reshaping and refining County government, in order to improve service delivery to residents and taxpayers while reducing wasteful spending and decreasing reliance on taxpayer funds.

**Q: What are the major problems facing Cook County?**

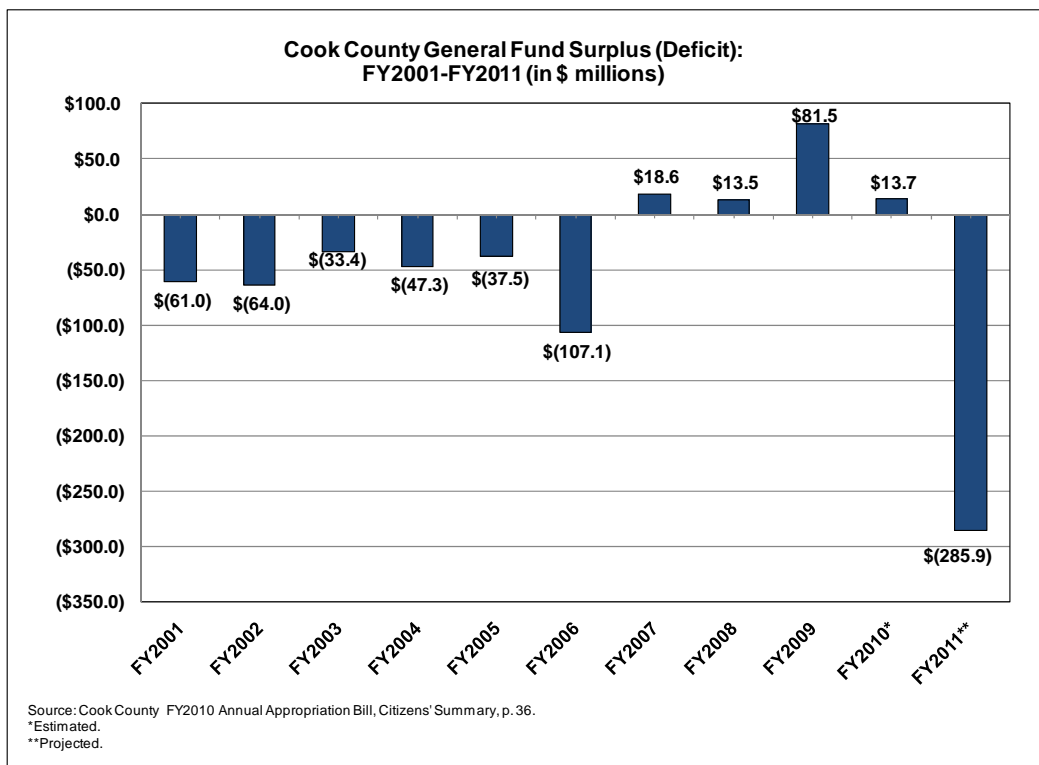
**A:** There are two major problems that are hampering Cook County's operations. The most immediate of those problems is expenditures that exceed available revenues, creating a massive deficit for FY2011. The next problem is that Cook County government is simply inefficient at running the County. The County's operations are decentralized, duplicative, and reactive, and inefficient – and have led to the loss of outside funding, exposure to litigation, and decreased employee productivity.

**Q: How did Cook County end up in such a mess?**

**A:** Cook County has neglected modernizing its operations for years. County Officials have acknowledged that County government is inefficient and that there is significant room for improvement, but previous administrations have failed to act. Some County problems, such as the 2008 sales tax increase, are recent developments. Other issues, such as the County’s pension system and the funding sources for the health system, are structural and have been a problem for some time.

**Q: Why does Cook County have such a large deficit and how can it be closed?**

**A:** The simplest explanation why the County’s budget deficit is so large is that the County has a structural deficit, or chronic mismatch between expenditures and revenues. The County’s main expense is personnel, which accounts for 79.2% of the FY2010 General Funds budget. Despite some reductions in staffing, cost-of-living adjustments and other compensation increases have offset those savings. Between 2004 and 2010, the cost per employee grew 24%, despite the County’s workforce being reduced by 2,700. Below is a chart that illustrates the ten-year surplus/deficit trend for the County.



The Civic Federation projects that the County will face a budget deficit in FY2011 of more than \$300 million. This amount includes a projected FY2011 deficit of \$285.9 million plus the \$31.7 million in reduced revenues due to a sales tax rollback recommended by the Federation that would accrue in FY2011.<sup>1</sup> To close the deficit, the County must focus on

<sup>1</sup> The FY2011 deficit projection of \$285.9 million comes from the Cook County FY2010 Appropriation Bill, Citizens’ Summary, p. 36. It is clear that county officials have updated this deficit estimate, but the Civic Federation was unable to obtain a more recent estimate. In a September 27, 2010 letter to bureaus and departments, Takashi Reinbold, Director of the Department of Budget and Management Services, stated that the outlook for revenues worsened in the past few months but did not include a revised estimate of the total deficit.

reducing expenditures, either through across-the-board cuts or preferably targeted spending reductions. The County will need to significantly decrease personnel expenditures, which comprise 79.2% of General Funds appropriations in FY2010.

**Q: Where did the reforms detailed in the Cook County Modernization Plan come from?**

**A:** The recommendations included in this plan are a mixture of new ideas and previously proposed solutions that have not been implemented by previous County administrations. These evidence-based recommendations come from close analysis of budget documents, conversations with Cook County officials, and input from government policy experts. It is our hope that these recommendations will be implemented by the new administration and that policymakers and citizens alike will track progress and demand transparency and accountability. The cooperation of elected officials is key to most, if not all, of the major recommendations contained in this document.

The Modernization Plan includes a large number of recommendations for the first 100 days of the new administration; the full list can be found on page 120 of the report. Some of these recommendations propose that the new Cook County Board President:

1. Roll back the remaining 0.5% of the 2008 sales tax increase;
2. Close its projected \$300 million budget deficit through cuts or spending reductions;
3. Require the Health System to reduce its reliance on taxpayer funds but give the System more independence to manage its own finances;
4. Appoint a Public Safety Task Force to perform a close examination of public safety expenditures and policies;
5. With other newly-elected Cook County officials, delay the hiring of new senior staff of their own choosing until after January 1, 2011 in order to reduce long-term pension liabilities; and
6. Work on an effort to centralize and consolidate administrative structures in the County. Currently, County elected officials all maintain their own finance, human resource, legal, and IT staff resulting in overlap of functions, duplication of efforts, and inefficiency in operation.

The Civic Federation has also prepared a list of short-, mid-, and long-term recommendations for the County. That list, which starts on page 136 of the Modernization Plan, includes the following:

1. Cook County government end the subsidy to unincorporated residents by transferring its services to neighboring municipalities or creating Special Service Areas.
  2. Cook County should reform its information technology (IT) practices by implementing a complete resource planning system for Countywide use as well as using IT best practices to streamline County operations.
  3. The County should reform its antiquated procurement system by implementing transparency and operational reforms, as well as conducting comprehensive spending analysis to look for cost-saving opportunities.
  4. The County should create a unified property tax administration office that merges the Treasurer's office; the County Clerk's tax extension, tax redemption, and map divisions;
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the part of the Recorder's office dealing with property records; and the Auditor's property functions. Such a merger could result in as much as \$1.5 million in savings a year and help simplify property tax collection in the County.

5. The County should also consider consolidation of the County Clerk and Recorder of Deeds offices, following the model set by numerous counties across Illinois and across the nation. This effort could save up to \$800,000 a year.
6. The new Cook County Board President should exercise the budgetary powers authorized to the position as a way to control spending across the County.
7. The County should allow the judiciary to appoint the Clerk of the Circuit Court, a move that would require changes to legislation.
8. Cook County should focus on implementing serious pension reforms to properly fund its pension liabilities and stave off fund insolvency.

**Q: How will the Civic Federation follow up to see if its recommendations are being implemented?**

**A:** The Federation will issue a report on the progress made by the new administration after the first 100 days, and then annually during its analysis of the County's budget.

**Q: Where can I read more about the Civic Federation's work analyzing Cook County government?**

**A:** The Civic Federation website features a bounty of information about governance and fiscal issues in Cook County, including annual analyses of the County budget and its pensions. [Please click here](#) to see all the research the Federation has published about the County. Also, for more information about the Civic Federation's call for the creation of a separate board for the Forest Preserve District of Cook County, [please click here](#). The Civic Federation blog also includes posts about Cook County. [Visit the blog here](#).