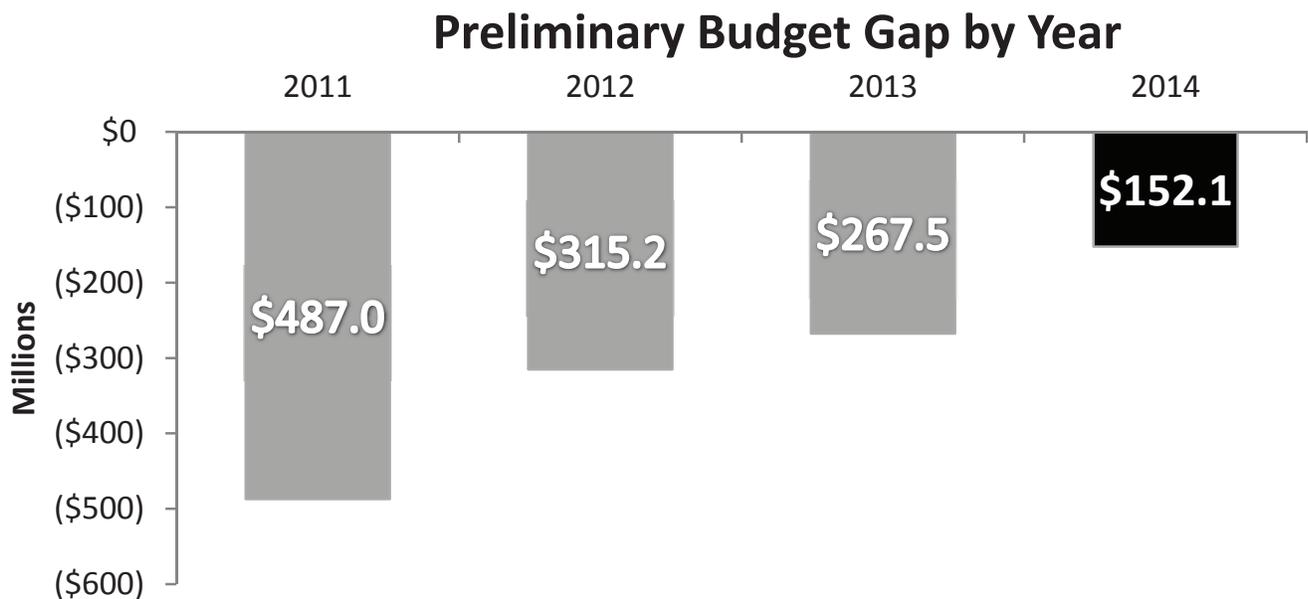


RESIDENT'S GUIDE

INTRODUCTION

Cook County government provides vital services for 5.2 million residents of northeastern Illinois, including the City of Chicago and surrounding suburbs. These services include health care; public safety; property and taxation and economic development.

Strategic structural and future-oriented decisions adopted in prior years' budgets have had a positive impact on the 2014 Budget. The preliminary gap between revenues and expenditures for 2014 was \$152.1 million; a 43% reduction over the FY13 projected shortfall.



The 2014 gap of \$152.1 million was driven primarily by continued revenue declines including the final impact of the reduction on sales tax rates implemented in 2013, expenses associated with new legislation on 17 year olds charged with felonies, commonly referred to as "Raise the Age," and the diversion of property tax revenues supporting the Elections Fund in the upcoming election cycle.

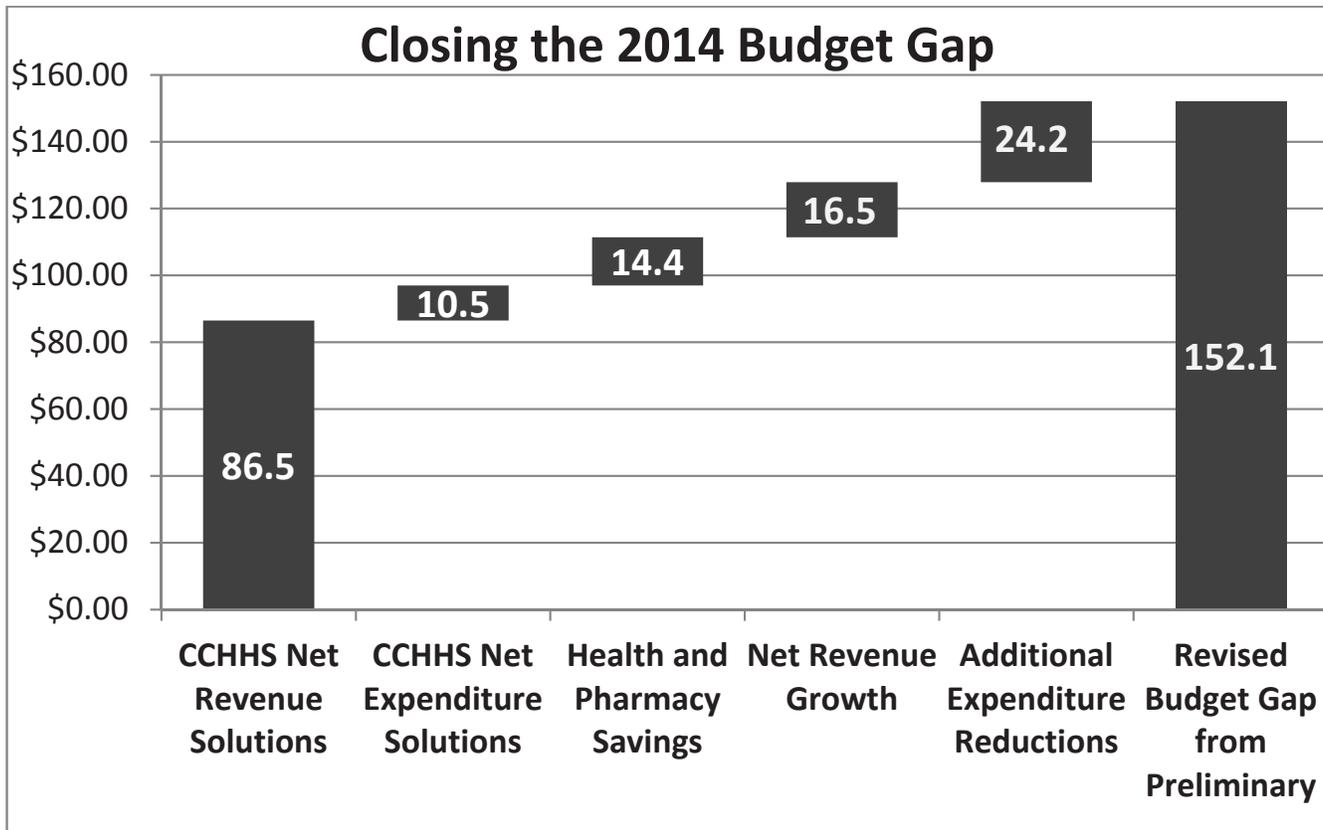
CLOSING THE PRELIMINARY BUDGET GAP

The 2014 Executive Budget Recommendation is the result of a collaborative effort and three years' worth of strategic and long-term planning. The President's Office worked with the Board of Commissioners, County elected officials, employees, their union representatives, and residents to find innovative solutions for a balanced budget which invests in projects and programs that will improve services to residents.

New healthcare policies coming into effect in 2014 and specific improvements in economic conditions in the region were key elements in reducing the shortfall. The Affordable Care Act goes into full effect in 2014, allowing for the continuation of CountyCare for eligible residents. This will shift the Cook County Health and Hospitals System's (CCHHS) model from emergency care to true healthcare, providing better treatment for patients. Additionally,

under Medicaid expansion, reimbursement for CountyCare allows a \$76M reduced subsidy from the County to CCHHS. Recorder of Deeds revenues are increasing, reflective of improvements in the real estate market and sales tax is performing better than expected at the Preliminary Budget.

There are no new taxes, fees, or fines proposed in 2014. The County's preliminary shortfall was solved through CCHHS reimbursements (\$86.5 million), CCHHS expenditure reductions (\$10.5 million), net revenue growth (\$16.5 million), additional expenditure reductions (\$24.2 million) and reductions in health and pharmacy costs (\$14.4 million). The expenditure reductions include savings in personnel contracts, energy, communications, fleet, and legal services. The County was also able to negotiate better rates for health and pharmacy benefits and instituted a reform effort aimed to ensure that employee contributions are administered fairly.



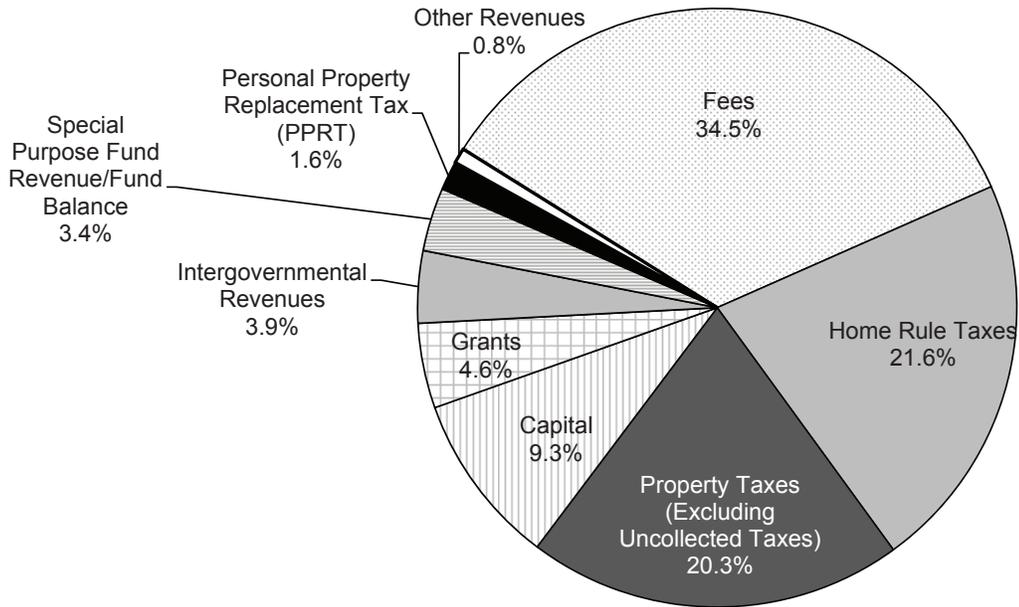
COOK COUNTY BUDGET OVERVIEW

Cook County's total FY 2014 budget is \$3.54 billion, an increase from \$3.32 billion in FY 2013. In FY 2014, the County's operating budget increase is driven primarily by the expansion of CountyCare, which will provide healthcare to an estimated 56,000 patients, in addition to mandated public safety hiring, "Raise the Age" implementation, tax fraud enforcement, and a significant increase in Grant revenue. The increase in grant revenue is in part due to the establishment of the Cook County Land Bank Authority. Funded by a \$4.5 million grant from the Illinois Attorney General, the Authority's goal is to bring vacant and abandoned properties back to productive use through the acquisition and management of foreclosed properties throughout the County.

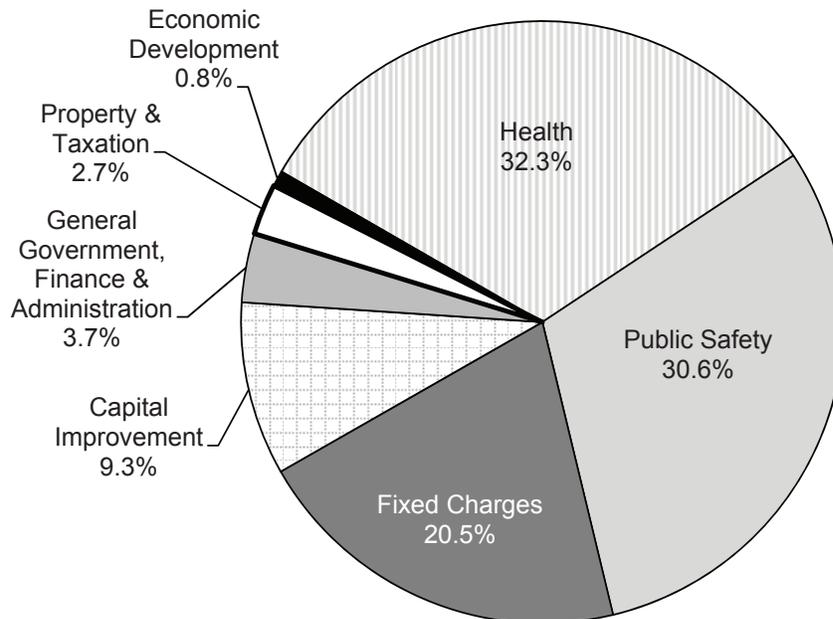
The total County workforce will remain 8% below the level of FY2010, though total budgeted full time equivalent (FTE) positions will increase by 504.2, or 2.2% in 2014. Legislative changes, investments in public safety, and adherence to Department of Justice mandates at the Department of Corrections are the primary drivers of position increases.

Cook County receives operating revenues from several sources, primarily through Property Taxes, Fees, Home Rule Taxes, Grants, and dedicated Special Purpose Funds revenues. Each of these revenue sources is detailed in the following Revenue Estimates section. Revenues are allocated to the County's five service areas of general government, health care, public safety, property and taxation, and economic development. Additionally, the government has general operating expenses such as employee benefits and building utility payments, which are categorized as fixed charges. Finally, bond and interest payments and the County's statutory pension contribution to pension are also major operating expenditures. The charts that follow detail the proposed FY 2014 revenue sources and the proposed allocation of the revenues.

Where the Dollars Come From

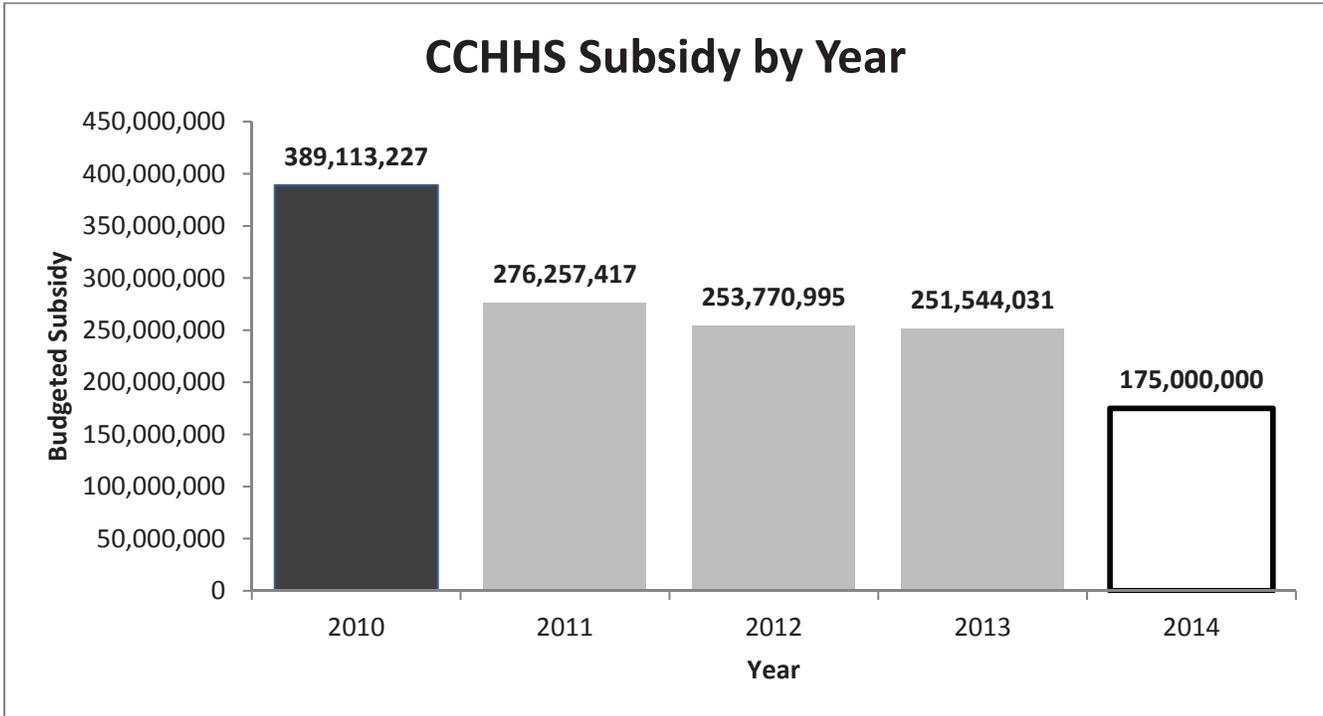


Where the Dollars Go



The General Fund contains two basic funds: Corporate and Public Safety. The Corporate Fund includes those departments that perform administrative and management functions, as well as miscellaneous services provided directly to the public. The Public Safety Fund includes all judicial and law enforcement agencies.

In 2014, the Health Fund will be established as an Enterprise Fund, separate from the General Fund. As the Health and Hospital System moves toward greater self-sufficiency, the Enterprise Fund will separate out the revenues, financial accounting, and expenditures for the CCHHS. In 2014, the subsidy to the Health System was 53% lower than in 2010.



In addition to the General fund and Health Enterprise Fund, the County uses special purpose or dedicated funds. Revenue deposited in these funds is earmarked for a specific purpose. The major special purpose funds are Election Fund, Annuity and Benefit (pension) Fund, and the Bond and Interest Fund. When combined with the General Funds and Restricted Funds (Grants), these dedicated funds are referred to as the operating budget.

To avoid potential confusion, the distinction between the operating and total budget should be emphasized. The operating budget is the total budget less appropriations for capital improvements. Capital Improvement Program appropriations are funded primarily by the proceeds from bond issues and, in the case of highways, Motor Fuel Tax revenues received from the state. The service life of capital improvements is delivered over a period longer than the fiscal year.

Fiscal Year 2014 Summary by Fund Type

	General Fund	Health Enterprise Fund	Special Purpose Fund	Grants	Capital Expenditures	Election Fund	Debt Service Fund	Annuity & Benefits	Total All Funds
Revenues									
Property Taxes	311,131,218	38,924,897				40,227,484	187,384,752	139,297,367	716,965,718
Fees	274,116,080	945,603,980							1,219,720,060
Home Rule Taxes	628,084,765	136,175,235							764,260,000
Intergovernmental	137,923,222								137,923,222
Other Revenues	24,353,961	5,013,084							29,367,045
Special Purpose Fund			121,237,253						121,237,253
Grants				161,945,816					161,945,816
Capital					329,438,894				329,438,894
Personal Property Replacement Tax (PPRT)								55,370,862	55,370,862
Revenue Total:	1,375,609,246	1,125,717,196	121,237,253	161,945,816	329,438,894	40,227,484	187,384,752	194,668,229	3,536,228,870
Expenditures - Control Officer									
Health and Hospital System		1,013,262,095	7,773,910	10,113,231					1,031,149,236
CCHHS Fixed Charges		112,455,101							112,455,101
Offices Under the President	151,645,030		48,825,538	111,479,233					311,949,801
Cook County Board of Commissioners	7,338,091								7,338,091
Assessor	24,624,799		750,000						25,374,799
Board of Review	8,233,141								8,233,141
Board of Election Commissioners							16,189,445		16,189,445
Chief Judge	191,451,886		16,459,969	4,331,696					212,243,551
Clerk of the Circuit Court	74,929,106		21,640,717	4,124,080					100,693,903
County Clerk	7,628,320		1,573,300	3,784,602		24,038,039			37,024,261
Recorder of Deeds	5,686,120		8,947,550						14,633,670
Sherriff	462,455,837		1,208,735	7,751,245					471,415,817
States Attorney	93,229,590		4,452,001	20,361,729					118,043,320
Treasurer	1,952,814		9,605,533						11,558,347
Independent Inspector General	1,772,838								1,772,838
Public Administrator	1,097,074								1,097,074
Veterans Assistance Commission	300,000								300,000
Fixed Charges	343,264,600						187,384,752	194,668,229	725,317,581
Capital Improvements					329,438,894				329,438,894
Expenditure Total:	1,375,609,246	1,125,717,196	121,237,253	161,945,816	329,438,894	40,227,484	187,384,752	194,668,229	3,536,228,870

FISCAL YEAR 2014 GENERAL FUND AND HEALTH ENTERPRISE FUND BUDGET

REVENUE INITIATIVES

The FY 2014 Budget Recommendation includes no new taxes, fees or fines. Although there are no new taxes, fees or fines, updated revenue estimates for FY2014, along with increased enrollment in expanded Medicaid, increased collections, and minimal use of one-time revenues (\$2.3 million), the County will have total general fund revenues of \$2,501 million. One time revenues equal \$2.3M which is 0.09% of the County's budget, and offset one-time expenses of \$1.1M for the Clerk of Circuit Court warehouse relocation.

LEGISLATIVE CHANGES ADDING PRESSURE TO BUDGET

Cook County's FY 2014 General Fund and Health Fund combined budget is \$2.50 billion, up 8.89% from 2013. This increase is driven primarily by changes in legislation affecting the Health and Public Safety Funds. While the Affordable Care Act and CountyCare will improve revenues to the Health and Hospital System, the costs to implement the new program will rise to ensure all requirements are met. The Public Safety Fund is increasing in part to support state legislation which shifts 17 year olds charged with felony offenses under the Juvenile Court System from the adult system. Other increases in the Public Safety fund reflect mandated requirements by the Department of Justice with respect to the Consent Decree at the Cook County Jail. Finally, the Cook County's Assessor's Office budget will increase to enforce new legislation which targets property owners who erroneously received property tax exemptions.

INVESTMENTS IN THE COOK COUNTY HEALTH AND HOSPITAL SYSTEM

Approximately 57% of CCHHS patients have no insurance and limited ability to pay for their health care. In 2012, CCHHS was awarded a section 1115 Waiver allowing eligibility to expand to 133% of the Federal Poverty Level (FPL). Approximately 107,000 patients applied to "CountyCare" by October 7, 2013, with the goal to enroll 115,000 by year end. As the state continues to process approvals of these applicants, the County will be reimbursed at a higher rate for services provided. The additional resources allow the health system to focus on managed care, as opposed to emergency and "sick care."

The CCHHS budget increases to \$1,126 million from \$964 million, an increase of \$162 million, reflecting improved revenue outlook and investment in health system reform. In 2014, the Medicaid Expansion revenue has a net positive impact of \$278 million after accounting for associated increased expenditures.

INVESTMENTS IN PUBLIC SAFETY

The Public Safety Fund is 34% of the overall County budget. It includes the Sheriff's Office, the States Attorney's Office, the Public Defender's Office, the Office of the Chief Judge, the Clerk of the Circuit Court and the Juvenile Temporary Detention Center. The FY2014 budget recommendation is \$1.374 million, a 3.15% increase from the prior year. Some expenditure reductions and savings identified were offset, in part, by "Raise the Age" legislation. This legislation amends the current Illinois Criminal Code (705 ILCS 405/5-410) shifting all 17 year olds charged with a felony offense from the adult court system to the juvenile system. The change requires additional staff and resources both at the Juvenile Temporary Detention and within the Office of the Chief Judge's Juvenile Probation Department.

Additional investments were made within other public safety departments to reduce the impact of the adult jail population on the County's resources and improve outcomes for detainees. Investments were made within the Sheriff's Department of Corrections to comply with the Department of Justice Agreed Order and to treat those

detainees who are diagnosed as mentally ill. The Public Defender's Office and the States Attorney's Office are improving case management processes through improvements in staffing and technology. Finally, investments were made in the Medical Examiner's Office to support achieving national accreditation.

INVESTMENTS IN PROPERTY AND TAXATION

In 2013, tax bills were again mailed on time due to the collaborative effort of County offices. 2013 marked two consecutive years, the first in over three decades that second installment tax bills were mailed on time. The second-installment tax bill process involves several County elected offices, including the Assessor's Office, the Board of Review, the Treasurer, and the Clerk's Office. Failure to mail the bills on time can cost municipalities and school districts millions due to the loss of interest income and the need to issue tax anticipation warrants to manage operations and salaries.

COOK COUNTY LONG-TERM REVENUE AND EXPENSE FORECAST

Pursuant to Executive Order 2012-01, Cook County prepares a long-term financial forecast to support responsible long-term planning. Over 99% of the FY 2014 budget solutions are structural changes that continue to reduce the deficit in future fiscal years. The substantial recurring actions taken to balance the 2014 budget have considerably improved the fiscal outlook in 2014-2017 by a collective \$492 million versus the projections included for those years in the final 2013 budget. Despite these efforts, the long-term forecast projects a deficit of \$122 million in FY 2015 that grows to \$523 million by FY 2018 as shown in the accompanying chart. In future years, we expect expense reductions through operational improvements and strategic investments in technology, as well as revenue forecast revisions to address the substantial and expanding structural deficit shown in the accompanying charts. Though the County is required by statute to present a balanced budget annually, the forecast provides a critical tool in evaluating the long-term fiscal challenges the County faces.

This forecast examines the General Fund and Health Enterprise Fund only, as special purpose funds are inherently self-balancing. Fiscal year 2014 marks the first year that the Health Fund will be treated as an enterprise fund separate from the General Fund. The Health Fund still will receive a General Fund subsidy in the 2014 budget and is therefore included in this forecast.

REVENUES

Each revenue source was analyzed individually by examining the variance between actuals and estimates in prior years. The behavior of each source was modeled using appropriate economic drivers such as GDP growth and industry trends. Regulatory factors that may affect a particular source are also taken into consideration. The resulting revenue-specific models included single and multiple linear regression, exponential growth or decline, one-time events and flat growth where no valid information was available for forecasting. When compared to FY 2013 levels, we continue to expect overall decline in two of our major revenues - Property Tax and Sales Tax.

PROPERTY TAX

Net Property Taxes available for operations will decline, as bond and interest payments are projected to increase from \$187 million in FY 2014 to \$296 million in FY 2018. Bond and interest payments will rise as the combined impact of substantial borrowing in prior years and new needs in the coming years is fully absorbed. Additionally, the County's ability to garner fiscal relief from significant restructuring opportunities also continues to diminish due to the structure of the outstanding debt. Accordingly, even absent new capital borrowing to finance capital infrastructure needs, debt service is projected to increase steadily in coming years and property tax revenues

available to fund general operations will decline accordingly. Further, the Property Tax Levy has not historically kept pace with inflation, and accordingly, the value of the gross property tax levy will continue to decline on a real basis, net of inflation. Possible increases in payments associated with comprehensive pension reform to the County Employees' and Officers' Annuity and Benefit Fund, as a result of possible State of Illinois legislation, are not contemplated in this forecast.

Sales Tax: As of January 1, 2013, the 2008 sales tax increase has been completely repealed and FY 2014 will be the first full year of collections at the reduced rate. The cumulative impact of this repeal since 2011 is over \$1.3 billion. Sales tax revenues will drop from a peak of \$659 million in FY 2009 to \$337 million in FY 2014, growing thereafter due to organic growth in economic activity and underlying sales.

In 2013, the Cook County Health and Hospital System (CCHHS) launched CountyCare, which takes advantage of the Medicaid expansion under the Affordable Health Care Act (ACA). Cook County residents with incomes of up to 133% of the federal poverty level are eligible to enroll in the program. In FY 2013, CCHHS received a per member per month (PMPM) payment for each member enrolled in CountyCare. The PMPM amount is \$629, however, CCHHS only receives 50% a federal match, making the revenue received \$314 PMPM. Beginning January 1st, the federal match for the Medicaid expansion population increases to 100%, increasing the PMPM payment CCHHS expects to receive to \$629.

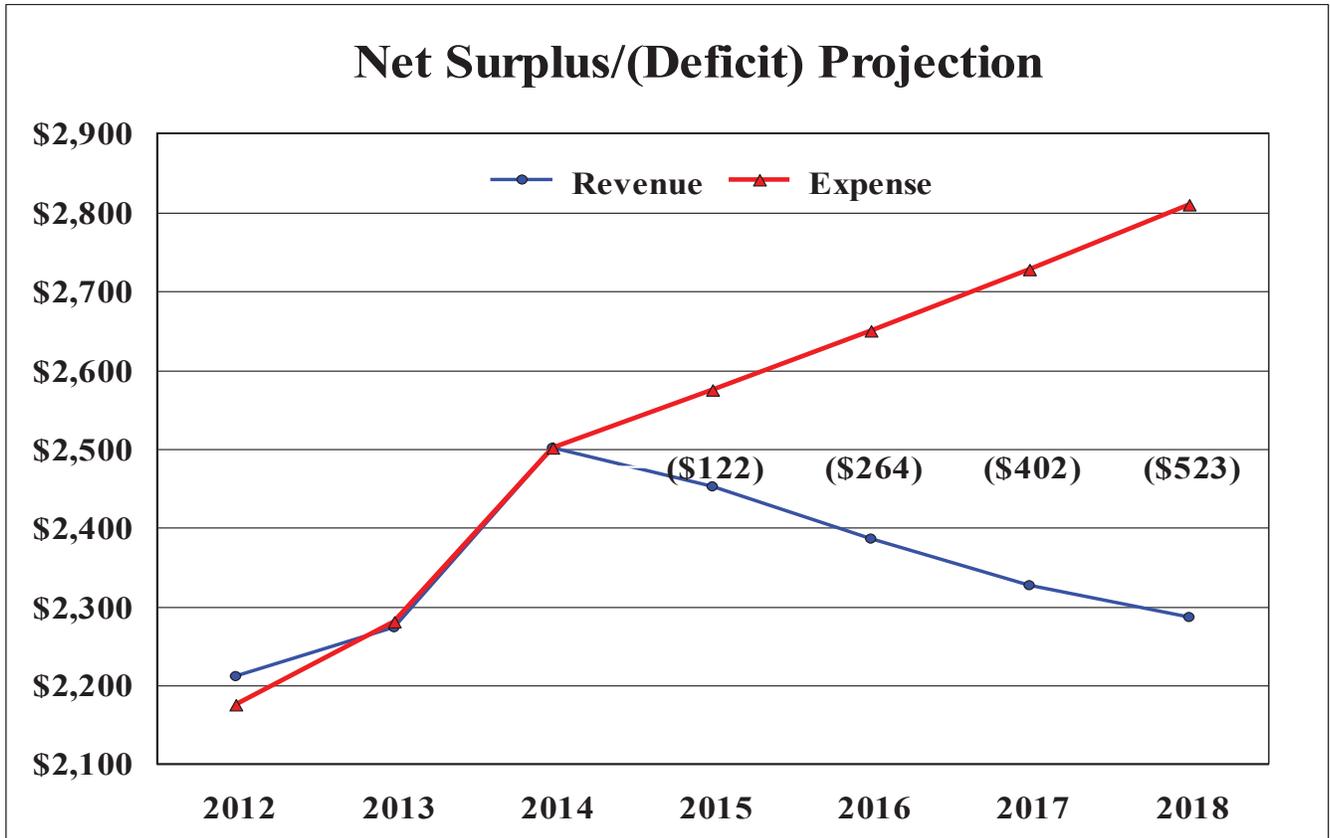
Although patients could only apply for CountyCare in 2013, due to a section 1115 Medicaid Waiver application granted by the federal government, starting in 2014 they will have the option to choose alternative providers. Nevertheless, CCHHS still expects to retain approximately 56,000 patients on average as part of this program in 2014, which will result in a net revenue impact of \$278 million. CCHHS continues to pursue several initiatives to improve service quality and patient satisfaction, which will position CCHHS to compete more effectively once the ACA is fully implemented. There continues to be significant uncertainty in forecasting CCHHS revenue as it relates to the Medicaid expansion and ACA in general, which should stabilize as new data becomes available resulting from the full rollout of the ACA.

A number of other significant revenue sources continue to decline – the Cigarette Tax has been bolstered by a rate increase in 2013 and increased enforcement efforts by the Department of Revenue, but underlying sales continue to fall. Fuel taxes are similarly continuing their long-term decline, while non-Medicaid patient insurance coverage continues to decline in the Health System.

Due to the revenue declines outlined above, overall revenue will trend downward in the near term before leveling off in future fiscal years.

EXPENDITURES

Expenses are divided in two categories. Most expenditure categories (salaries, supplies, utilities, etc.) are projected using the 2.39% average rate of inflation (CPI-U) over the last 10 years. Employee health care costs are projected to grow at 7.45% - a blended rate of recent health insurance and prescription inflation.



FISCAL FORECAST

As the chart depicts, the County anticipates a decline in overall revenue and inflationary growth in expenditures in coming years. Accordingly, the County forecast model projects growing deficits in out years, despite the balanced budget presented in 2014. As referenced earlier, the significant recurring actions taken to balance the 2014 budget have significantly improved the fiscal outlook in 2014-2017 by a collective \$492 million versus the projections included for those years in the final 2013 budget. The County anticipates continuing to focus on structural, recurring initiatives to balance future year budgets in order to continue to improve the long-term fiscal outlook of the County.

Projected Annual Revenues and Expenses, by Source

	Actual	Projection	Dept. Estimate	Projection			
	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Property Taxes	335,209,275	355,920,180	350,056,115	316,874,000	265,036,000	249,870,000	216,576,000
<u>Fees</u>							
County Treasurer	90,243,958	76,000,000	70,000,000	66,500,000	63,574,000	60,777,000	58,103,000
County Clerk	10,169,274	10,104,000	10,225,000	10,225,000	10,225,000	10,225,000	10,225,000
Recorder of Deeds	35,819,726	40,514,688	41,500,000	42,509,000	43,543,000	44,602,000	45,687,000
Recorder of Deeds Audit	0	0	1,000,000	500,000	500,000	500,000	500,000
Building & Zoning	2,410,073	2,932,000	3,200,000	3,225,000	3,225,000	3,225,000	3,225,000
Environmental Control	4,387,686	4,374,000	4,361,750	4,563,000	4,765,000	4,966,000	5,168,000
Liquor Licenses	350,000	330,000	324,000	324,000	324,000	324,000	324,000
Cable TV Franchise	1,199,235	1,012,076	1,000,000	1,026,000	1,052,000	1,080,000	1,108,000
Clerk of Circuit Court	94,199,089	97,564,498	96,750,000	95,942,000	95,141,000	94,347,000	93,559,000
Sheriff	24,835,797	24,091,116	24,856,130	24,465,000	24,080,000	23,701,000	23,328,000
Public Guardian	2,583,133	2,502,000	2,400,000	2,302,000	2,208,000	2,208,000	2,208,000
State's Attorney	1,936,039	2,004,343	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Contract Compliance	58,827	36,050	40,000	40,000	40,000	40,000	40,000
Adoption (Supportive Services)	21,439	16,000	15,000	15,000	15,000	15,000	15,000
Public Administrator	995,390	900,000	900,000	900,000	900,000	900,000	900,000
Court Services fee	11,053,598	10,724,551	10,424,200	10,251,000	10,080,000	10,080,000	10,080,000
County Assessor	92,391	150,000	150,000	150,000	150,000	150,000	150,000
Assessor Tax Fraud	0	0	1,500,000	1,400,000	1,300,000	1,200,000	1,100,000
Highway Permits	400,000	537,000	560,000	583,000	606,000	606,000	606,000
Tax Intercept	0	0	2,000,000	1,900,000	1,800,000	1,700,000	1,600,000
Medical Examiner	0	897,000	910,000	910,000	910,000	910,000	910,000
Patient fees (Medicare, Medicaid, Other)	276,117,029	248,872,794	200,699,686	229,473,000	219,200,000	210,786,000	202,961,000
CCHHS BIPA	131,250,000	131,400,000	131,250,000	131,250,000	131,250,000	131,250,000	131,250,000
Medicaid DSH	170,589,766	169,144,724	145,500,000	132,566,000	125,938,000	113,344,000	113,344,000
Medicaid Expansion	0	122,283,526	468,154,294	432,190,000	432,190,000	411,007,000	402,533,000
Total fees	858,712,450	946,390,366	1,219,720,060	1,195,209,000	1,175,016,000	1,129,943,000	1,110,924,000
<u>Home Rule Taxes</u>							
Sales Tax ¹	458,191,323	362,214,807	337,400,000	354,000,000	368,600,000	384,500,000	401,800,000
Gas Tax/Diesel	89,742,668	85,000,000	87,050,000	85,217,000	83,385,000	81,552,000	79,719,000
Cigarette Tax	122,448,137	145,000,000	134,500,000	130,465,000	122,637,000	115,279,000	108,362,000
Other Tobacco Products	7,566,715	7,500,000	7,680,000	7,219,000	6,786,000	6,379,000	5,996,000
Retail Sale of Motor Vehicles	2,656,070	2,890,473	3,095,000	3,237,000	3,386,000	3,542,000	3,705,000
Wheel Tax	4,207,264	4,031,155	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Alcoholic Beverage Tax	33,968,980	35,014,450	36,500,000	36,930,000	37,365,000	37,804,000	38,249,000
Use tax	57,366,287	65,063,882	68,300,000	68,057,000	68,057,000	68,057,000	68,057,000
Non Retailer Transactions	878,275	14,300,000	11,460,000	12,606,000	13,867,000	13,867,000	13,867,000
Parking Lot/Garage Operations	39,617,973	42,614,419	42,600,000	44,688,000	46,654,000	48,707,000	50,850,000
Amusement tax	32,660,284	26,000,000	29,475,000	30,695,000	31,915,000	33,135,000	34,355,000
Non-Titled Use Tax	0	4,189,309	0	14,000,000	14,689,000	15,294,000	15,954,000
Gambling Machine Tax	0	1,200,000	1,350,000	1,391,000	1,425,000	1,447,000	1,461,000
Firearms Tax	0	501,000	750,000	754,000	758,000	761,000	765,000
Total home rule taxes	849,303,976	795,519,495	764,260,000	793,359,000	803,624,000	814,424,000	827,240,000
<u>Intergovernmental Revenues</u>							
Motor Fuel Tax Grant	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000	44,500,000
MFT Circuit Court Funding	30,000,000	30,000,000	30,000,000	15,000,000	10,000,000	0	0
Retailer's Occupation Tax	2,948,079	3,115,000	3,290,000	3,400,000	3,510,000	3,620,000	3,740,000
State Income Tax	10,750,683	11,792,000	12,351,000	12,542,000	12,734,000	12,925,000	13,116,000
Off Track Betting Commission	1,648,884	2,750,000	2,422,500	2,370,000	2,318,000	2,268,000	2,218,000
Gaming	8,345,267	8,323,000	8,300,000	8,300,000	8,300,000	8,300,000	8,300,000
State Criminal Alien Assist.(SCAAP)	1,719,072	1,800,000	1,500,000	1,309,000	1,142,000	996,000	869,000
Probation Off, Juv. CT & JTDC	17,539,203	17,196,300	17,196,300	17,196,000	17,196,000	17,196,000	17,196,000
Indirect Costs	19,193,982	15,151,622	15,363,422	15,363,000	15,363,000	15,363,000	15,363,000
Chicago TIF Surplus	4,441,220	1,428,000	3,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Intergovernmental	141,086,390	136,055,922	137,923,222	120,980,000	116,063,000	106,168,000	106,302,000
<u>Other Revenues</u>							
Leases, Rentals, Sales	-	5,389,127	8,965,552	7,416,000	7,416,000	7,416,000	7,416,000
CCHHS Misc., CCDPH	-	4,348,964	5,113,084	5,113,000	5,113,000	5,113,000	5,113,000
Other Reimbursements/Transfers	27,412,710	29,805,451	11,526,738	9,653,000	9,653,000	9,653,000	9,653,000
Parking	-	944,563	3,761,671	3,762,000	3,762,000	3,762,000	3,762,000
Total other	27,412,710	40,488,105	29,367,045	25,944,000	25,944,000	25,944,000	25,944,000
Total Revenue	2,211,724,801	2,274,374,068	2,501,326,442	2,452,366,000	2,385,683,000	2,326,349,000	2,286,986,000
Total Expenses ²	2,175,080,578	2,280,847,329	2,501,326,442	2,574,265,000	2,649,927,000	2,728,450,000	2,809,982,000
Surplus/(Deficit)	36,644,223	(6,473,261)	0	(121,899,000)	(264,244,000)	(402,101,000)	(522,996,000)

¹ Reflects rate reductions for FY12 and FY13, and first 4 months of FY14² Sources for expenditures for each year are as follows: FY12: Budget Resident's Guide "SUMMARY OF APPROPRIATIONS AND EXPENDITURES BY FUND AND DEPARTMENT". FY13: Preliminary Budget.

FY14: Executive Budget Recommendation. FY15-18: projects 7.45% growth rate for health insurance expenditures from the \$260M appropriation in the FY14 base year, and the 10 year CPI-U average of 2.39% for the balance.

PERFORMANCE MANAGEMENT

The STAR Performance Management Program partners the Cook County Board of Commissioners, County Agencies, employees, union representatives, and residents. All offices and agencies of the County report progress toward stated goals.

The Performance Management Office focuses on expanding the use of performance data in Cook County government to chart progress and ensure that necessary steps are taken toward improvement. In order to make this data available and transparent to the public, the STAR program launched a new website that displays County performance data dynamically. The website can be found at <https://performance.cookcountyiil.gov>.

During 2013, the County began a pilot program to help departments refine performance metrics, and ensure that managers are using the data to inform day-to-day decisions. For example, the Office of the Chief Procurement Officer has decreased the number of unresolved contract from 390 open requests at the beginning of the project to 220 open requests after the project roll out completed in July. The Performance Management Office will continue to look for opportunities to drive expenses down and improve services.

CITY/COUNTY COLLABORATION

The City/County Collaboration was launched by President Toni Preckwinkle and Mayor Rahm Emanuel in June of 2011 with the goal of streamlining services, improving residents' interactions with government, and reducing costs. By combining efforts, the County and City apply for more grants, procure goods and services more efficiently, and eliminate duplicated work in order to achieve cost savings and generate additional revenue. At the end of the second year of Collaboration, the County and City have collectively identified \$70.9 million in savings. These savings include projections from the start of the collaboration through 2014. The Collaboration is now integrated into the regular management processes of internal County and City staff including a vetting process to evaluate future projects, and measuring and tracking performance of current collaboration projects.

BUDGET PROCESS

Cook County prepares an annual budget that provides a spending plan for the next fiscal year. The County produces a balanced budget, as required by the State of Illinois Counties Code, which accounts for the County's estimated revenue and intended spending. The budgetary basis of accounting is a cash plus encumbrances basis.

The budget process begins in early summer. County departments inform the Department of Budget and Management Services (DBMS) of their expected personnel and non-personnel needs for the next year. DBMS also prepares revenue estimates and analyzes other resources available.

DBMS prepares the preliminary budget forecast based on the departmental request and estimated collected revenues. The preliminary forecast is required to be filed with the President's Office by June 30 of each year. The forecast is provided to the Cook County Board of Commissioners and made available for County residents. This year, the County presented its preliminary budget forecast on June 27, 2013.

Pursuant to Executive Order 2012-01, the President holds a preliminary budget hearing to allow residents to express their opinions concerning items within the proposed budget. After receiving input from residents, the President of the County Board and DBMS work with each department to develop a final executive recommendation.

The executive budget, as recommended by the President, is submitted to the County Board's Committee on Finance, which in turn holds hearings with each department. The Finance Committee holds public hearings at four sites throughout the County to hear residents comments regarding the budget.

The County Board considers the budget carefully and may submit amendments to the budget that have a net zero impact to the overall County operating budget. The County Board approves the final budget, in the form of the Appropriation Ordinance. The Appropriation ordinance is implemented at the start of the fiscal year, which begins on December 1 of each year.

COOK COUNTY BUDGET CALENDAR

MAY/JUNE

Departments submit preliminary revenue and expense estimates to the Department of Budget and Management Services (DBMS). The agencies specifically summarize issues, request specific funding levels, and justify staffing requests.

JUNE DBMS

prepares the preliminary budget based on the requests submitted by the departments and the revenue the County expects will be collected. The preliminary budget forecast is filed with the President's Office by June 30.

JULY

The President holds a public hearing on the Preliminary Budget, allowing the public to provide feedback during the development of the Executive Budget Recommendation.

SEPTEMBER

Residents and departments provide input during the final development of the County budget. The President and DBMS work to balance department requests with available resources.

OCTOBER

The President submits the Executive Budget Recommendation to the Committee on Finance of Cook County.

OCTOBER -- NOVEMBER

The proposed budget is made available for public review at various locations throughout the County. Public hearings are conducted during which the Committee on Finance considers testimony from service providers, program staff, and the general public. After the hearings have been completed and any amendments inserted, the Board of Commissioners approves and adopts the Appropriation Bill, which authorizes funding and staffing levels for each department.

DECEMBER

The fiscal year begins. The Appropriation Ordinance is implemented on December 1.

ONGOING

Quarterly allotments are implemented and monthly expenditure and revenue reports are reviewed to ensure the resources allocated through the Appropriation Ordinance are managed. In accordance with the STAR Performance Management program, offices report data about how well programs are functioning and services are being provided to ensure high quality services are provided with the allocated resources.

WE WANT TO HEAR FROM YOU:

**WHAT ARE YOUR IDEAS FOR IMPROVING COUNTY SERVICES?
WHAT ARE YOUR IDEAS FOR MAKING COUNTY GOVERNMENT MORE EFFICIENT?
HOW CAN WE IMPROVE THE BUDGET PROCESS FOR NEXT YEAR?**

For more information and to share your ideas, visit our website:
<http://www.cookcountyil.gov/budget>

