

PRESIDENT'S BUDGET MESSAGE

PRESIDENT'S BUDGET MESSAGE



November 25, 2008
Chicago, Illinois

REMARKS OF PRESIDENT TODD H. STROGER
ON HIS EXECUTIVE BUDGET RECOMMENDATION
FOR COOK COUNTY FISCAL YEAR 2009

Chairman Daley, Commissioners, fellow county executive officers, our guests in the board room today, and residents of Cook County: I respectfully present a proposed budget for fiscal year 2009 that calls for total spending of \$2.94 billion, representing a very small increase over fiscal year 2008 of .02% ... or just \$610,246.

All of that increase ... and indeed a great deal more ... is in the health care area. This added spending was demanded by the county commissioners, and not by my office, as part of our new budget process for the Bureau of Health ... and it reflects your belief that certain front-end investments are necessary to produce long-term savings. The increase in health care spending has been nearly entirely offset by reductions throughout other areas of county government.

My proposed budget also calls for a county workforce totaling 24,404 ... an overall reduction of 584 full-time equivalent employees.

The Executive Budget Recommendation that I present today contains no new or increased taxes or fees ... none.

My budget recommendation for fiscal year 2009 holds the county property tax levy flat. For the 12th year in a row, Cook County will ask nothing additional from our property tax payers. That's a record few local governments can match.

While holding the line on taxes and fees, this budget recommendation responsibly supports all core county services ... critical services upon which our residents depend each and every day.

Services that span law enforcement and corrections, health care for the needy and uninsured, operation of the largest unified court system in America, maintenance of some 1,500 lane-miles of roads and 140 bridges, tax collection for 550 units of local government, and a great deal more.

Our governmental mission is critical to the quality of daily life in Cook County, and this budget

fully supports that mission.

My budget recommendation for fiscal year 2009 continues along the pathway that together we have blazed for this government. A pathway of reform, efficiency and modernization.

Let us quickly review our progress these past 23 months.

In my first budget recommendation, for fiscal year 2007, I proposed ... and this board approved ... substantial, across-the-board spending cuts. That budget emphasized technology and modern business practices, and it forced *enormous* operational efficiencies.

My second budget recommendation, for fiscal year 2008, again focused on modernization and efficiency ... and together we took the important step of finally addressing the chronic structural deficit that had long plagued Cook County government.

The hallmark of *this* budget recommendation, for fiscal year 2009, is its focus on *long-term financial management*. This will bring yet more reform, efficiency and modernization to Cook County. It will mean better service for the many constituencies of this government ... and it will produce long-term dividends for county taxpayers.

As I have said to groups throughout Cook County these past 23 months, I believe that we should run this government like a corporation – a corporation that is in the business of delivering public services.

Our shareholders, in essence, are the taxpayers ... and our customers are those who utilize county services.

With the budget recommendation I present today, I believe we will increase shareholder value and better serve our customers. These are and should be ongoing goals.

Never before has an executive budget recommendation for Cook County government been developed in such a public and transparent manner.

Thirteen working groups of Commissioners joined my finance staff and all county department heads in conducting preliminary presidential budget hearings ... work that ultimately led to today's budget recommendation. My sincere thanks to all of the Commissioners who participated in that process.

I also extend my thanks to our independent Cook County Health and Hospital System Board, and again to the Commissioners, for your very public work in developing the budget recommendation for our health system.

This transparency is and will continue to be part of our long-term financial management.

In addition, this budget recommendation goes the next step beyond the performance-based budgeting we introduced almost a year ago, for fiscal year 2008.

In the coming fiscal year, I have directed our budget personnel to develop, as a means of better evaluating operational efficiency and service quality, results-oriented measurements ... comparable to running a corporation.

We will still focus attention on measurements ... but we will redirect that focus away from mere activities, and instead toward meaningful outcomes.

This effort will enable us to better link spending with results.

It will require each county department and office to fundamentally reexamine the services they provide to their respective customers ... to develop a detailed strategic plan for their respective operations ... and to monitor progress toward meeting objectives in the strategic plan.

Taken together, across all departments and offices, this exercise will put us in a stronger position to weigh spending priorities, evaluate customer satisfaction, and maximize shareholder value.

Further, as a means of enhancing productivity, I have directed our finance team to launch a new Program Management Initiative directed at county technology. Its goals are two-fold.

First, to more fully realize the value of existing county technology ... by improving its interoperability across all county-funded operations ... by implementing all appropriate shared service opportunities ... by modernizing processes prior to their automation ... and by improving access to information to allow for enhanced, fact-based decision-making.

Second, to lower the cost of our technology ... by retiring redundant and antiquated systems ... by consolidating across county functions ... and by leveraging partnerships with other governments.

These two initiatives – moving to results-oriented management and launching the Program Management Initiative on technology – will bring further modernization and efficiency to county government.

Another element of our focus on long-term financial management is the very existence and work of our independent hospital system governing board ... the creation of which I supported, and together we achieved, just last spring. More professionalism and less politics in this critical area of county government will, over time, mean better customer service and greater shareholder value.

And with our retention of the MedAssets firm, upon the recommendation of the independent

governing board, we are making substantial progress in improving the revenue cycle at our hospitals and clinics. The better we do at collecting patient fees and insurance payments that are due the county health care system, the less we must ask of our taxpayers.

Yes ... with its focus on long-term financial management, this budget will bring greater reform, efficiency and modernization to Cook County government.

On reform, my budget recommendation for fiscal year 2009 maintains funding and staffing for the Office of the Independent Inspector General – an initiative of my first year in office. The work of this office will build upon the substantial reforms we have made in ethics and procurement policy these past 23 months.

This budget recommendation also funds a Juvenile Temporary Detention Center that is now overseen by the Office of the Chief Judge – not by the county board president’s office –pursuant to reform legislation that I actively promoted in Springfield.

On efficiency, this budget recommendation consolidates county grant management functions into a new unit within the Comptroller’s office, and it enhances our use of technology through subscription to the E-Civis federal grant management tool.

Under this budget proposal, we will also be more efficient with our human resources ... through a reduction of nearly 600 positions.

Operational efficiencies will allow us to rebuild our general fund balance, something the rating agencies will appreciate, with each department and office being required to satisfy a 3% “allowance for reserves.”

We will also reduce our worker compensation claims, under our self-insurance program, through mandated safety training classes for each department.

On modernization, my budget recommendation for fiscal year 2009 creates an Office of Sustainability to promote environmentally responsible business practices throughout county government.

This budget proposal also borrows “best practices” from the City of Chicago and other local governments by establishing an Administrative Hearings Department to hear ordinance violation cases. This department, which will be manned with existing county staff, will ensure that precious court resources are reserved for more complex litigation.

Finally, this budget recommendation brings county penalties for unlawful tax avoidance more closely in line with those of other jurisdictions. By raising penalties, the goal is to reduce the amount of unpaid taxes ... and thereby lessen the unfair burden shifting from tax evaders to tax

payers.

The participation of Commissioners in developing this proposed budget has improved it. Our collaboration should make it easier to craft and pass a final budget.

From our work together on two prior budgets ... and on this budget proposal ... I know the county board shares my goals of increased reform, efficiency and modernization.

We all seek improved service for those who depend upon county government ... and careful stewardship of public resources for our taxpayers.

So now, with confidence in the good motivation and collective wisdom of this county board, I place my executive budget recommendation for fiscal year 2009 in your capable hands.

Thank you.

