



# The Civic Federation

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## CIVIC FEDERATION: REPEAL UNNECESSARY \$377 M COOK COUNTY SALES TAX HIKE

(CHICAGO) The Civic Federation **opposes** the proposed \$3.0 billion FY2010 Cook County operating budget because it relies on an unnecessary one percentage point sales tax increase and makes little attempt to implement cost savings or structural reforms during a time of severe economic uncertainty. The Federation's full analysis of the budget and recommendations is available on our website, [www.civiced.org](http://www.civiced.org).

"In this budget Cook County appears to ignore the economic realities facing so many of its residents and other local governments," said Laurence Msall, president of the Civic Federation. "Instead of granting relief to overburdened taxpayers and cutting back, Cook County is increasing expenditures by 4.5% over final appropriations last year and starting non-essential economic development efforts such as a new film office."

In the analysis, the Civic Federation reiterates its call for the repeal of the County's unnecessary one percentage point sales tax increase. At the time he proposed the tax increase, Cook County Board President Todd Stroger said it was needed to fund the County's Health System. Yet as part of its FY2010 budget proposal, the independent Health and Hospitals System board reduced the amount of revenue it requested from the County by 19% or \$74 million. The County should abate the sales tax increase and make the painful but necessary prioritization of its spending in order to cut \$377.7 million from its expenditures to subsequently balance its budget.

The Health System spending plan, in contrast to the budget of the County as a whole, proposes many of the kinds of measures that are the best practices of governments during an economic downturn: prioritization, right-sizing, and cost-saving operational efficiencies. The Health System plans to reduce its payroll by eliminating vacant positions and by laying off 467, mostly non-front line, workers. "The Civic Federation fully supports the independent Health System Board and the excellent—unpaid—work they have done in only a year to reform the County's infamously inefficient Health System. We call on Cook County to make the board a permanent part of County government," said Msall.

There are some positive aspects the Civic Federation identified in the budget, including the County's decision in FY2010 to set aside \$25 million to start building up its general fund reserve account, which was eliminated in FY2007. The Civic Federation also commends the County for holding the property tax levy flat at \$720.5 million for the fourteenth consecutive year. However, these small steps are not enough to overcome the roadblock Cook County's sales tax has placed on the economic road to recovery for its residents and businesses.

*The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions. For more information, please visit the Federation's website at [www.civiced.org](http://www.civiced.org).*

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