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CIVIC FEDERATION OPPOSES COUNTY'S \$3 BILLION BUDGET PLAN Calls for New Independent Auditor to Monitor County Spending, Programs

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CHICAGO – Citing missed opportunities for cost-cutting and unfulfilled promises of improved management, the Civic Federation today announced its opposition to Cook County Government's proposed FY2006 budget of \$3.076 billion.

"We are frankly disappointed by this budget," commented Civic Federation President Laurence Msall. "This proposed spending plan represents a short-term fix and does nothing to address the County's ongoing structural deficit. By acting on earlier stated commitments to improve management and reduce costs, the County might well have avoided a \$1 per pack increase in the cigarette tax and, more importantly, reduced the rate of expenditure growth over the long term."

In its newly released analysis of the proposed budget, the Civic Federation called on County administrators to take action to contain spiraling personnel costs. In the proposed spending plan, personal services appropriations will consume \$2 billion – two-thirds of the entire County budget. That figure has increased by more than 14% since FY2002.

In its analysis, the Civic Federation lists specific recommendations on steps Cook County can and should take to reduce personnel costs:

- The County should end the practice of giving all employees automatic annual step increases, which will add \$44 million to payroll this year. These step increases, which have averaged 4.5%, are granted in addition to annual cost-of-living increases averaging 3%. "These step increases are an obsolete and unaffordable component of the County's compensation plans, and we are disappointed that this practice continues," Mr. Msall commented.
- Janitorial services for the County Building and courthouses should immediately be privatized, for annual savings that could reach \$5 million.
- Non-core functions in the Bureau of Health Services, such as public relations, human resources, finance, information technology and printing, should be consolidated immediately. These services also should be considered for privatization, which could afford further savings.
- To control soaring costs of employee health coverage, Cook County should aggressively pursue joint purchasing of health insurance with other local governments, which could save as much as \$22.5 million per year. In addition, Cook County employees should contribute a larger share toward the cost of their health insurance premiums, and employee co-pays for physician visits should be modestly increased.

The Federation renewed its call for dissolution of the unnecessary, anachronistic and inefficient Suburban Tuberculosis Sanitarium District, which recently increased its property tax levy by 527%. "We strongly urge Cook County Government to take action to close the District and transfer its substantial assets to the Bureau of Health Services," Mr. Msall stated.

The Civic Federation ended its analysis with a call for the establishment of an independent legislative Cook County Auditor General's Office, to conduct regular program and financial audits. The Federation believes creation of this new office is justified by the County's repeated failure to demonstrate the effectiveness and efficiency of government services.

The full text of the Civic Federation's analysis of the Cook County FY2006 Budget is available on-line at www.civicfed.org.

The Civic Federation is a 112-year-old nonpartisan independent government research organization whose members include business leaders from the region's largest corporations, service firms and institutions.