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**President Preckwinkle Budget Remarks, As Prepared for Delivery**

Today, at 11 A.M, Cook County Board President Toni Preckwinkle will deliver her annual budget address to the Board of Commissioners. President Preckwinkle will outline to the Board her budget recommendation, which reflects her vision of how to best make Cook County healthier, safer and more efficient.

The following are speech highlights and her full remarks, as prepared for delivery.

**SPEECH HIGHLIGHTS:**

- “There’s no longer space to rally against the [sweetened beverage] tax but secretly hope your colleagues absorb the political heat for you because you know we need this revenue. There’s no way, as there was last year, to vote ‘no’ on the revenue that funds our budget and then vote ‘yes’ on the overall budget itself. To support spending—and the vital services and benefits we provide—you must support revenue.”
- “Since I took office in 2010, we have passed a balanced budget every fiscal year. My commitment to that is unwavering.”
- “The State of Illinois makes our work much more difficult. Springfield’s dysfunction creates budget holes we need to fill. As of July, the State owed the County \$186 million. The State’s most recent budget—passed after 736 days of inaction—took away \$17 million in estimated revenue for Fiscal Year 2018. Of that \$17 million, \$15 million will now reoccur every year because the State implemented a two percent administration fee on sales tax collection.”
- “And Republicans continue their efforts to sabotage the Affordable Care Act and sow uncertainty in the insurance marketplace, we are, as always, the County’s top provider of charity care.”

- “[Repealing revenue] could result in the closure of community health centers—potentially in areas where we will no longer be able to provide services because we planned on closing current facilities to open larger, more modern ones to accommodate demand. Closing our clinic in the Northwest suburbs, for example, would significantly reduce health access, because up there, we are one of the only providers of affordable, clinical care to Medicaid beneficiaries.”
- “A decrease in funding could impact our ability to send out property tax bills on time. \$25 million we planned on spending in cash for new election equipment to protect our voting systems from cyber-attacks would have to be purchased on borrowed money, which ultimately increases our bill dramatically.”
- “I’ve often heard others say there’s still a significant amount of fat to be cut. But to those people, I remind you we already have shrunk our workforce by more than 10 percent, closed budget gaps of \$1.8 billion and reduced our indebtedness by 11 percent.”
- “A vote to repeal [revenue] is a vote against promoting better health outcomes for people in communities across the County, especially our most vulnerable. Because taking money away likely results in a significant reduction in critical, community-based medical services, essential healthcare workers losing their jobs, and shifting our focus away from preventative care. This comes at a great cost, because treating acute and chronic illnesses is more expensive than preventing them.”
- So, in my view, the choice is simple: do we want Cook County to be healthier, safer and more efficient? Or do we want to go backwards? I know where I stand, and I invite you to stand with me, for an even better Cook County.”

### **FULL REMARKS AS PREPARED**

Good morning. I appear before you today to deliver my Fiscal Year 2018 executive budget recommendation. I recognize that we have reached a moment of truth, and in this moment, we will decide together who we are and where we are going as a County government. I cannot in good conscience deliver my traditional budget address. Because I know that in a few days you, as commissioners, can exercise your collective will and dramatically alter our fiscal course—for the next year, and for years to come.

In front of us are two diverging paths. One, the path of my executive budget recommendation, includes the revenue we authorized last year. The other, an alternative path, without \$200 million in projected revenue, takes us in a vastly different direction. And if we take the first step on this second path, I assure you that each and every successive step will be tougher. A step toward cutting essential services for our residents. A step toward layoffs. A step toward the kind of fiscal uncertainty that forces us to focus on plugging short-term budget gaps instead of dedicating our intellectual capital toward finding long-term solutions.

I understand that each member of this Board has a personal decision to make. But I would be remiss if I did not take this opportunity to define our current situation, defend my budget and invite you to join me in approving a plan that shares my recommendation’s most important features and values.

The politics of the past few months have been difficult, to say the least, and as charged as I've seen in my seven years as County Board President. But as challenging as this time has been, it's possible the weeks ahead will be even tougher. There's no longer space to rally against the tax but secretly hope your colleagues absorb the political heat for you because you know we need this revenue. There's no way, as there was last year, to vote "no" on the revenue that funds our budget and then vote "yes" on the overall budget itself. To support spending—and the vital services and benefits we provide—you must support revenue. That's how this works. For every dollar we spend, we need to raise a dollar. I know that. You know that. And our residents expect that of us.

Since I took office in 2010, we have passed a balanced budget every fiscal year. My commitment to that is unwavering. But the meaning of that promise might change this year, because meeting our fiscal obligations could mean cutting programs and services we know are in the best interest of the people of Cook County.

These decisions are not easy. And, frankly the State of Illinois makes our work much more difficult. Springfield's dysfunction creates budget holes we need to fill. As of July, the State owed the County \$186 million. The State's most recent budget—passed after 736 days of inaction—took away \$17 million in estimated revenue for Fiscal Year 2018. Of that \$17 million, \$15 million will now reoccur every year because the State implemented a two percent administration fee on sales tax collection. Since 2015, the State has also reduced child support enforcement funding by \$6.8 million, or 33 percent. But the County remains committed to providing these vital services to benefit our young people, so we fill the gap. The State also retroactively reduced Medicaid revenue rates to CountyCare, our Health and Hospitals' managed care program, by a total of \$114 million for 2016 and 2017.

Worst of all, for two consecutive years, we asked Springfield to pursue pension reform through state legislation, and their failure to do so forced the County to increase the sales tax in 2016. Racking up an additional \$30 million in pension debt per month was not an option. And because of our responsible choices, we are the only major government in Illinois with a stable bond rating from every ratings agency.

As the state and federal governments abdicate their programmatic responsibilities, Cook County serves as a critical social safety net for our vulnerable residents.

Even as the annual taxpayer allocation to the Health and Hospitals System has gone down by more than \$370 million since I took office, our impact has increased exponentially. We run two hospitals and a network of 16 community-based health centers, which allow us to provide primary care where residents live. 140,000 Medicaid recipients in the County get their coverage through us, a number that could soon double, as we are one of seven providers chosen by the State to provide Medicaid services in 2018.

And Republicans continue their efforts to sabotage the Affordable Care Act and sow uncertainty in the insurance marketplace, we are, as always, the County's top provider of charity care. Forty-five percent of charity care in the County is provided by the Health and Hospitals System, even though we only run two of 72 hospitals in the County. We also have pursued innovative partnerships with nonprofits such as the Greater Chicago Food Depository and Black Oaks Center. These partnerships

enable us to connect our residents to hundreds of thousands of pounds of fresh produce at either no cost or reduced cost to them. And in the past several years, CCHHS has been at the forefront of combatting the opioid epidemic. We opened a detox unit at the jail, which provided intense care for 10,000 detainees in its first year alone. Furthermore, we have enrolled more than 16,000 detainees into Medicaid to ensure they have continuing care when they return to their communities. These are the health strategies that complement our continued efforts to lower the jail population.

On this front, we have worked hard and been a national leader in reforming our criminal justice system. We have reduced the jail population from more than 10,000 inmates at its peak in 2013 to below 7,500 today by reducing reliance on cash bonds. We are on track to demolish three divisions of the jail by the end of 2018, which is projected to save \$188 million in needed capital funds. Since 2014, we have provided more than \$14 million in grants to community-based, non-profit partners focused on violence prevention, recidivism reduction and restorative justice. These changes are a good deal for taxpayers, who shouldn't have to pay to keep non-violent offenders detained just because they can't afford bail. And they are morally responsible, as well, because keeping people out of jail, with their families and at their jobs, collectively strengthens communities that have been historically and disproportionately ravaged by an unfair criminal justice system.

We all should be proud of the progress we are making in turning the County into a more effective, transparent and responsive government. I know I am. Which is why I am unwilling to go backwards.

And I'm worried that next week, we will.

What could repealing the sweetened beverage tax mean?

It means our allocation to the Health and Hospitals System would go down by \$27 million. Understand that the \$110 million allocation we have budgeted must be spent no matter what, because the vast majority of that funding goes toward correctional health. So when we take away \$27 million, Health and Hospitals will have to find that money within their own budget, much of which is already tied up in mandated spending. And what could that look like?

Well, it could result in the closure of community health centers—potentially in areas where we will no longer be able to provide services because we planned on closing current facilities to open larger, more modern ones to accommodate demand. Closing our clinic in the Northwest suburbs, for example, would significantly reduce health access, because up there, we are one of the only providers of affordable, clinical care to Medicaid beneficiaries.

Or, taking away this money could mean the reduction of services at, or closure of, Provident Hospital or the Oak Forest Health Center. It also could mean downgrading our Level 1 trauma center at Stroger and turning to other hospitals to bear the brunt of treating the victims of violence plaguing our communities.

Each of you received a report from the Health and Hospitals System showing the number of residents in your district who rely on us for care. Which one of your residents are you willing to turn away? Health and Hospitals is increasingly self-sufficient, but with a subsidy that is 25 percent less, we will need to make difficult decisions.

In the board room with us today is Dr. Arnold Turner, Medical Director at Provident Hospital, and an internist who cares for adults at the Sengstacke Clinic on Provident's campus. Sengstacke Clinic sees nearly 68,000 outpatient visits annually. In Dr. Turner's practice, 70 percent of patients have a chronic disease. Nearly all of those chronically ill patients are hypertensive and more than half are diabetic.

This board has supported a strategy to strengthen outpatient services like those Dr. Turner and his colleagues provide. Preventative, primary care is right for our patients and it's right for our taxpayers. Because treating acutely sick patients at our hospital is more expensive than keeping them healthy through our dedicated, clinical work.

In addition to the reduction in the Health and Hospitals' allocation, we also had budgeted \$1 million of the sweetened beverage tax revenue to open lifestyle centers at Provident and in Austin. That's on top of an additional \$250,000 for a healthy living grant program. These plans are now on hold indefinitely.

With the revenue we approved last year, we planned on increasing the Justice Advisory Council's budget from \$3.9 million to \$5.9 million. This additional \$2 million could make a huge difference for the non-profits to which we provide grants and would have allowed us to expand our workforce development training programs.

This morning, Bradly Johnson from BUILD, one of our \$200,000 grant recipients, is here with us. Since 1969, BUILD has been a pioneer in gang violence prevention and positive youth development on Chicago's south and west sides. Bradly is the director of community engagement and strategic partnerships, which are at the core of the group's work. BUILD reports that in the first three quarters of Fiscal Year 2017, with financial assistance from the JAC, nearly 750 young people and adults attended seven community events. Another 400 have attended Community Family Nights. And more than 100 young people are engaged in an arts program BUILD runs. It is with the help of quality partners like BUILD that we can start to make a dent in the cycle of violence in neighborhoods that need our resources most. And BUILD is just one of more than a dozen organizations we currently support through the JAC.

Taking away sweetened beverage tax revenue could also begin to reverse the great progress we've made in reducing the jail population. When we talk about 11 percent across-the-board cuts, those sort of reductions could substantially impact the services provided by the Public Defender's Office and the State's Attorney. 11 percent of the Public Defender's budget, for example, would be an \$8.3 million cut. With a cut like that, approximately 6,400 cases covered annually by public defenders at risk of being laid off would fall to already overburdened colleagues or private counsel, whose hours are more expensive. This would not only hamper our Constitutional duty to provide counsel to those who cannot afford it, but likely would produce delays that keep people detained longer at a greater societal and financial cost.

In the State's Attorney's Office, an 11-percent, across-the-board cut would result in a \$13.5 million reduction in spending. A cut like that could mean a reduction in workforce at the Civil Division, or the very lawyers who defend Cook County government. Such a hit could increase our costs by dragging on litigation or compromising the County's ability to defend itself.

Taking away this revenue also could result in a reversal in the government efficiencies we have championed over the past seven years. A decrease in funding could impact our ability to send out property tax bills on time. \$25 million we planned on spending in cash for new election equipment to protect our voting systems from cyber-attacks would have to be purchased on borrowed money, which ultimately increases our bill dramatically.

I've often heard others say there's still a significant amount of fat to be cut. But to those people, I remind you we already have shrunk our workforce by more than 10 percent, closed budget gaps of \$1.8 billion and reduced our indebtedness by 11 percent. In explaining the purpose of County government, I always remind people, nearly 90 percent of our budget is spent on public health and public safety. And that's true. But the flip side of that coin is that only eight percent of our operating budget falls under my direct control as spending for Offices Under the President. I can only recommend how to best enact cuts or reforms to operations run by separately elected officials, I cannot make the final call. So as we go through this process, and should you choose to repeal this revenue, I encourage you to ask the tough questions of these elected officials about how their appropriations are used.

I would like to close my speech today by framing the upcoming revenue vote from my perspective. Because a vote to repeal revenue isn't just about repealing revenue.

A vote to repeal is a vote against promoting better health outcomes for people in communities across the County, especially our most vulnerable. Because taking money away likely results in a significant reduction in critical, community-based medical services, essential healthcare workers losing their jobs, and shifting our focus away from preventative care. This comes at a great cost, because treating acute and chronic illnesses is more expensive than preventing them. And it will dramatically disrupt the regional healthcare ecosystem, because if we reduce our services, individuals will need to seek care at the other hospitals and providers in Cook County.

A vote to repeal is a vote to compromise our Constitutional duty to provide for the legal defense of those who cannot afford counsel.

And a vote to repeal is a vote to reduce vital community investments, especially our violence reduction and workforce development training programs geared at young people in hard-pressed city and suburban communities.

So, in my view, the choice is simple: do we want Cook County to be healthier, safer and more efficient? Or do we want to go backwards?

I know where I stand, and I invite you to stand with me, for an even better Cook County.

Thank you.

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