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**MEMORANDUM**

**To:** Elected Officials, Bureau Chiefs and Department Heads

**From:** Annette CM Guzman, *Budget Director*  
Department of Budget & Management Services

**Date:** May 3, 2021

**Re:** FY2022 Preliminary Forecast Development

**CC:** Lanetta Haynes Turner, *Chief of Staff*  
Ammar M. Rizki, *Chief Financial Officer*

To formally assess the County's mid-year financial position and forecast anticipated needs for next year, the Department of Budget and Management Services (DBMS) will issue a Preliminary Forecast for the fiscal year 2021 year-end and fiscal year 2022. In accordance with Section 2-933 of the Cook County Ordinances, the FY2022 Preliminary Forecast will be presented by June 24, 2021. As in the past, the preliminary forecast will be limited to a review of our financial position within the General Fund, Health Enterprise Fund, and Special Purpose Funds and will not cover our Capital Project or Grant Funds. Below, please find instructions for how to submit your FY2021 and FY2022 revenue and expenditure projections.

**FY2022 Preliminary Forecast Development**

To aid in the analysis of the County's financial and budgetary position, we ask that you assist DBMS in the development of the FY2022 Preliminary Forecast. **Starting Monday, May 10, 2021**, departments will be able to enter estimates for their FY2021 year-end spending and projections for their anticipated FY2022 revenue and expenditures.

Please see Appendix A for guidance on how to develop your submissions for the FY2022 Preliminary Forecast. All Preliminary Forecast submissions are **due by close of business on Friday, May 21, 2021**.

As a reminder, you must have an active profile in Hyperion CCGPlan to access Hyperion for purposes of submitting your Preliminary Forecast information. If you do not have access, please contact the Bureau of Technology's helpdesk at ext. 3-1390 to verify your

access. If you need to have an account set up, please fill out the Hyperion Access Request Form ([http://step.cookcountyil.gov/wp-content/uploads/Hyperion\\_System\\_Access\\_Request\\_Form5-02-03-2021.xlsx](http://step.cookcountyil.gov/wp-content/uploads/Hyperion_System_Access_Request_Form5-02-03-2021.xlsx)) and submit it through the Cherwell ticketing system. We encourage you to confirm your account access as soon as possible to ensure timely submission of your preliminary forecast information. For those that need a refresher on how to submit preliminary forecast estimates into Hyperion, DBMS will hold two online training sessions on Microsoft Teams on Monday, May 10<sup>th</sup> and Tuesday May 11<sup>th</sup>. Calendar invites to each training will be sent to all department financial liaisons next week. As a reminder, the timeline for the submission of estimates for the preliminary forecast by departments is below.

### FY2022 Preliminary Forecast Schedule

Date	Event
May 10, 2021	Hyperion opens for Preliminary Forecast submissions
May 10, 2021 @ 1pm & May 11, 2021 @ 10am	Hyperion Training conducted by DBMS via Microsoft Teams ( <i>Calendar invites forthcoming</i> )
<b>May 21, 2021</b>	<b>Department Preliminary Forecast submissions due in Hyperion</b>
By June 21, 2021	Invitations to mid-year budget hearings distributed by the Chairman of the Finance Committee
	Mid-Year Budget Hearing Memo templates distributed by DBMS to departments
By June 24, 2021	President issues FY2021 Year-End and FY2022 Preliminary Forecast
July 6, 2021	Department Mid-Year Budget Memos due to DBMS
July 8, 2021	Preliminary Forecast Public Hearing
July 19-23, 2021	Mid-Year Budget Hearings

Thank you for your assistance in preparing the FY2022 Preliminary Forecast. If you have any questions on how to complete your Preliminary Forecast submission, please do not hesitate to reach out to your Budget Analyst.

**Guidelines for the FY2022 Preliminary Forecast Submission**

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**General Guidelines**

1. Your submission should reflect (a) how you plan to use your FY2021 budget through the end of this year and (b) what you estimate your revenue and expenditures to be in FY2022.
  - a. Please bear in mind that the preliminary forecast assesses current budgeted operating activities projected forward. This means that any known obligations should be included in the preliminary budget, but it should not include requests for new positions/programs or significant restructuring. *Examples of known obligations include escalation clauses in contracts, and compliance with legal obligations.*
  - b. The forecast will identify projected deficits, allowing the County to craft budget solutions and get input from various constituencies on budget priorities.
2. The Preliminary Forecast only covers the General Fund, Health Enterprise Fund and Special Purpose Fund. We will not be collecting information related to our Capital Project Fund or our Grant Fund.
3. Estimates and projections are reflected at the Account-Office level.
4. A few changes from last year:
  - a. Forecasted expenditures for Hyland On-Base Enterprise Content Management licenses are no longer pre-loaded into department budgets. The forecasted expenditures for this platform will be budgeted in fixed charges for applicable departments.
  - b. The cost of Microsoft Visual Studio Subscription (formerly Microsoft MSDN) will no longer be pre-loaded for departments that have them. Thus, if your department has such licenses and will maintain them into the end of this year and next, you should plan to account for those expenses within the estimates entered for your budget.
5. Salary projections for FY2022:
  - a. Are based on the FY2021 position budget for your department and assumes personnel budgets hold steady into FY2022. It incorporates the County’s pay-grade-step progressions for employees based on their bargaining unit assignment. Please reach out to your Budget Analyst if you would like information regarding the projection model.
  - b. Assume the same turnover rate used in the FY2021 Annual Appropriation Bill for each department. Turnover is calculated on a department-by-department basis based on historical turnover rates and is not applied bureau-wide. If you believe a different turnover rate should be used for your department based on your department’s historic ability to meet

that turnover rate, please reach out to your Budget Analyst to discuss. **All changes to turnover must be approved by the Budget Director before they are included in the forecast.**

**How to Submit FY2021 End-of-Year Revenue and Expenditure Estimates**

Please follow the instructions below for completing the Preliminary Forecast for FY2021.

1. **General Fund, Health Fund and SPF Revenue** (*Non-revenue generating departments may skip this section*)

a. *Preloaded by DBMS:* **Departments DO NOT fill in these elements.**

- i. Actual revenue collected for December 2020 – April 2021.
- ii. Revenue for May 2021 has been estimated based on YTD revenues. **This amount will likely differ from your internal records as it is an average based on the snapshot taken of the prior five (5) periods. Actual revenue amounts collected for May will not be known until June.** This amount will be updated before the final preliminary forecast is issued in June.

400000-Revenue

Current 2021	Estimate 2021					
YearTotal	Amount	Jan	Feb	Mar	Apr	May
Budget	Budget	Budget	Budget	Budget	Budget	Budget
No Grant	No Grant	No Grant	No Grant	No Grant	No Grant	No Grant
13,548,032	679,561	999,483	989,402	1,008,390	1,000,456	935,458

Figure 1: Elements in FY21 Revenue to be completed by DBMS.

b. *To be Provided by Department:*

- i. DBMS has preloaded revenue spreads for June – November 2021 under the “400000 – Revenue” account series based on forecasting performed by the Office of the Chief Financial Officer (OCFO).
- ii. Departments should review the preloaded revenue spreads for each month between June and November 2021 to confirm agreement with the estimate.
- iii. If you believe changes to the preloaded revenue estimate for any month between June and November 2021 are warranted, please make the necessary change, and provide an explanation for your estimation in the “**Estimate 2021 Comments**” column.

400000-Revenue

Estimate 2021							Estimate 2021
Jun	Jul	Aug	Sep	Oct	Nov	YearTotal	Comments
Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
No Grant	No Grant	No Grant	No Grant	No Grant	No Grant	No Grant	No Grant
12,124	1,803	15,555	10,018	2,185	7,417	49,101	

Figure 2: Elements in FY21 Revenue to be completed by departments.

**2. General Fund, Health Fund and Special Purpose Fund Expenditures**

- a. *Preloaded by DBMS: Departments do not need to fill in these elements.*
  - i. Actual expenses made by your department from December 2020 – April 2021.
  - ii. Expenses reflected for May 2021 is a 5-month average of the expenses made from December 2020 – April 2021. **This amount will likely differ from your internal records as it is an average based on the snapshot taken of the prior five (5) periods. Final expenses for May will not be known until June.** This amount will be updated before the final preliminary forecast is issued in June.
  - iii. Health Benefits, Workers’ Compensation and Unemployment Compensation equal to your FY2021 appropriation has been preloaded by DBMS.
- b. *To be Provided by Department:*
  - i. DBMS has preloaded expenditure estimates for the months of June – November 2021 based on the expenditure spreads provided to DBMS and the OCFO by your department at the beginning of the year.
  - ii. If you believe changes to the preloaded expenditure estimate for any month between June and November 2021 are warranted, please make the necessary change, and provide an explanation for your estimation in the “Estimate 2021 Comments” column. ***If the final expenditure estimate in a budget line results in a deficit, please provide a detailed proposed corrective action plan to address the deficit. The corrective action plan should be addressed in a memo to DBMS and sent separately to your Budget Analyst.***

As a reminder, the FY2021 submission is developed in the following manner:

	Preloaded by DBMS	Provided by Department
Revenue	December 2020 – May 2021	<b>June 2021 – November 2021</b> <i>Provide explanation for any changes made to the preloaded revenue spread for any month.</i>
Expenditure	December 2020 – May 2021	<b>June 2021 – November 2021</b> <i>Provide explanation for any changes to the preloaded expenditure spread for any month. Deficit should be addressed in a separate memo to the DBMS.</i>

**How to Submit FY2022 Revenue and Expenditure Estimates**

- 1. **General Fund, Health Fund and SPF Revenue** (*Non-revenue generating departments may skip this section*)
  - a. *To be Provided by Department*
    - i. Estimate how much revenue you anticipate collecting in FY2022 for your operating fund and, if applicable, special purposes fund(s).

- ii. In the “40000 – Revenue” row of the “Working Preliminary Budget” section, enter your revenue estimate.
- iii. Please provide any comments you have regarding any negative year-over-year variance in your revenue accounts in the “Comments Budget” column of the “Working Preliminary Budget” section.

Working Preliminary 2022	
Amount	Comments
Budget	Budget
No Grant	No Grant

## **2. General Fund, Health Fund and SPF Expenditures**

### *a. Preloaded by DBMS: Departments do not need to fill in these elements.*

- i. Salary (see “General Guidelines” above).
- ii. Pension amount (calculated based on your department’s salary projection).
- iii. Costs associated with Health Benefits, Workers’ Compensation and Unemployment Compensation.
- iv. Communications Services (account 52010):
  - 1. Communication charges based on department utilization.
  - 2. AT&T Telecom Carrier Service/Cost for leased lines that provide departments with telephone and data connectivity.
  - 3. Arrow Maintenance Supplier to cover AVAYA/Maintenance costs on legacy AVAYA phone systems.
- v. Lexis Nexis and Westlaw charges, if applicable (account 530646).
- vi. Maintenance and Subscription Services (account 540130):
  - 1. Bureau of Technology direct expenses for certain applications and services, including Microsoft Office and Adobe Licenses, CDWG (formerly Iron Mountain) offsite storage, break/fix services for computer hardware, and mainframe hosting for legacy systems.
- vii. Space charges for those with offices in the Daley Center (account 540390) and the Dunne Building (account 540402). Projections reflect a 3% escalation over FY2021 charges.
- viii. Copier lease charges for copiers leased by your department under the Countywide Canon lease (account 550030).
- ix. Indirect costs in your department’s applicable special purpose fund(s) (account “580055).

### *b. To be provided by Department*

- i. Estimate your expenditures for FY2022 and enter it in the “Working Preliminary Budget” section for each applicable budget account (other than those preloaded by DBMS as noted above).

1. *As a reminder, do not project any carry forward of FY2021 year-end encumbrances into your FY2022 expenditure projection.*

We encourage those responsible for developing the preliminary forecast for their department to attend one of the two DBMS Hyperion training sessions. This will be a good time to get a refresher on how the Preliminary Budget worksheet in Hyperion works and to get any questions answered. There are also training materials available on the Cook County Step Portal (<http://step.cookcountyil.gov/coming-soon/training/>) about how to enter data into the preliminary budget module of Hyperion.

As always, please reach out to your Budget Analyst with any questions.