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MEMORANDUM

To: Elected Officials, Bureau Chiefs, Department Heads, Finance and Procurement Liaisons

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

Raffi Sarrafian, *Chief Procurement Officer*
Office of the Chief Procurement Officer

Date: May 2, 2022

Re: FY2023 Preliminary Forecast Development & Mid-Year Buying Plan

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 2022 year-end and fiscal year 2023. In accordance with Section 2-933(c) of the Cook County Ordinances, the FY2023 Preliminary Forecast will be presented by June 30, 2022. 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.

To aid in the analysis of the County's financial and budgetary position, we ask that you assist DBMS in the development of the FY2023 Preliminary Forecast. **Starting Monday, May 9, 2022**, departments will be able to enter estimates for their FY2022 year-end, and projections for their anticipated FY2023, revenue and expenditures. Please see [Appendix A](#) for guidance on how to develop your submissions for the FY2023 Preliminary Forecast as well as additional information about the Preliminary Forecast and Mid-Year Budget Hearings. All Preliminary Forecast submissions are **due by close of business on Friday, May 23, 2022**.

In addition to preparing your preliminary forecast submissions and in addition to the OCPO's release of the Mid-Year Buying Plan, the Office of the Chief Procurement Officer is also requesting that departments evaluate and update, if necessary, their

contractual needs for the year. Having a more accurate Buying Plan for future needs not only helps the County budget properly, but also assists vendors by allowing them advanced notice to prepare for future contract opportunities.

Throughout the budget cycle, each time your budget is reviewed, you will be asked to review your Buying Plan and adjust it, if necessary, given shifting priorities. Please see [Appendix A](#) for guidance on how to evaluate and update your existing contracts and anticipated contracts for this fiscal year. All updates to your current contracts and the Buying Plan are also **due by the close of business on Friday, May 23, 2022.**

Appendix A

Preliminary Forecast Guidelines

(See Attached)



PRELIMINARY FORECAST GUIDELINES FY2023

Department of Budget & Management Services

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These guidelines are provided to assist Cook County offices in developing their FY2023 preliminary forecast submissions.

REMINDER

Hyperion will open for department submissions on Monday, May 9, 2022. All FY2023 preliminary forecast submissions are **due by Monday, May 23, 2022**.

Preliminary Forecast Overview

The preliminary forecast is conducted each year in order to identify projected budget deficits, allowing the County to craft budget solutions and get input from various constituencies on budget priorities. The preliminary forecast also assesses current budgeted operating activities projected forward. This means that any known obligations should be included in the preliminary forecast, 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.*

I. General Guidelines

- Please ensure all finance liaisons working on your preliminary forecast submission have access to Hyperion. The [Hyperion access request form](#) is available on the STEP portal. 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 an online training session on Microsoft Teams on Thursday, May 5th. Calendar invites to the training will be sent to all department financial liaisons. There are also training materials available on the [Cook County Step Portal](#) about how to enter data into the preliminary budget module of Hyperion.
- Your submission should reflect (a) how you plan to use your FY2022 budget through the end of this year and (b) what you estimate your revenue and expenditures to be in FY2023.
- 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.
- Estimates and projections are reflected at the Account-Office level.
- Fixed Charges: For those departments with budget allocations within the County's fixed charge budget, you will receive a separate communication from DBMS. You will be required to provide updates to the estimates for your current year fixed charge expenditures as well as a forecast of your need for FY2023. The submission of such estimates will also be due on May 23, 2022, with all other preliminary forecast information.
- Salary projections for FY2023:
 - Are based on the FY2022 position budget for your department, assume personnel staffing levels hold steady into FY2023, and incorporate the most recent ratified collective bargaining agreements. FY2023 salary pre-load incorporates the County's pay-grade-step progressions for employees based on their bargaining unit assignment and authorized cost-of-living adjustments. Please reach out to

your Budget Analyst if you would like information regarding the projection model for your department.

- Assumes the same turnover rate used in the FY2022 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.**

II. Preliminary Forecast Calendar

Please see below for the FY2023 preliminary forecast budget calendar. DBMS may update the schedule, as needed, and will communicate any such changes to all offices.

Date	Event
May 9, 2022	Hyperion opens for Preliminary Forecast submissions
May 5, 2022	Hyperion Training conducted by DBMS via Microsoft Teams <i>(Calendar invites forthcoming)</i>
May 23, 2022	Department Preliminary Forecast submissions due in Hyperion
May 23, 2022	Mid-Year Buying Plan Updates due
By June 23, 2022	President issues FY2022 Year-End and FY2023 Preliminary Forecast
By June 27, 2022	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
July 6, 2022	Preliminary Forecast Public Hearing
July 11, 2022	Department Mid-Year Budget Memos due to DBMS
July 18-20, 2022	Mid-Year Department Budget Hearings

FY2022 Year-End Estimates

I. 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 2021 – April 2022.
- ii. Revenue for May 2022 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 2022	Estimate 2022					
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

Figure 1: Elements in FY22 Revenue to be completed by DBMS.

- b. To be Provided by Department:
 - i. For the General Fund revenues DBMS has preloaded revenue spreads for June – November 2022 under the “400000 – Revenue” account series based on forecasting performed in collaboration with your office and the Office of the Chief Financial Officer (OCFO) for the Independent Revenue Forecasting Commission (IRFC).
 - 1. Departments should review the preloaded revenue spreads for each month between June and November 2022 to confirm continued agreement with the estimates.
 - 2. If you believe changes to the preloaded revenue estimate for any month between June and November 2022 are warranted, please make the necessary change, and provide an explanation for your update in the “Estimate 2022 Comments” column.
 - ii. For Health Fund revenues, CCH is required to enter HEF revenue estimates for June – November 2022 under the “400000 – Revenue” account series.
 - iii. For Special Purpose Funds, all applicable departments must enter revenue estimates for June – November 2022 under the “400000 – Revenue” account series.

400000-Revenue

Estimate 2022						Estimate 2022	Estimate 2022
Jul	Aug	Sep	Oct	Nov	YearTotal	Comments	
Budget	Budget	Budget	Budget	Budget	Budget	Budget	
No Grant	No Grant	No Grant	No Grant	No Grant	No Grant	No Grant	
				479,993	479,993		

Figure 2: Elements in FY22 Revenue to be reviewed/updated by departments.

II. General Fund, Health Fund and Special Purpose Fund Expenditures

- a. Preloaded by DBMS: Departments do not fill in these elements.
 - i. Actual expenses made by your department from December 2021 – April 2022.
 - ii. Expenses reflected for May 2022 is a 5-month average of the expenses made from December 2021 – April 2022. **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 FY2022 appropriation has been preloaded by DBMS.
- iv. Space charges for the Dunne Building and the Daley Center equal to the FY2022 adopted appropriation have also been preloaded by DBMS.

b. *To be Provided by Department:*

- i. Departments are required to enter expenditure estimates for the months of June – November 2022 based on anticipated expenditures for each month. ***If the final expenditure estimate in a budget line results in a deficit, please provide an explanation for the deficit in the “Estimate 2022 Comments” column. In addition, a detailed corrective action plan for addressing the deficit should be addressed in a memo to DBMS and sent separately to your Budget Analyst.***
- ii. *Fixed Charges:* Departments with FY2022 budget allocations in a fixed charge account will receive a separate communication from DBMS with information about the FY2022 adopted fixed charge budget amounts for your respective departments. Each such department is required to complete the spreadsheet by providing an estimate of how much of your FY2022 fixed charge budget you anticipate spending by the end of this year.

As a reminder, the FY2022 submission is developed in the following manner:

	Preloaded by DBMS	Provided by Department
Revenue	December 2021 – May 2022	June 2022 – November 2022 <i>General Fund: Provide explanation for any changes made to the preloaded revenue spread for any month.</i> <i>Health Fund: Provide estimates.</i> <i>SPFs: Provide estimates.</i>
Expenditure	December 2021 – May 2022	June 2022 – November 2022 <i>Provide estimated expenditures for each month with an explanation of any deficits (except for certain preloaded centralized costs noted above).</i>

FY2023 Projections

I. General Fund, Health Fund and SPF Revenue

(Non-revenue generating departments may skip this section)

a. *To be Provided by Department*

- i. **For the General Fund revenues** DBMS has preloaded revenue spreads for FY2023 under the “400000 – Revenue” account series based on forecasting performed in collaboration with your office and the Office of the Chief Financial Officer (OCFO) for the (IRFC).
 - 1. Departments should review the preloaded revenue spreads for FY2023 to confirm continued agreement with the estimates.
 - 2. 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.
- ii. **For Health Fund revenues**, CCH is required to estimate how much revenue you anticipate collecting in FY2023 for your operating funds.
 - 1. In the “40000 – Revenue” row of the “Working Preliminary Budget” section, enter your revenue estimate.
 - 2. 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.
- iii. **For Special Purpose Fund revenues**, applicable departments must estimate how much revenue you anticipate collecting in FY2023 for your respective SPF(s).
 - 1. In the “40000 – Revenue” row of the “Working Preliminary Budget” section, enter your revenue estimate.
 - 2. 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 2023	
Amount Budget	Comments Budget
No Grant	No Grant

II. General Fund, Health Fund and SPF Expenditures

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

Account(s) #	Account Name	Pre-loaded Budgets
501010 501131 501135 501137 501140 501296 501421	Salary and Wages	See “General Guidelines” above.
501279	Pension	Pension Costs

Account(s) #	Account Name	Pre-loaded Budgets
		<i>(Calculated based on your department's FY2023 salary projection)</i>
501541 501590 501610 501640 501660 501690 501715	Workers' Compensation Group Life Insurance Group Health Insurance Group Dental Insurance Unemployment Comp. Vision Care Group Pharmacy Insurance	<ul style="list-style-type: none"> ○ Workers Compensation ○ Life Insurance ○ Health Insurance ○ Dental Insurance ○ Unemployment Compensation ○ Vision Insurance ○ Pharmacy Insurance
520150	Communication Services	<ul style="list-style-type: none"> ○ Communication charges based on department utilization. ○ AT&T Telecom Carrier Service/Cost for leased lines that provide departments with telephone and data connectivity ○ Sentinel costs for voice and data support
530646	Countywide Lexis-Nexis Contract	<p>If applicable:</p> <ul style="list-style-type: none"> ○ Lexis-Nexis charges ○ Westlaw charges
540130	Maintenance & Subscription Services	<p>Bureau of Technology direct expenses for certain applications and services, including:</p> <ul style="list-style-type: none"> ○ Microsoft Office ○ Adobe Licenses ○ Mainframe hosting for legacy system
540390 and 540402	Operating Cost for RJD Center and 69 W. Washington	<p>Space charges for departments with offices in Daley Center and/or the Dunne Building <i>(Pre-loaded amounts reflect a 10% escalation over the FY2022 charges due to inflationary pressure.)</i></p>
550030	Countywide Canon Photocopier Lease	<p>Lease charges for copiers leased by your department under the Countywide Canon lease</p>
580055	Cook County Administration	<p>Indirect costs (applicable to SPFs only) <i>(Calculated based on the amounts set forth in the County's FY2020 Cost Allocation Plan)</i></p>

b. *To be provided by Department*

- i. Estimate your expenditures for FY2023 and enter it in the “Working Preliminary Budget” section for each applicable budget account (other than those preloaded by DBMS as noted above).
- ii. *Fixed Charges:* Departments with budget allocations in a fixed charge account will receive a separate communication from DBMS. Each such department is required to complete the spreadsheet by providing an estimate of need for FY2023, together with a detailed justification to support that anticipated need, especially if the amount increases over your FY2022 allocation.

As a reminder, do not project any carry forward of FY2022 year-end encumbrances into your FY2023 expenditure projection.

FY2022 Mid-Year Buying Plan

To assist DBMS and the Office of the Chief Procurement Officer plan for the contractual needs of your department, each department's Buying Plan submission will be further reviewed by DBMS to ensure every forecasted contract and obligation are considered. Having a more accurate Buying Plan for future needs not only helps the County budget properly, but also assists vendors by allowing them advanced notice to prepare for future contract opportunities.

Thus, as part of this year's preliminary forecast submission, please review your current contracts and Buying Plan to adjust, if necessary, given shifting priorities. To assist us in assessing your department's ongoing and future procurement needs, we ask that you:

1. Review your department's [list](#) of current active contracts. Pay close attention to the current expiration dates and if there are any renewal options available. If you will need to go out for a new competitive contract within the next year, you should add it to the Buying Plan (see instructions below).
2. Review and edit, if necessary, all current buying plan information listed on the "[Current Buying Plan](#)".
3. Add any additional anticipated contracts to the "[Current Buying Plan](#)" that have been identified since the beginning of the year. Buying Plan numbers will then be issued for any new items and subsequently used throughout the budget and contracting process to track the request. If a new contract request is received without a Buying Plan number, it may be subject to a lengthier review process.

Instructions, links, and other supporting documents can be found on the [Procurement SharePoint site](#). Finalized Buying Plan and current active contract reviews are **due by no later than May 23, 2022**, in conjunction with your preliminary forecast submissions.

Mid-Year Department Hearings

Department mid-year budget hearings are scheduled to take place **the week of July 18th**. Each Elected and Appointed Office will receive an invitation to their mid-year budget hearing from the Chairman of the Finance Committee of the Board of Commissioners.

As done in the past, each such office will receive a mid-year template from DBMS to review and complete ahead of their scheduled mid-year hearing. The information provided in your office's template, as well as during your mid-year budget hearing, will assist the Board of Commissioners in understanding your office's anticipated financial position by year-end and what impact that will have on your operations. Additional information regarding the date of your mid-year hearing and the format of this year's hearing will be provided in June.

Additional Guides and Contacts

Please refer to the following job aids and guides for more information on how to complete your office's preliminary forecast submission in Hyperion.

- Access the [Knowledge Center](#) Training Resources on the STEP Portal.

- View the Preliminary Forecast [Job Aids & Procedures](#).

For questions related to the following areas, please reach out to the contacts indicated below:

Topic	Contact	Contract Information
Access or use of Hyperion	Vincent Patterson	vincent.patterson@cookcountyil.gov
Mid-Year Buying Plan	Alex Van Dyck	alexander.vandyck@cookcountyil.gov
Other preliminary forecast questions	Your assigned Budget Analyst	