



# **COOK COUNTY** **EXECUTIVE BUDGET** **RECOMMENDATION**

**Fiscal Year 2022**





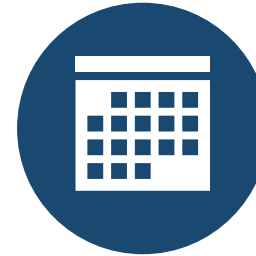
# Agenda

**FY22 Budget  
Overview**



**Long-Term Fiscal  
Sustainability**

**General & Health  
Enterprise Funds**



**FY2022 Budget  
Calendar**



**Questions**





# FY22 Budget Overview

**\$8.04 B**

**Total Budget  
Recommendation**

Including Capital and  
Grant Funds

**\$6.54 B**

**Operating  
Budget**

81% goes to Public  
Health and Public Safety

**\$121.4 M**

**Preliminary Gap**

Smallest gap since 2019

**23,467**  
**County FTEs**

7% increase over  
2021





# FY2022 Total Budget Recommendation: \$8.04 Billion

Healthcare and Public Safety make up 81% of proposed Operating Budget



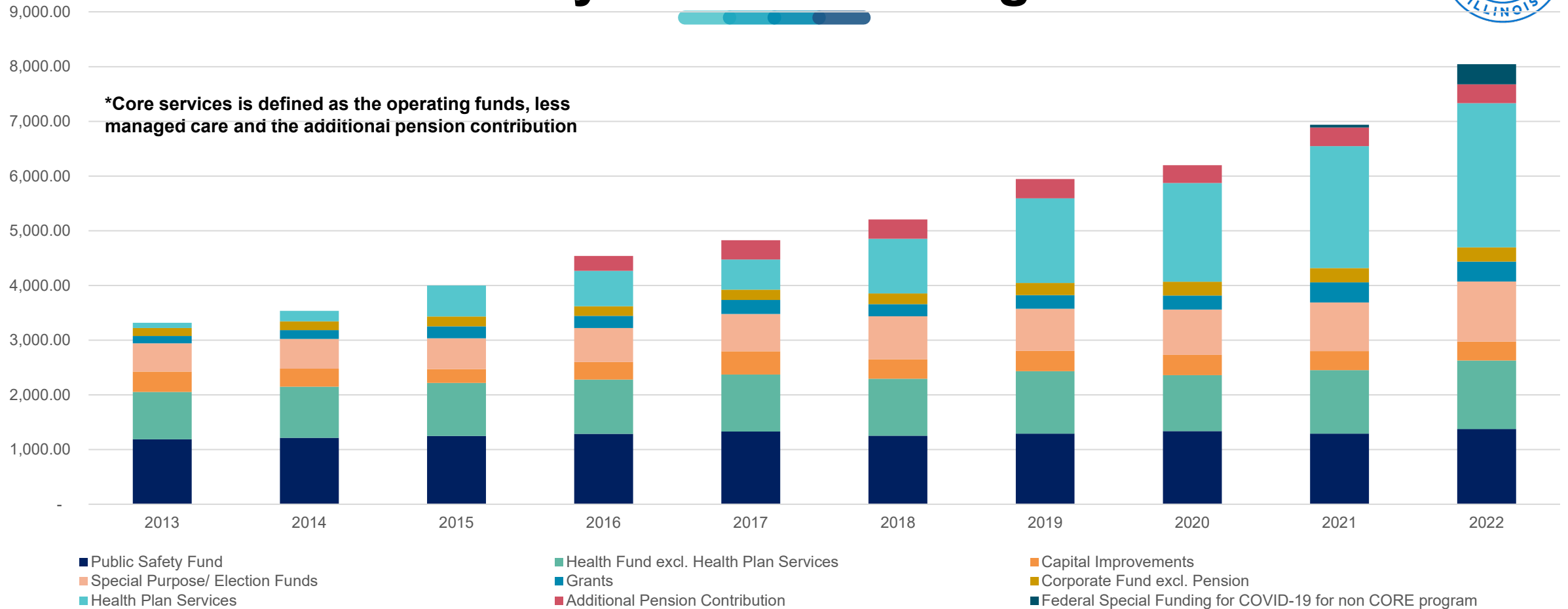
**Cook  
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**EXECUTIVE BUDGET  
RECOMMENDATION**

**FY22**



# Cook County Historical Budget Growth



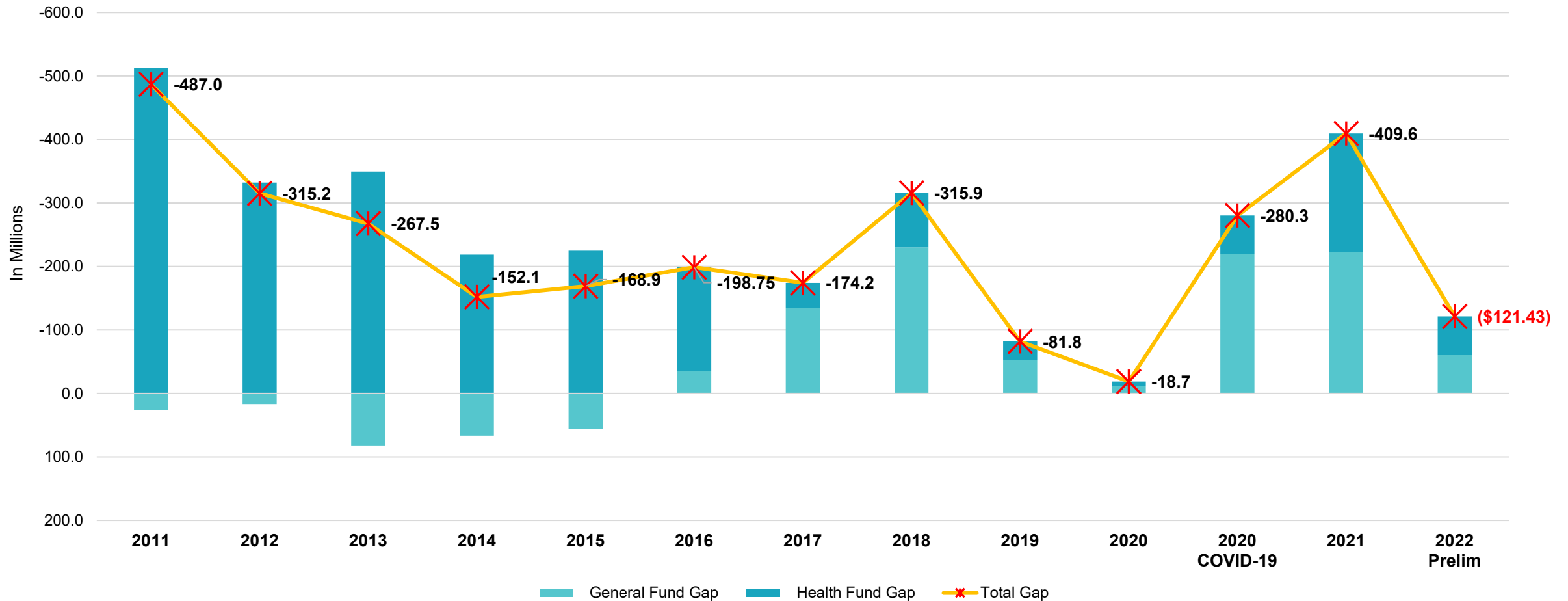
- Annual appropriations have grown by \$4.7 billion since 2012 or 9.16% compound annual growth.
- CountyCare has grown from \$96.2M in 2013 to \$2.6 billion in 2022.
- Additional pension contributions running at approximately \$346M annually since 2017.
- Core services realized a compound annual growth rate of 2.4% since 2011.





# Cook County Historical Gaps

Structural solutions have reduced deficits by 96% since 2011



**Cook  
County**

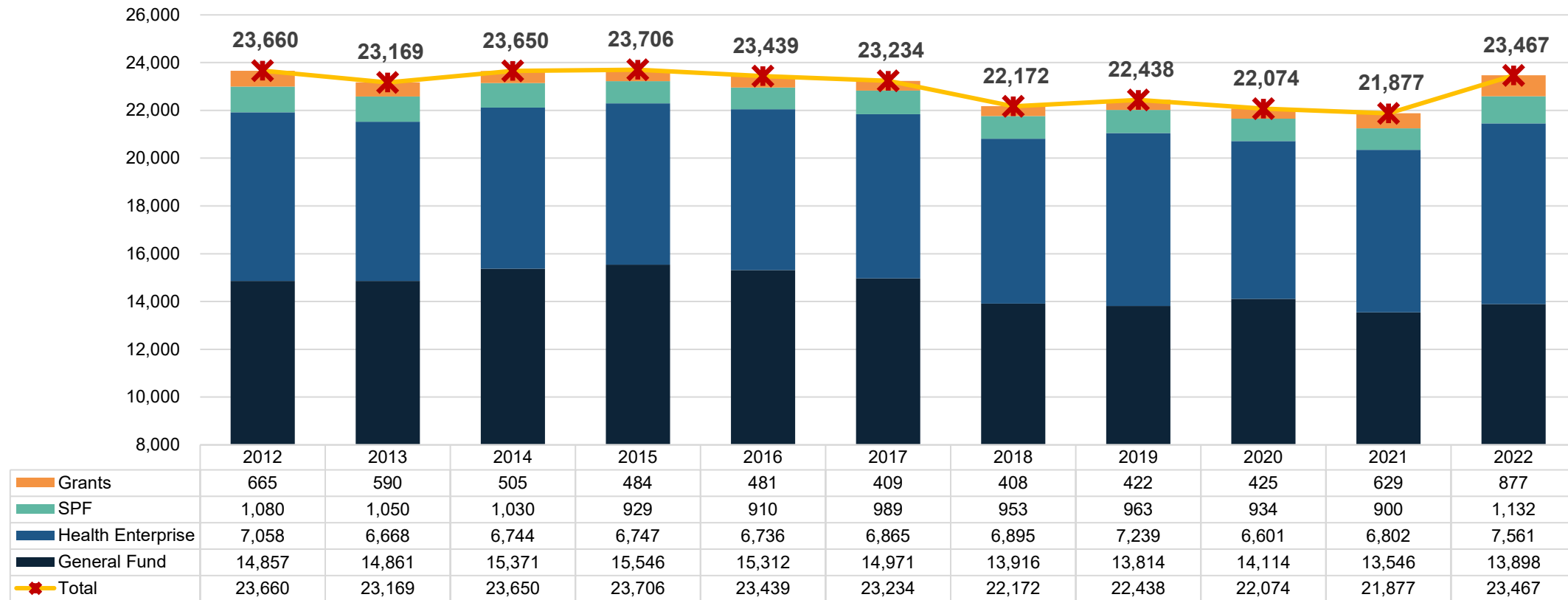
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**FY22**



# Cook County FTEs

7% increase from 2021 – Focus on Rebuilding County's Workforce to Meet Growing Demands

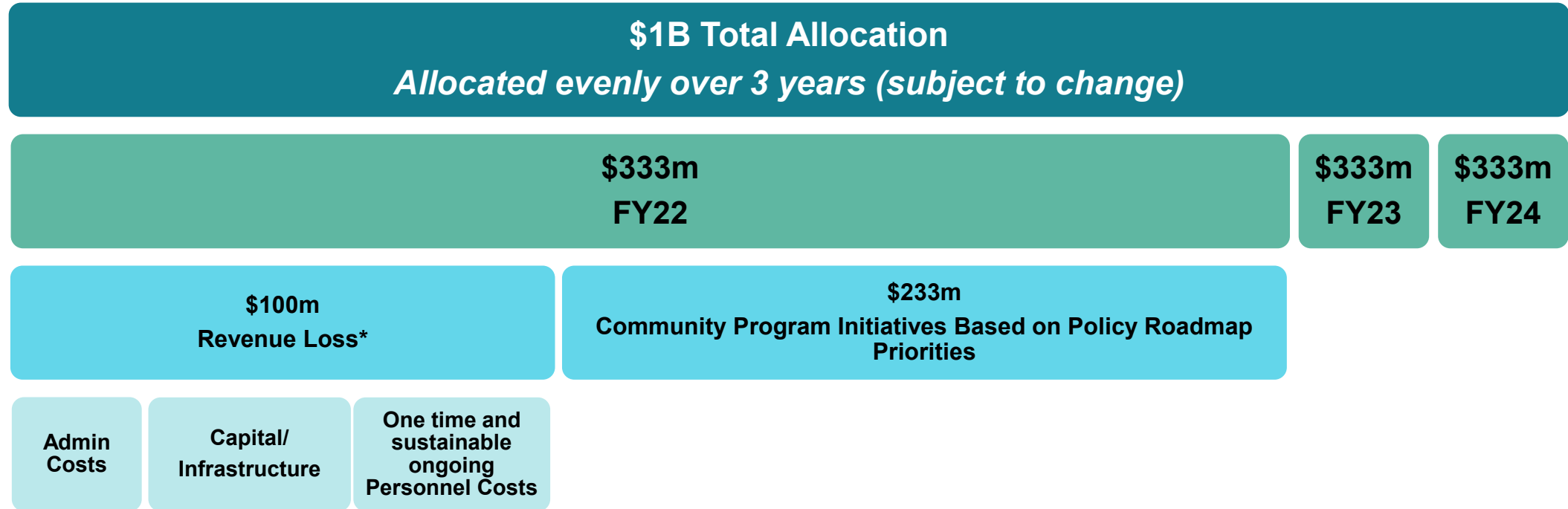


- FY2022 Budget Recommendation includes a 1,590 FTE (7%) increase over FY2021
- 11% increase in FTE within the Health Fund, as new service lines are added, and CCH seeks to return to pre-pandemic surgical capacity
- 39% increase in grant funded FTEs due largely to new public health COVID-19 mitigation grants (e.g., health equity and contact tracing)
- ARPA revenue loss supports 226 FTEs, mostly in admin service areas and court operations
  - 56 FTEs for BOT developers; 25 FTEs for Clerk of the Circuit Court; 23 FTEs for Chief Judge ZOOM room clerks





# Roadmap to Recovery: Cook County's ARPA Plan



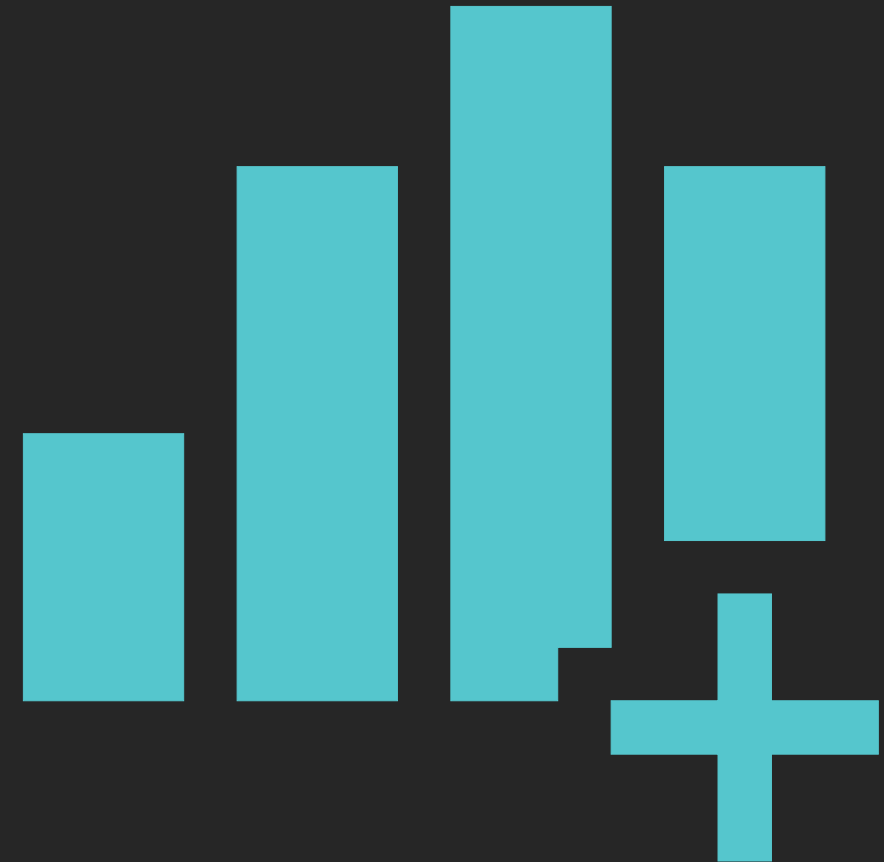
## \*Revenue Loss – To be used to support county operations through the pandemic

- Ensure sustainability for any costs that are funded through ARPA funding with ongoing revenues in out years
- One-time personnel and non personnel costs (e.g., pandemic pay and administration cost for ARPA management)
- Building County capacity to meet increased demands and to support ARPA initiatives
- Capital improvement projects that would have required debt funding instead



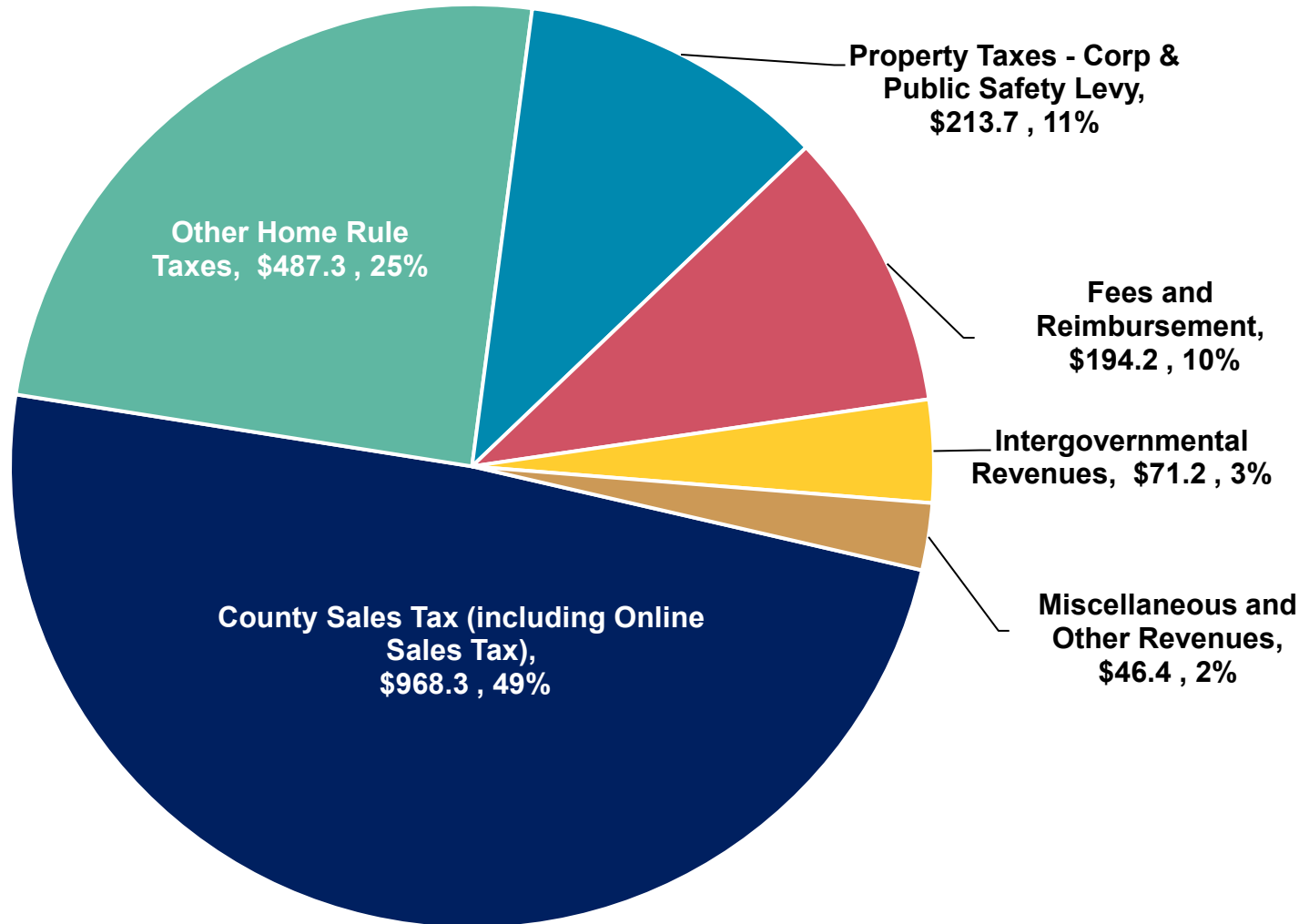


# General Fund





# General Fund: Revenue - \$1.98B



FY2021 Budget	\$1,896.3
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FY2022 Budget	\$1,981.1
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Variance	\$84.8
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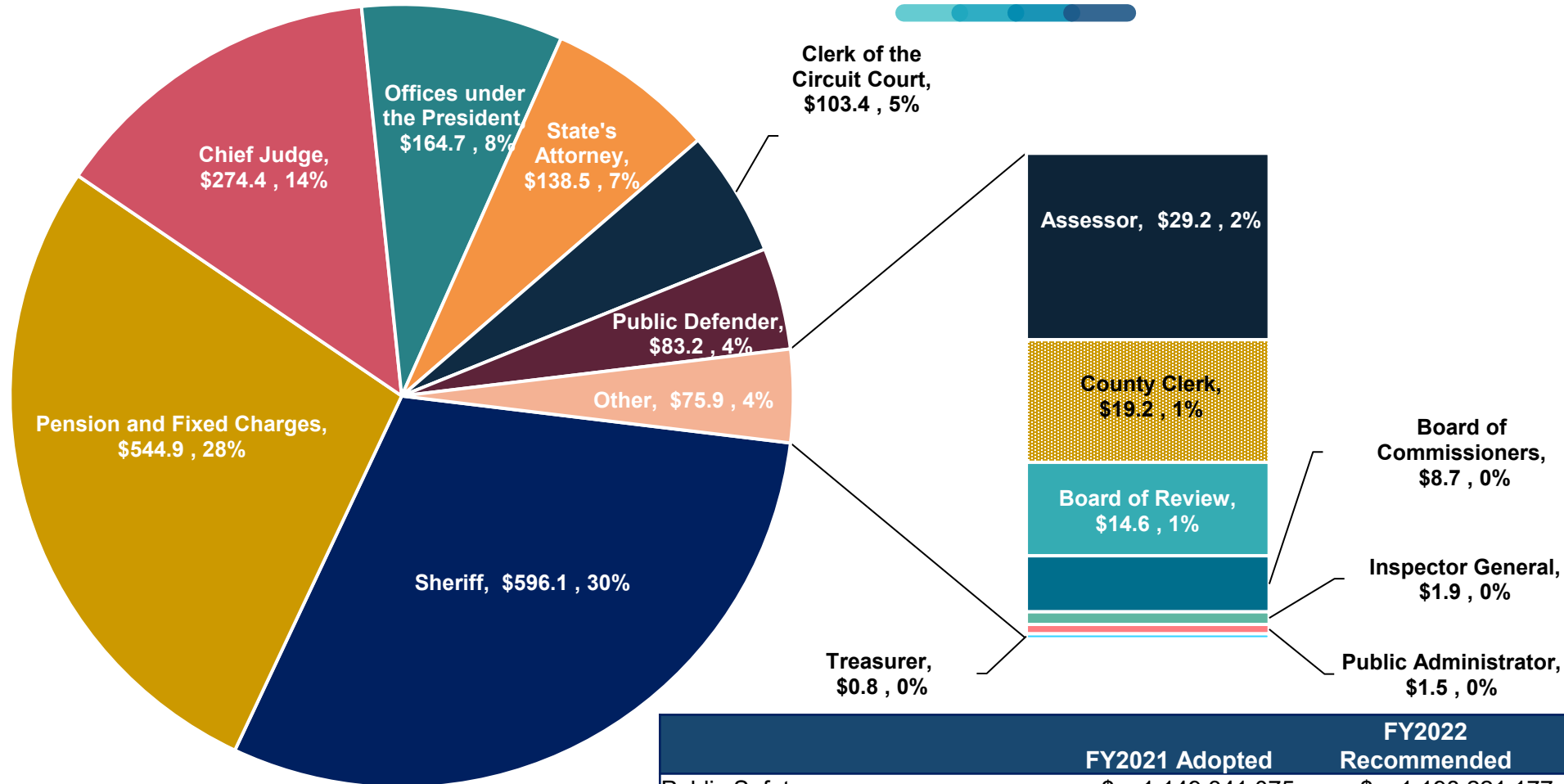
Increase driven by:

- Year-over-year improvement in non-property taxes revenue (sales tax and tourism-based taxes post-COVID)
- Continued improvement in fee revenue due to strong housing market and the reopening of the County court system.





# General Fund: Expenditures - \$1.98B



	FY2021 Adopted	FY2022 Recommended	% of GF Budget
Public Safety	\$ 1,149,341,075	\$ 1,198,221,177	60.5%
Finance and Administration	154,443,453	163,459,286	8.3%
Property and Taxation	61,719,864	63,716,928	3.2%
Economic Development	10,191,636	10,802,236	0.5%
Fixed Charges and Others	520,631,637	544,879,858	27.5%
Total	\$ 1,896,327,665	\$ 1,981,079,485	100.0%



# General Fund: Key Priorities



## Public Safety

- Continued support for Sheriff's Community Resource Center and Treatment Response Team
- Expansion of SAO's and PD's legal and support staff to address caseloads
- Investments in CCC and OCJ to improve access to virtual court hearings
- \$33M equity fund investment for initiatives to promote safe and thriving communities.



## Infrastructure

- Expansion of critical tech infrastructure to promote access to government services and project efficiencies (i.e., integrated property tax, citation management and disaster recovery platforms)
- Continued investment in the "Invest in Cook" and "Fair Transit South Cook" initiatives
- Digital broadband infrastructure
- Demolition of underutilized facility space



## Administration

- Expansion of staff to support ARPA initiatives and core County services
- Increased investment in environmental planning through continued brownfield remediation and new resource planning units



## Econ. Development

- \$20M equity fund investment for initiatives to promote vital communities
- Expansion of critical housing and business support programs
- Investments in workforce development and training initiatives

# Health Enterprise Fund





# Health Enterprise Fund: Revenue - \$3.89B



Health Plan Services membership driving increase; Positive variances in patient fees show structural improvements

In millions	FY2021 Budget	FY2021 Year End Estimated	FY2022 Proposed Budget	Variance (FY21 Budget v. FY2022)
Health Plan Services	\$2,220.4	\$2,576.6	\$2,633.7	\$413.3
CCH Provider Patient Fees*	\$720.8	\$731.5	\$746.3	\$25.5
BIPA/DSH	\$308.4	\$308.4	\$322.1	\$13.7
IBNR (Claims Reserve)	-	-	\$30.0	\$30.0
Tax Allocation	\$122.7	\$122.7	\$137.7	\$15.0
Other	\$15.0	\$15.0	\$18.7	\$3.7
Total	\$3,387.3	\$3,754.2	3,888.5	\$501.2

\*Variance relates to expansion of Medicaid eligibility, domestic spend increase, FY21 trend, directed payments trend

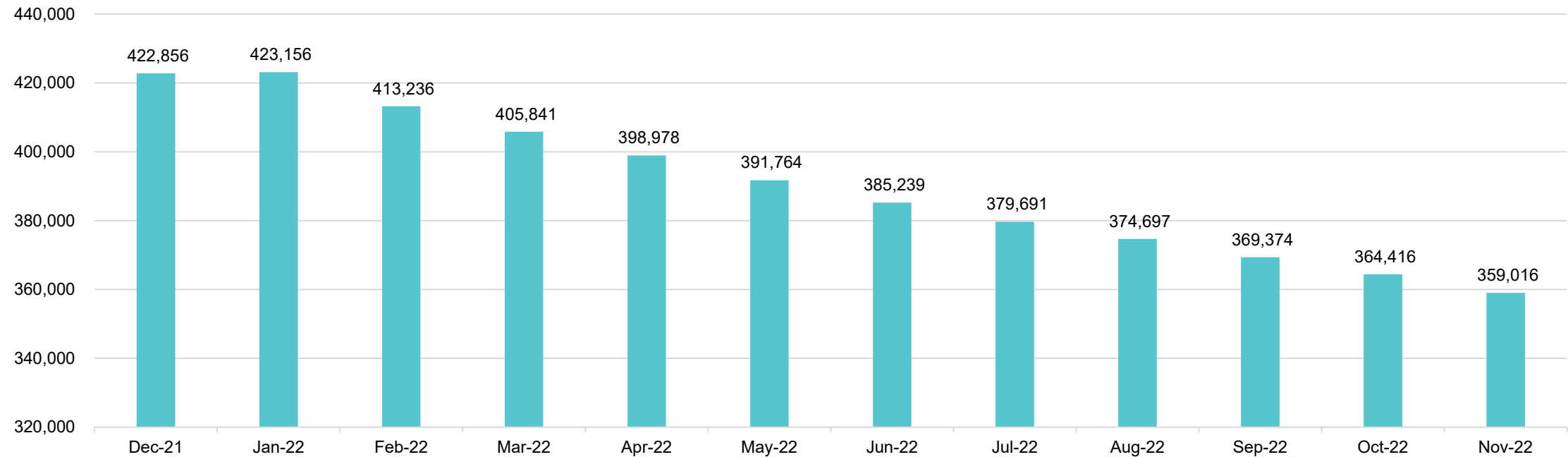




# FY2022 Membership Projection: County Care

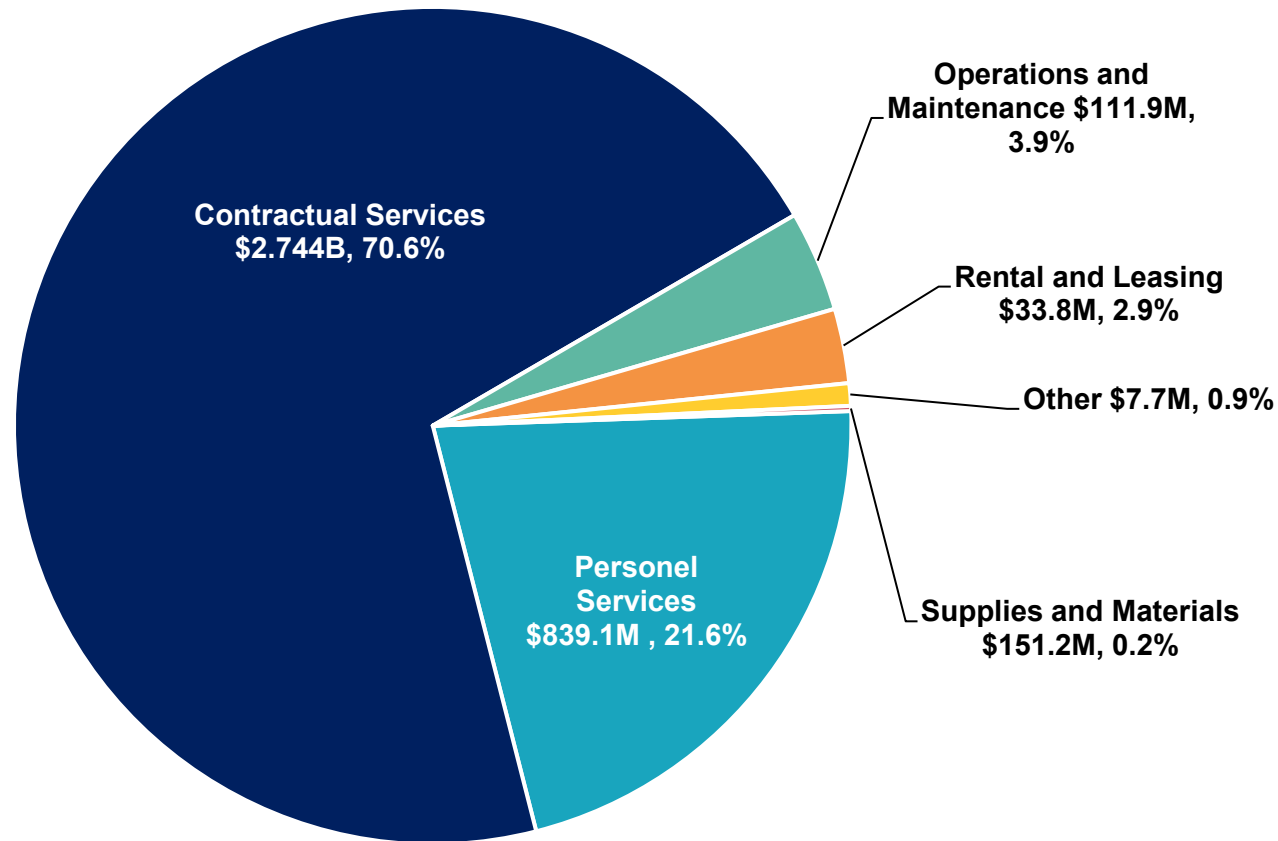


Assumes fewer individuals eligible following the expected resumption of redetermination and economic improvement





# Health Enterprise Fund: Expenditures - \$3.89B



FY2021 Budget	\$3,387.3
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FY2022 Budget	\$3,888.5
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Variance	\$501.1
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## Key Variance Drivers:

- |   |        |
|---|--------|
| • Health Plan membership (claims)           | \$405M |
| • Stroger/Provident Services Investment     | \$31M  |
| • Personnel adjustments (e.g. COLAs, steps) | \$20M  |
| • Nursing positions                         | \$18M  |





# Health Enterprise Fund: Key Priorities



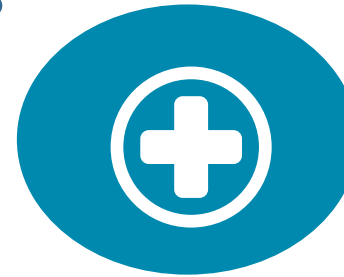
## Service Expansion

- Expand subspecialty service lines to increase access to advanced services/surgery
- Invest in social work infrastructure to achieve better care management
- Restore ambulance runs, ICU services, and expand inpatient capacity at Provident Hospital
- Integrate primary and specialty care services to achieve a seamless care experience
- Open new health center at Belmont Cragin



## Finance

- Expense mitigation through contract savings and reduction in agency costs
- Invest in revenue cycle
- Improve financial counseling services to help eligible patients secure benefits and coverage
- Establish Health Plan Services claims reserve



## Public Health

- Expand public health initiatives
- Continue Covid-19 response
- Leverage grant support
- Population health integration
- Launch public health campaigns to educate, encourage and support residents in accessing preventive health services



## Health Plan Services

- Maximize membership
- Expand care management, patient engagement and other patient services
- Improve utilization of Cook County Health facilities
- Expand value-based contracting

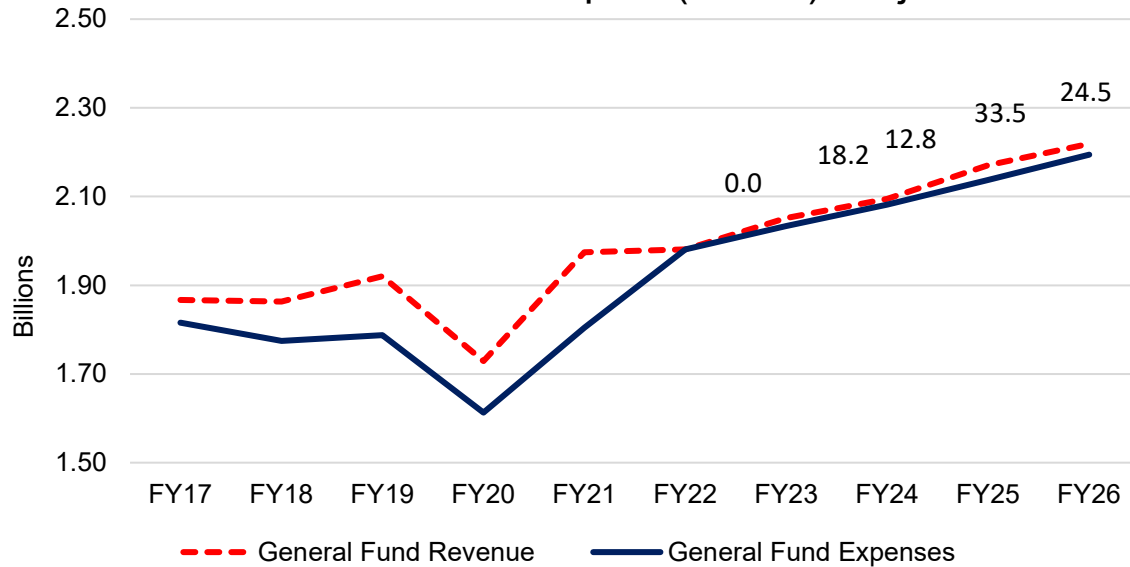
# Long-Term Fiscal Sustainability





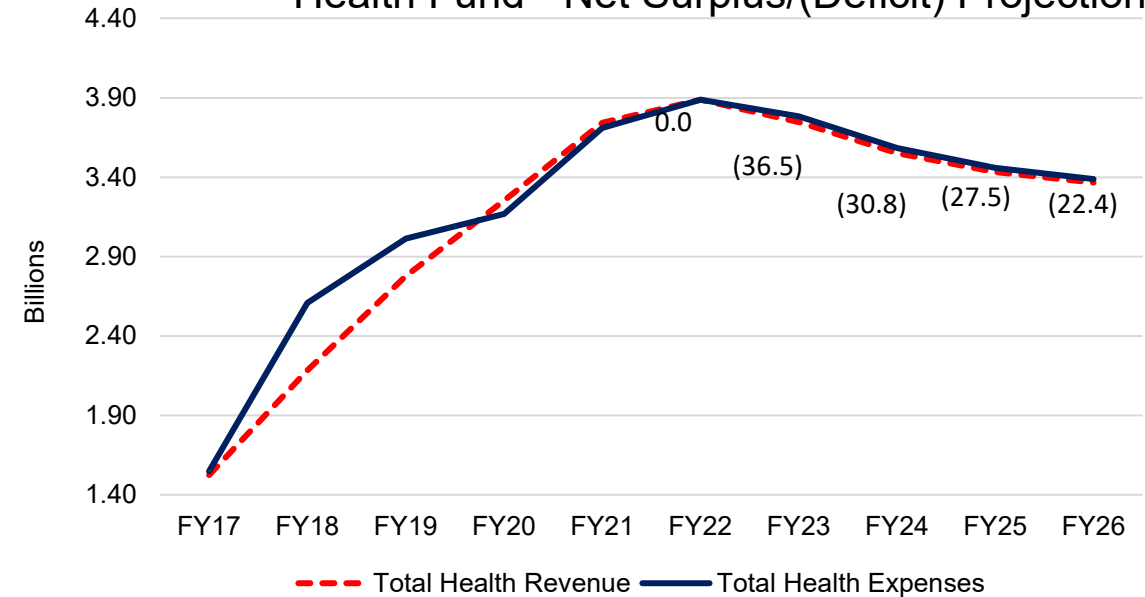
# Long-Term Fiscal Planning

## General Fund - Net Surplus/(Deficit) Projection



- Revenues are anticipated to keep pace with expenses largely due to expected growth in online sales tax
- Several other revenue sources like gas and Diesel, and Cigarette tax still fail to keep up with the growth rate of expenses
- Without online sales tax, projected expenses would exceed revenues by \$261 million by FY26

## Health Fund - Net Surplus/(Deficit) Projection



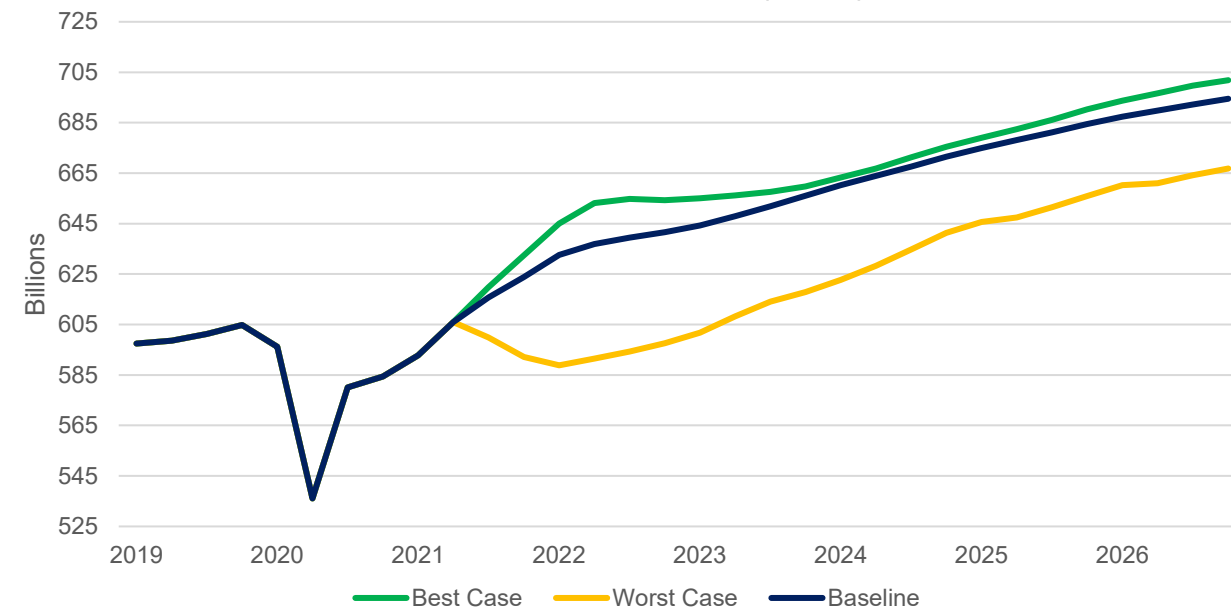
- Revenues are expected to be just short of expenses in the outyear projections
- Property tax allocations to the Health fund are expected to increase by \$10 million annually, and exceed the General fund allocation by FY26
- Declines in revenues and expenses in FY23 can be attributed to the reinstatement of redeterminations at Health Plan Services and return to pre-covid auto assignment levels





# General Fund Alternative Scenarios

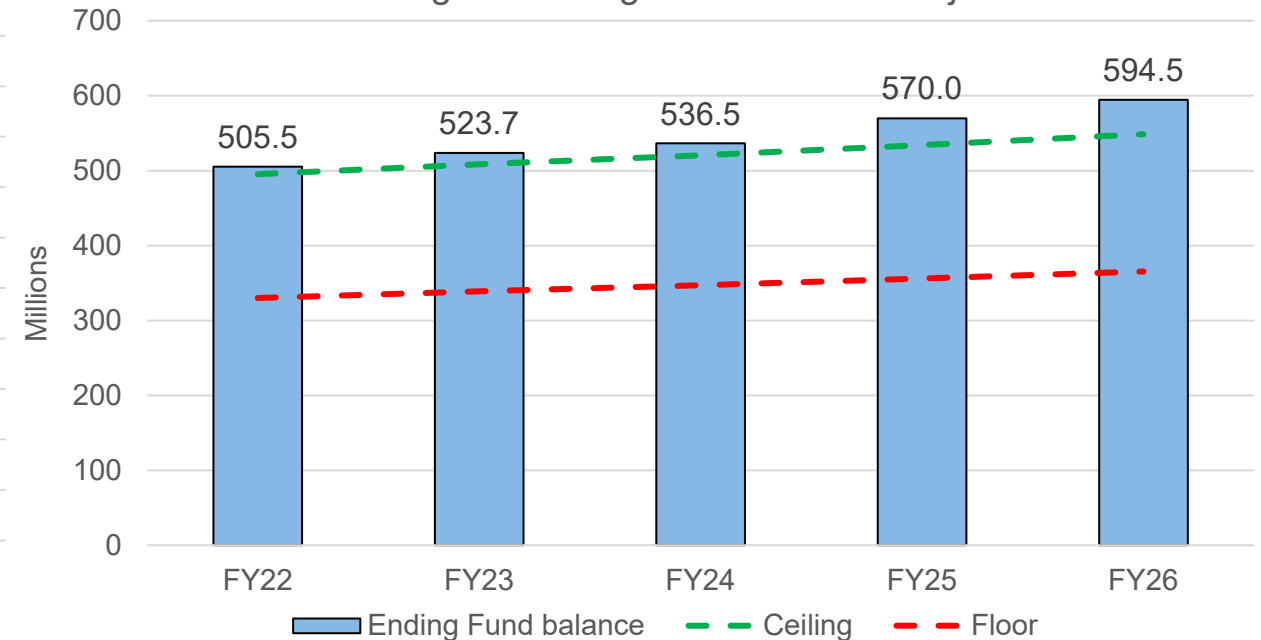
## Real Gross Metropolitan Product (GMP)\* Scenarios



In FY 2022:

- Base Case (used for Budget) – GMP will grow at 4.6%
- Best Case – GMP will grow at 6.4%
- Worst Case– GMP will grow at **-0.8%**
- 10% chance that projections may exceed the best case or may be below worst case

## Unassigned Ending Fund Balance Projection



- Floor represents 2 months of projected general fund annual expenses and Ceiling represents 3 months of projected general fund annual expenses
- Best Case – ending fund balance is \$43.9 million greater than the base case in FY 22, and \$217.1 million greater in FY26
- Worst Case – ending funding balance is \$141.4 million but still above the floor in FY 22, and fully depleted by FY26



**Cook  
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**EXECUTIVE BUDGET  
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**FY22**

\***Gross metropolitan product (GMP)** is a monetary measure of the value of all final goods and services produced within a metropolitan statistical area during a specified period (e.g. a quarter).

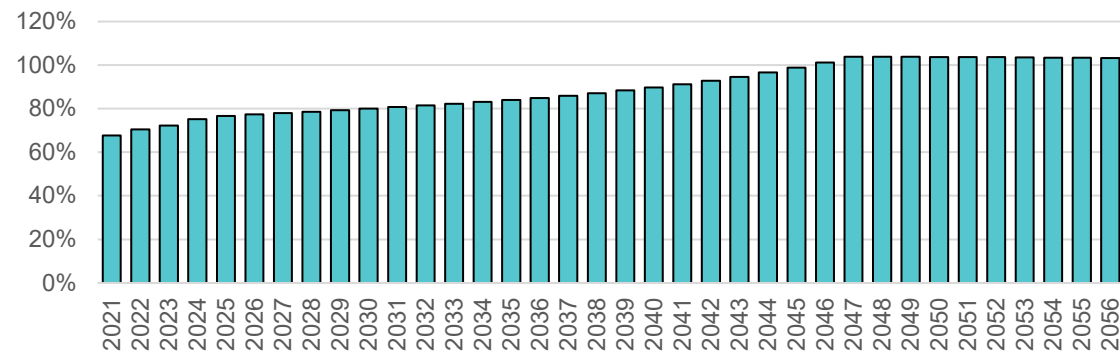


# Addressing Pension Fund Liabilities

**Pension Fund's funded ratio increased to 63.9% in just 5 years; without supplemental funding the ratio would be 53.3% at most**

- The County has an annual Intergovernmental Agreement (“IGA”) with the Pension Fund, which includes supplemental payments in addition to the statutorily required maximum contribution
- These payments will total, by the end of FY21, over \$1.95 Billion, allowing the Pension Fund to keep its assets invested and take advantage of good market performance

**Projected Funded Ratio with Supplemental Funding**



- Fully Funded by 2046

**Projected Funded Ratio without Supplemental Funding**



- Insolvent by 2047

**The FY22 budget recommends a supplemental pension amount of \$325 million and up to an additional \$20 million in the pension stabilization reserve**





# FY2022 Budget Calendar

Preliminary  
Forecast  
Released



July

President's  
Executive  
Recommendation  
Released



Late  
October

Budget  
Amendments &  
Vote on  
Appropriation Bill



June

Public Townhall &  
Mid-Year Budget  
Hearings



Early  
October

Public Townhalls &  
Department  
Budget Hearings



November



The background features a large teal circle with a white horizontal line above the word "Questions". To the left of the teal circle is a grey circle with diagonal stripes. To the right is a grey grid of dots. At the bottom left, there are grey wavy lines and a small grid of dots.

# — Questions



## CONTACT US



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# Appendix: Acronyms

- ARPA – American Rescue Plan Act
- BIPA – Benefits Improvement and Protection Act
- CCC – Clerk of the Circuit Court
- DSH – Disproportionate Share Hospital
- FTE – Full Time Equivalent
- GMP – Gross Metropolitan Product
- IBNR – Incurred But Not Received
- PD – Public Defender
- SAO – State’s Attorney’s Office
- SPF – Special Purpose Fund
- OCJ – Office of the Chief Judge

