



COOK COUNTY
BUREAU OF
FINANCE

FISCAL YEAR 2025

EXECUTIVE BUDGET RECOMMENDATION

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COOK COUNTY
BUREAU OF
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AGENDA

1

Overview

2

General and Health
Enterprise Funds

3

Special Purpose
Funds

4

Long Term Fiscal Sustainability

5

ARPA Updates

6

Budget Calendar



Overview





COOK COUNTY
BUREAU OF
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FY2025 Budget Overview



\$9.89B

Total FY2025 Budget
including Capital Projects
and Debt Service.



\$9.24B

93% of the budget is
considered operating
budget which excludes all
capital expenditures.

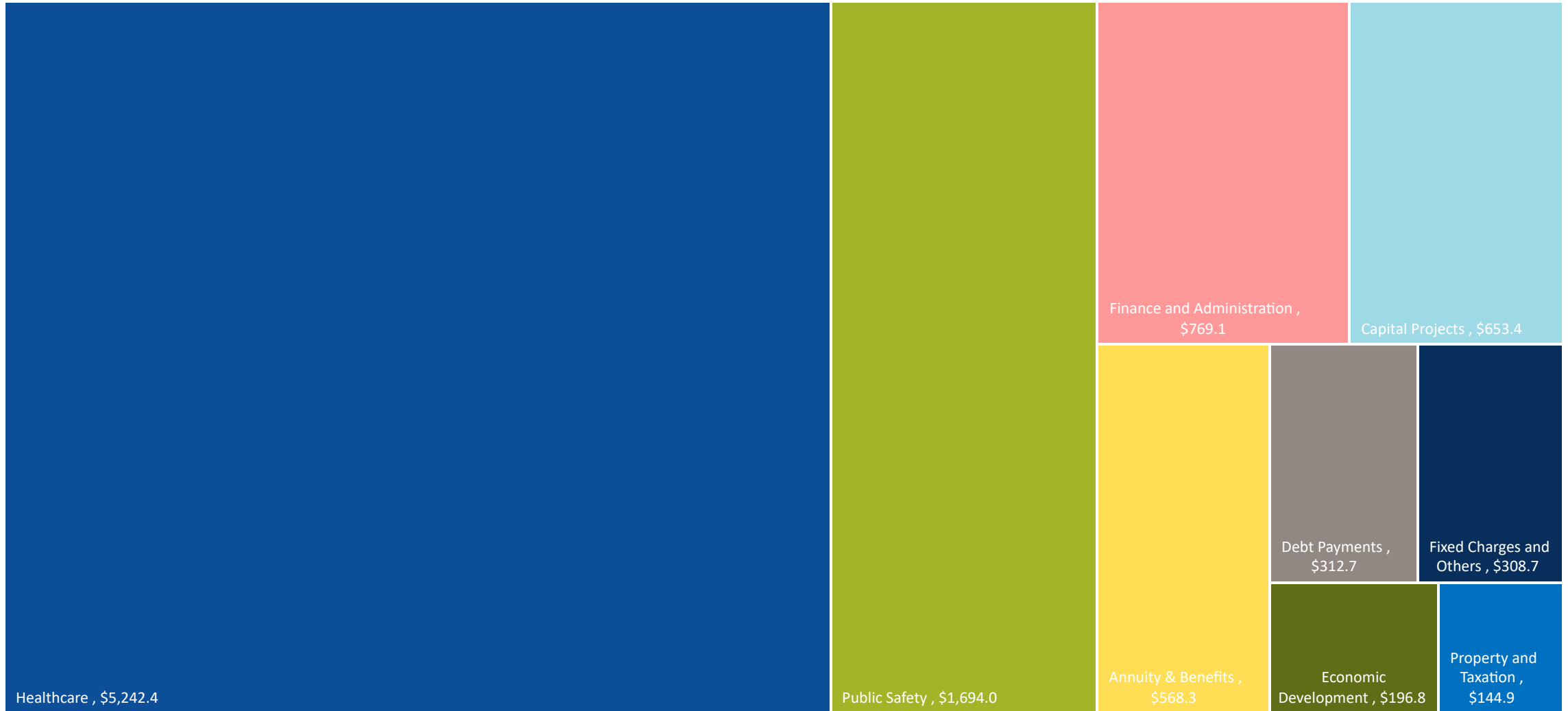


23,308 FTEs

FY2025 proposed budget
accounts for a reduction in
FTEs, especially in vacant
ARPA funded positions



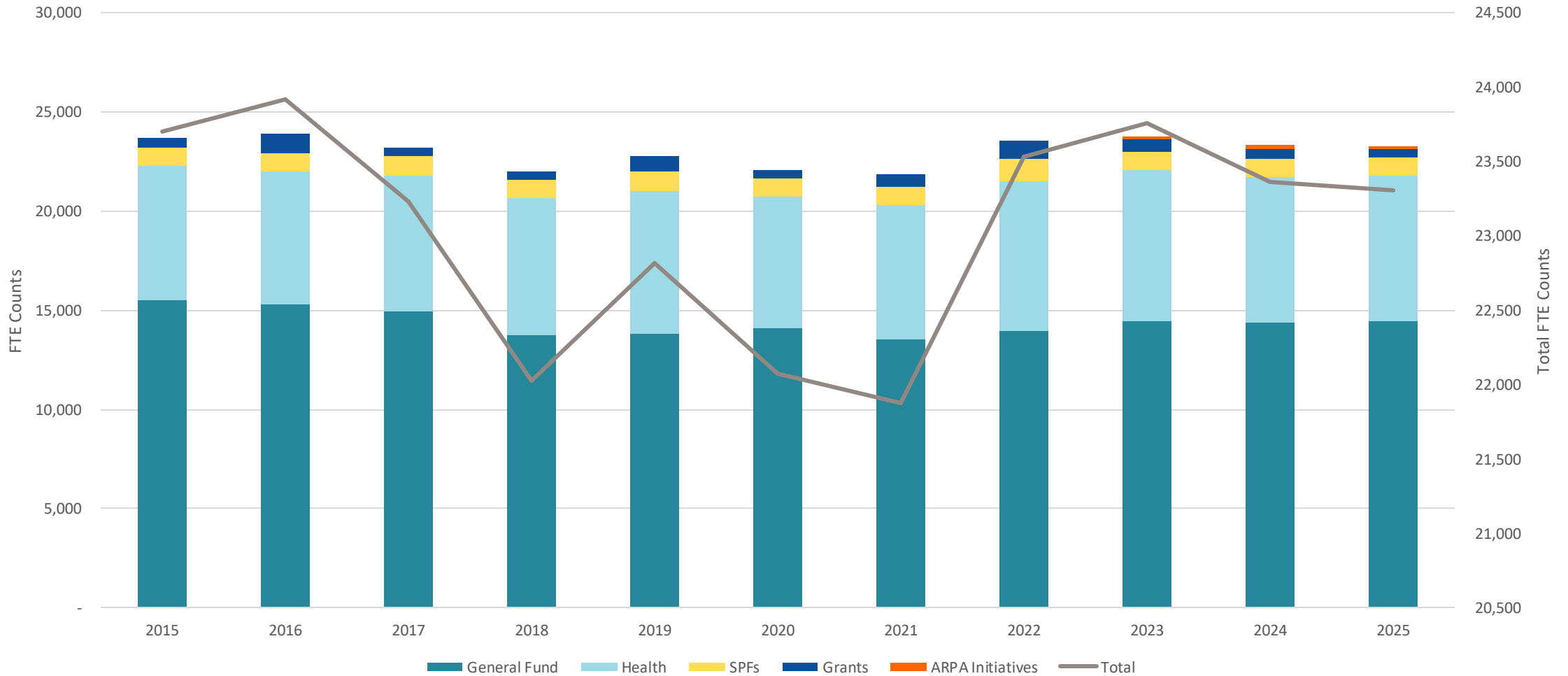
FY2025 Budget by Program Area



Healthcare operating budget accounts for 53% of the total budget.



Historical FTEs



FY 2025 proposed budget includes 23,308 FTEs, a net reduction of 56 FTEs, primarily ARPA planned position.

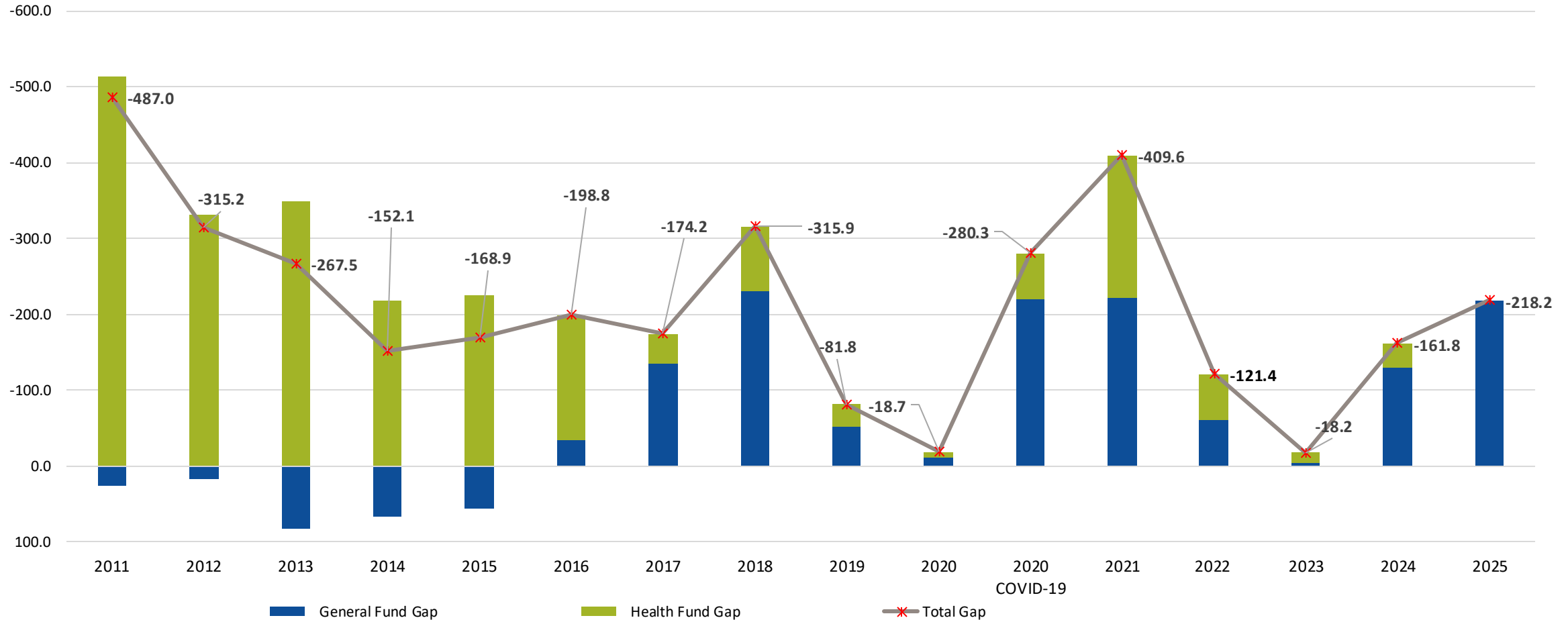
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General Fund & Health Enterprise Fund





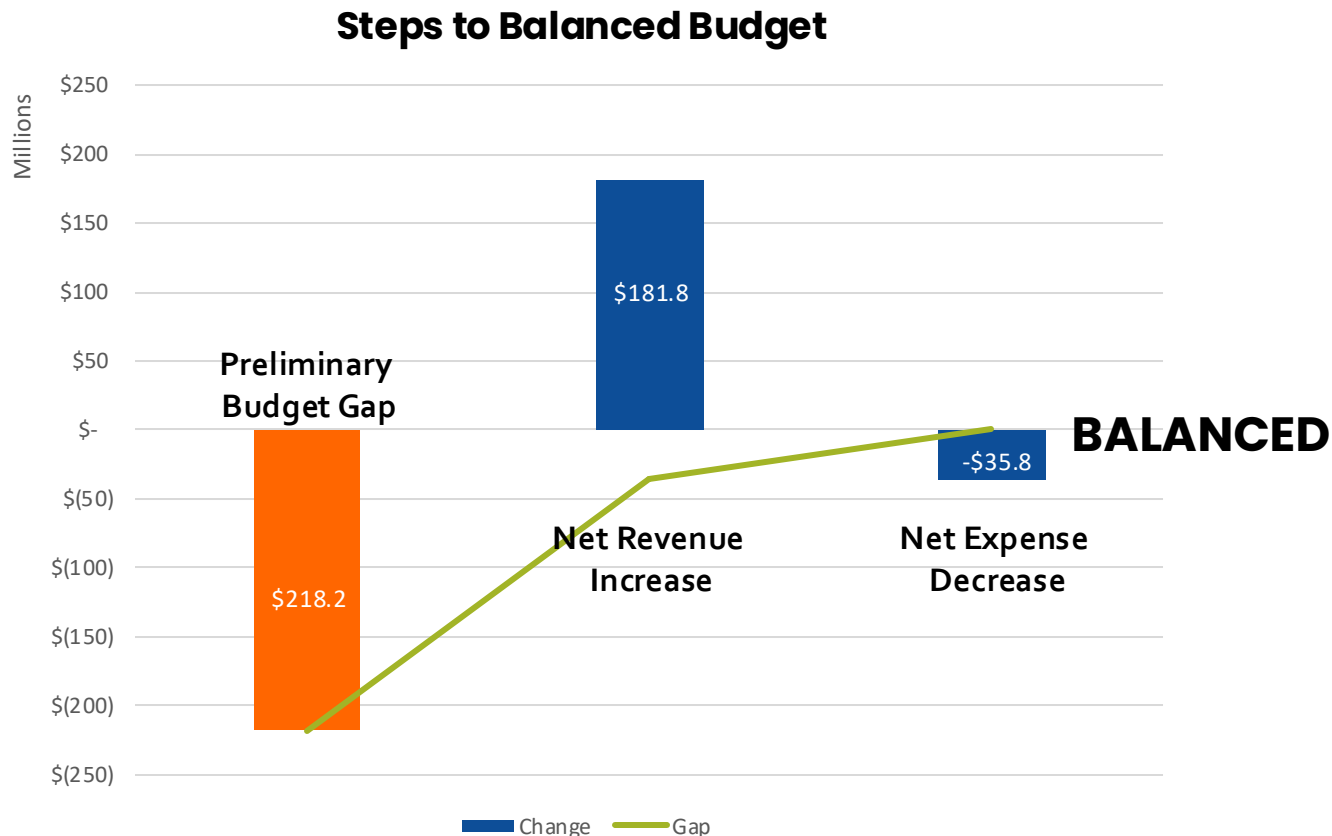
Historical View of Preliminary Budget Gaps – GF & HEF





Closing the General Fund Gap

County anticipated \$218.2 million in the GF budget gap at the time of Preliminary Forecast.



REVENUE DECREASES include

- \$39M – Personal Property Replacement Tax

REVENUE INCREASES include

- \$60M – Sales Tax
- \$9M – AOIC revenues
- \$19M – Other revenue
- \$145M – General Fund Balance Transfers for SPFs and One-Time Expense

EXPENDITURE INCREASES include

- \$18M – Overtime
- \$112M – GF Transfers to SPFs and One-Time/Targeted Expenditures

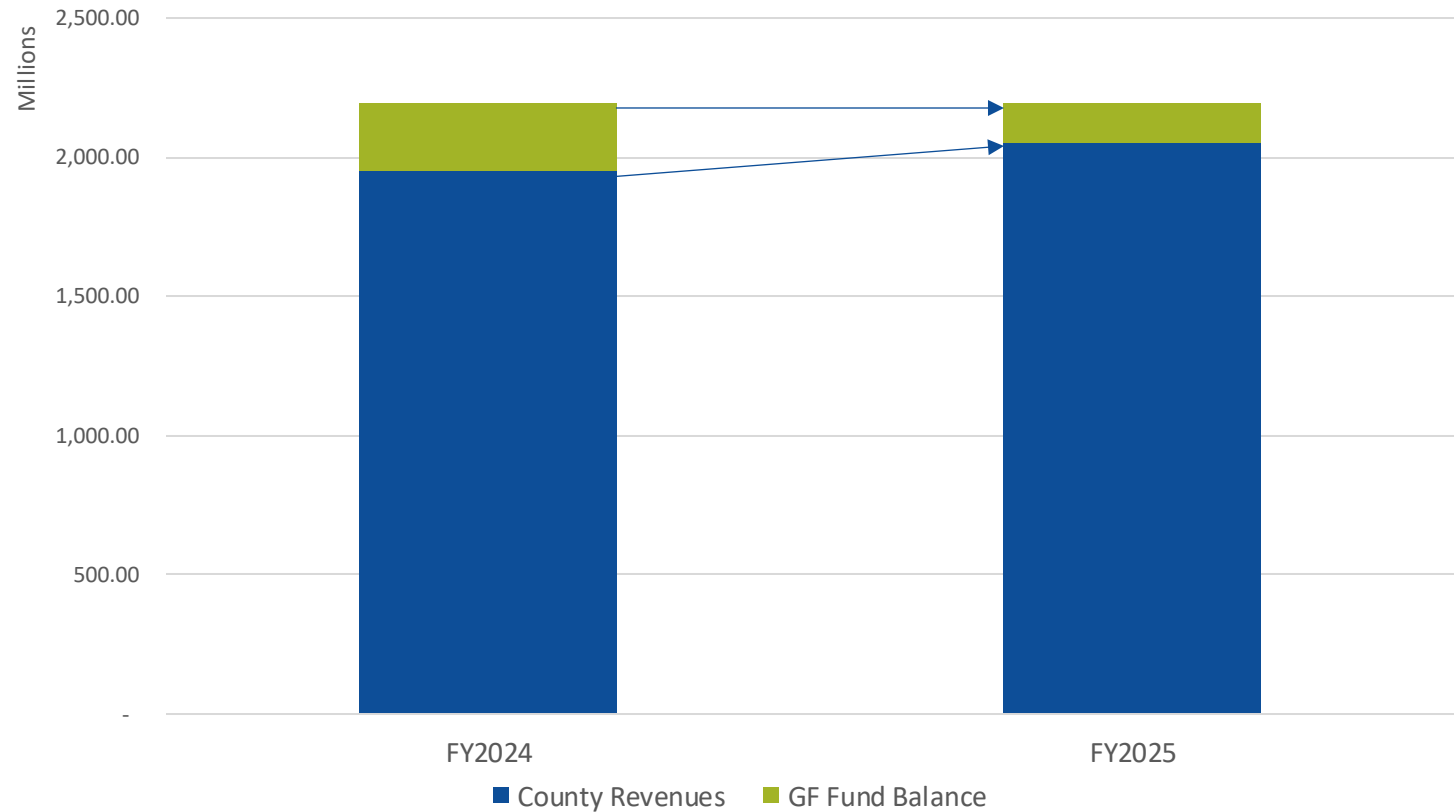
EXPENDITURE DECREASES include

- \$37M – Payroll and turnover adjustments
- \$36M – Employee health benefits and workers compensations
- \$7M – Capital Project



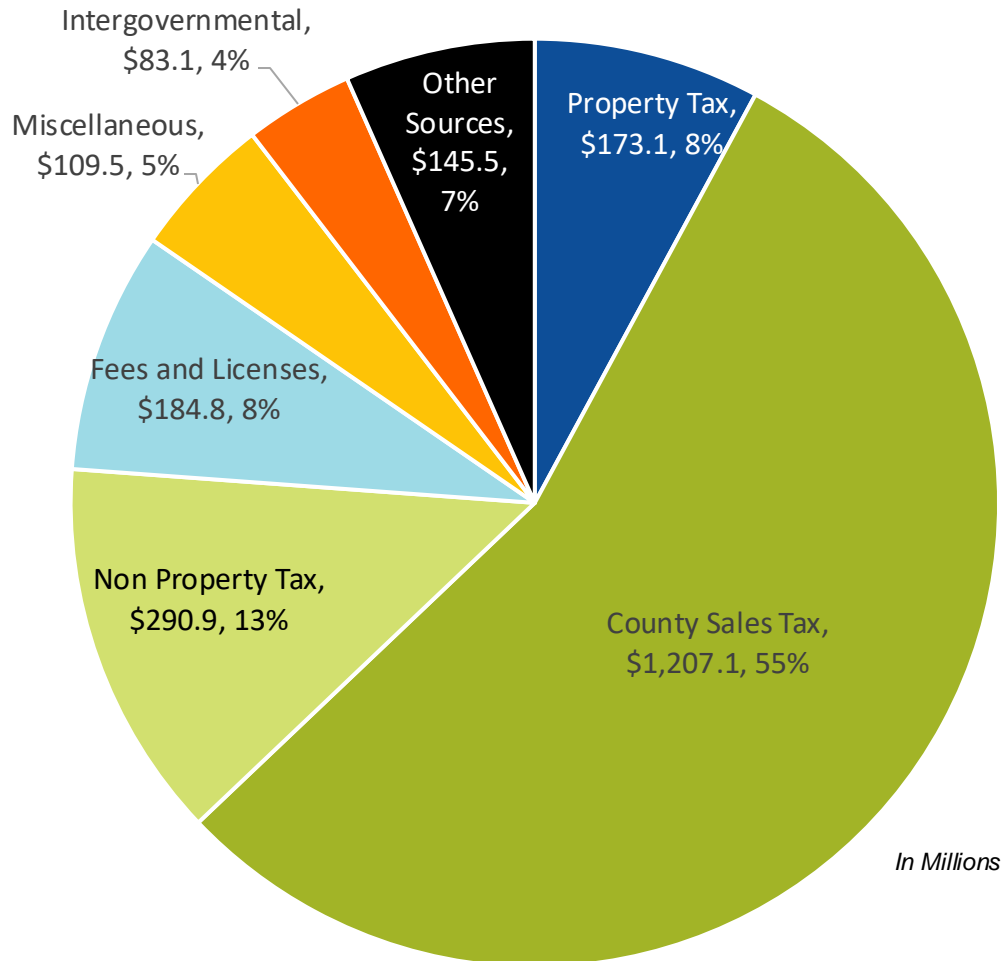
General Fund Overview

FY2025 Proposed
GF Budget is \$2.19B.
GF revenues is
anticipated to grow
by \$95M
accounting for
one-time GF Fund
Balance transfer.





General Fund Revenue - \$2.19B

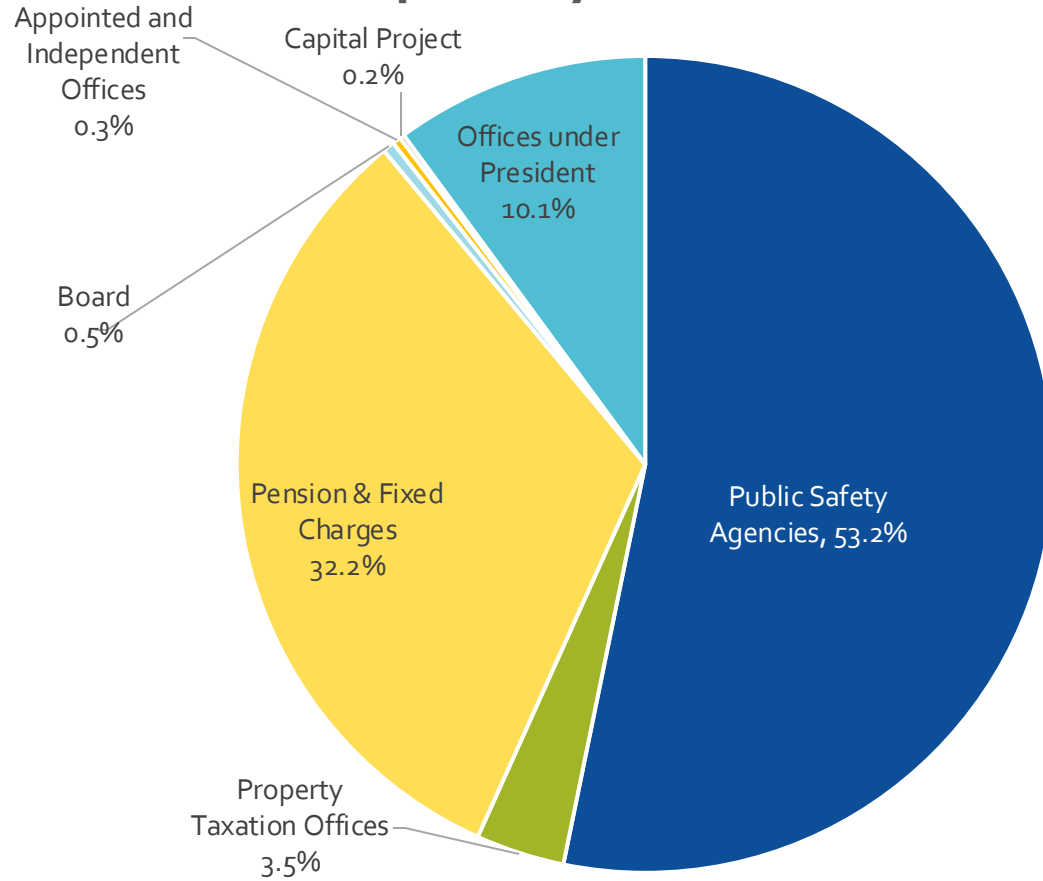


- General Fund base revenues are expected to grow by \$95M or 5% compared to FY2024
- County Sales Tax accounts for 55% of GF revenues.
- Personal Property Replacement Tax (PPRT) is expected to decline due to a lower proportion of business income tax allocated toward the PPRT.



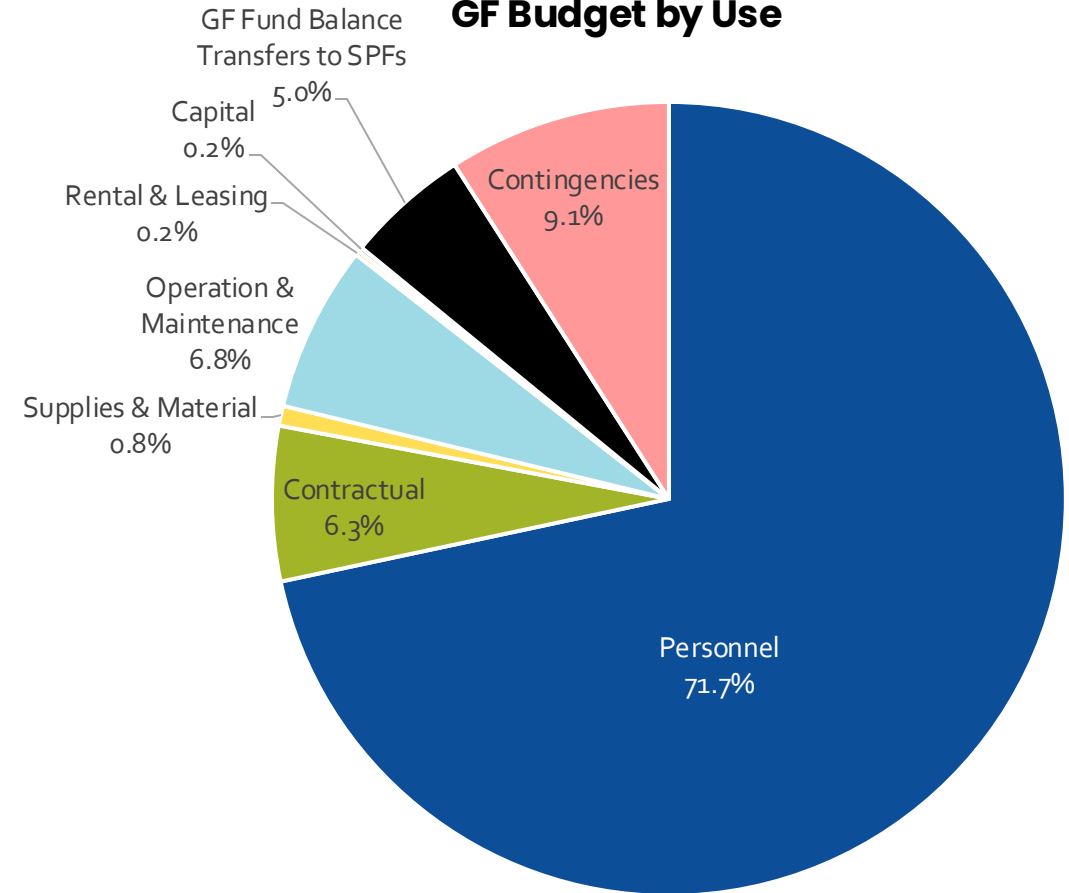
General Fund Expenses- \$2.19B

GF Expense by Portfolio



Public Safety accounts for a half of the General Fund expenditures.

GF Budget by Use



Personnel services remain the cost driver of the GF expenditures.



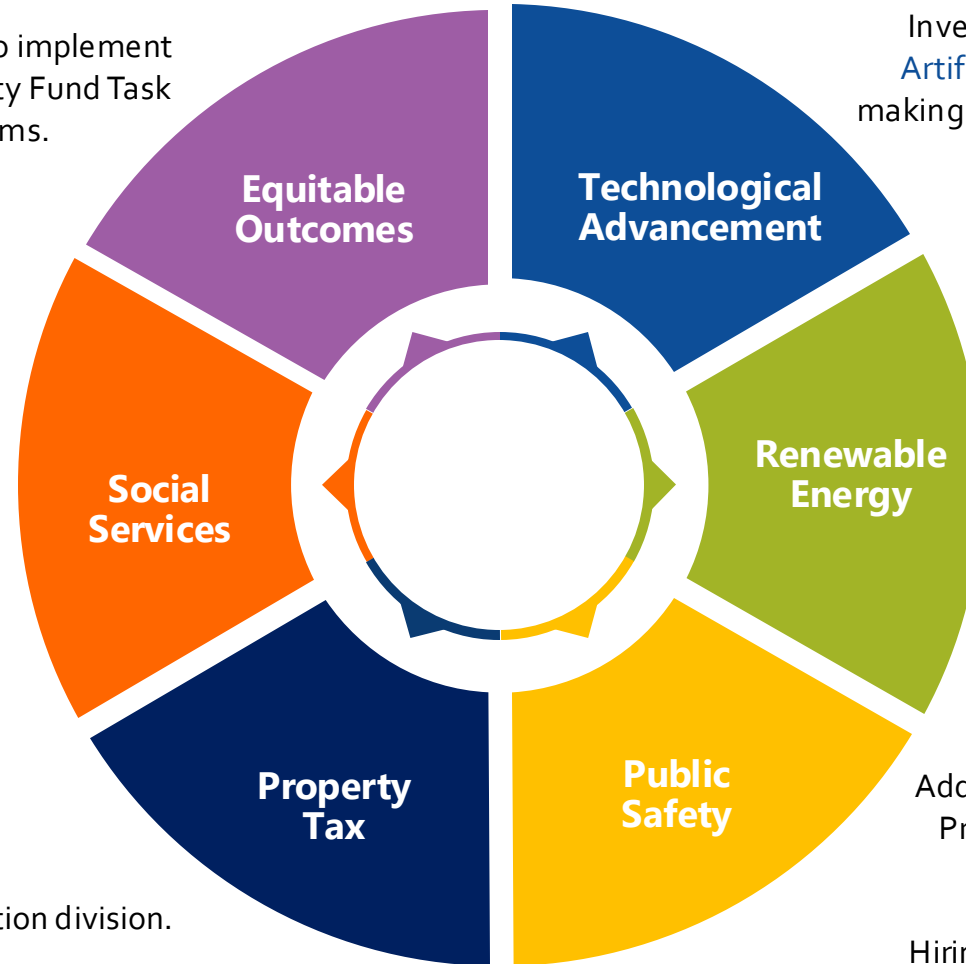
General Fund Highlights

Continuance of **General Fund investment** to implement equity specific initiatives identified by Equity Fund Task Force and administer grant programs.

Increase of funding to Veterans Assistance Commission **to provide further access of benefits to eligible veterans** in the County.

Funding for **211 Project** to supplement the ARPA Community Info Exchange (CIE) project.

Additional **staffing** for property tax valuation division.



Investment of General Fund dollars to start up **Generative Artificial Intelligence** project to augment County's decision making and operations to benefit the residents as well as County employees.

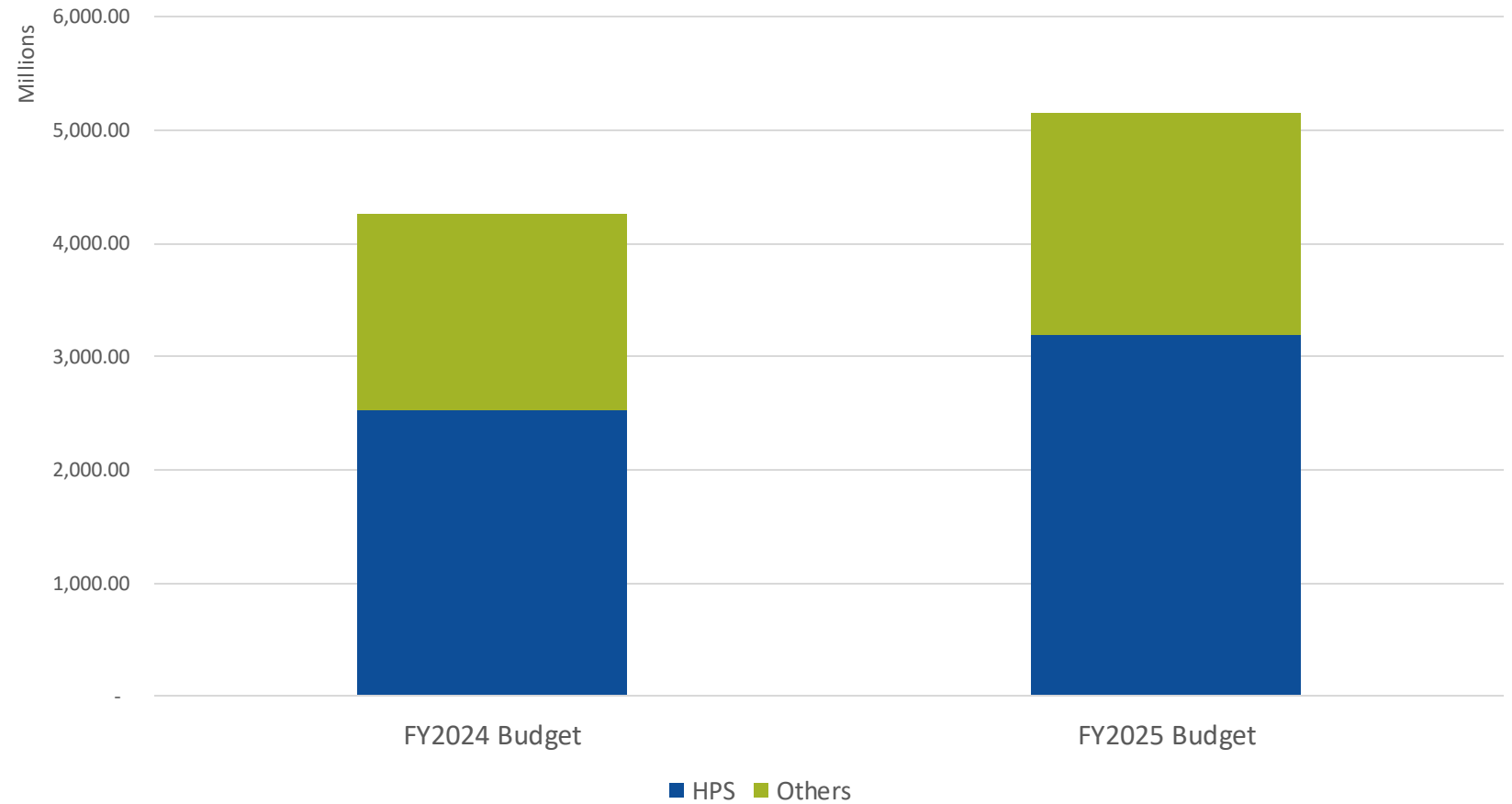
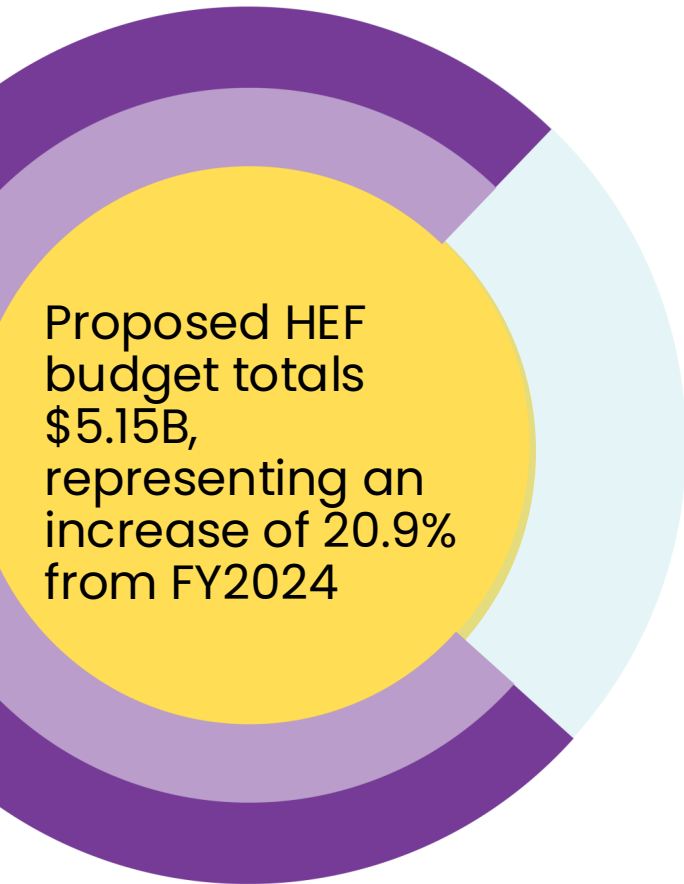
Investment of GF unassigned fund balance to advance the County efforts to increase **renewable energy utilization**, by implementing the **solar panels** on County facilities.

Additional personnel and contractual investment in Juvenile Probation to prepare for the **detention alternatives** in the community.

Hiring incentive program for Public Defender to **retain critical staff**.

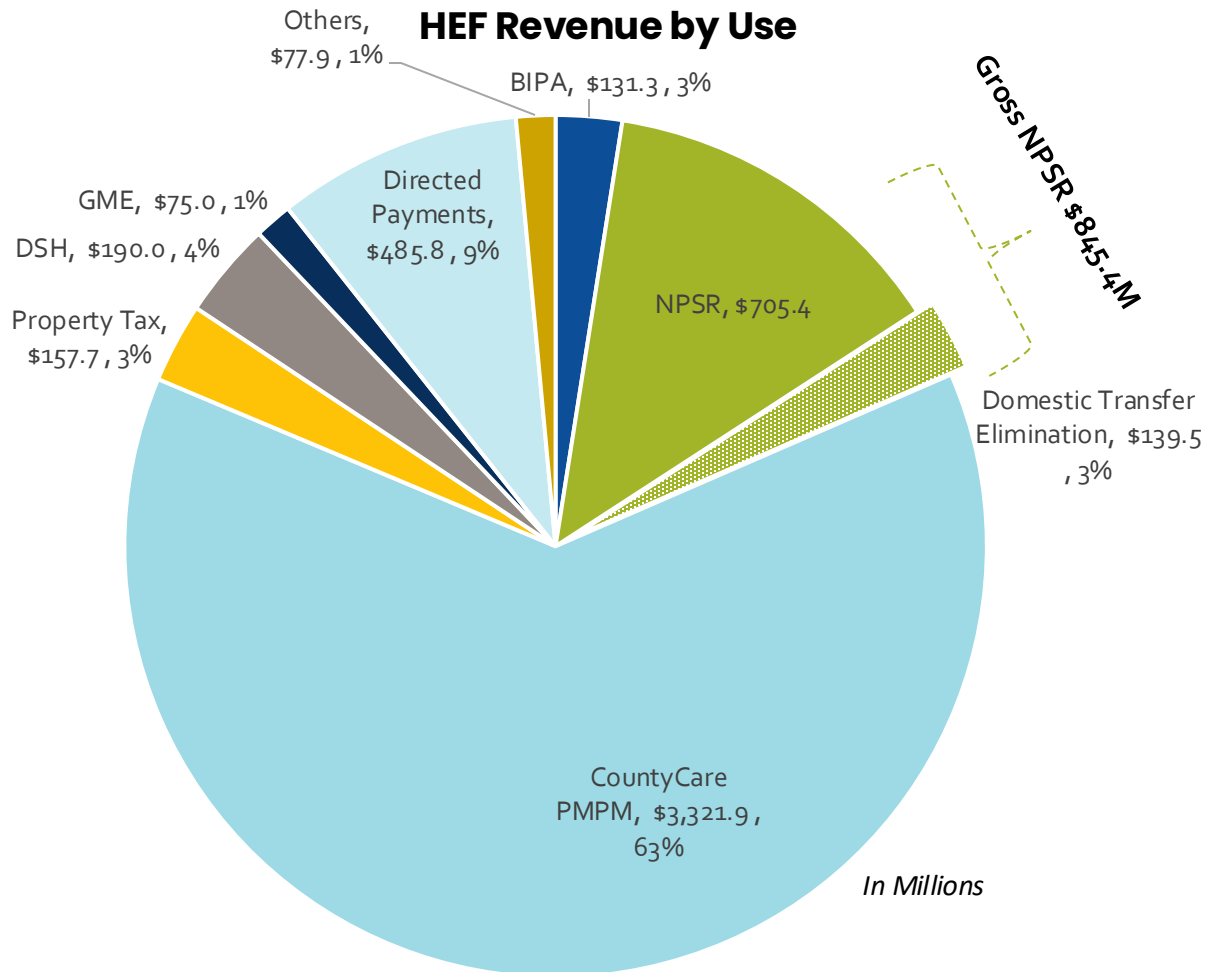


Health Enterprise Fund Overview





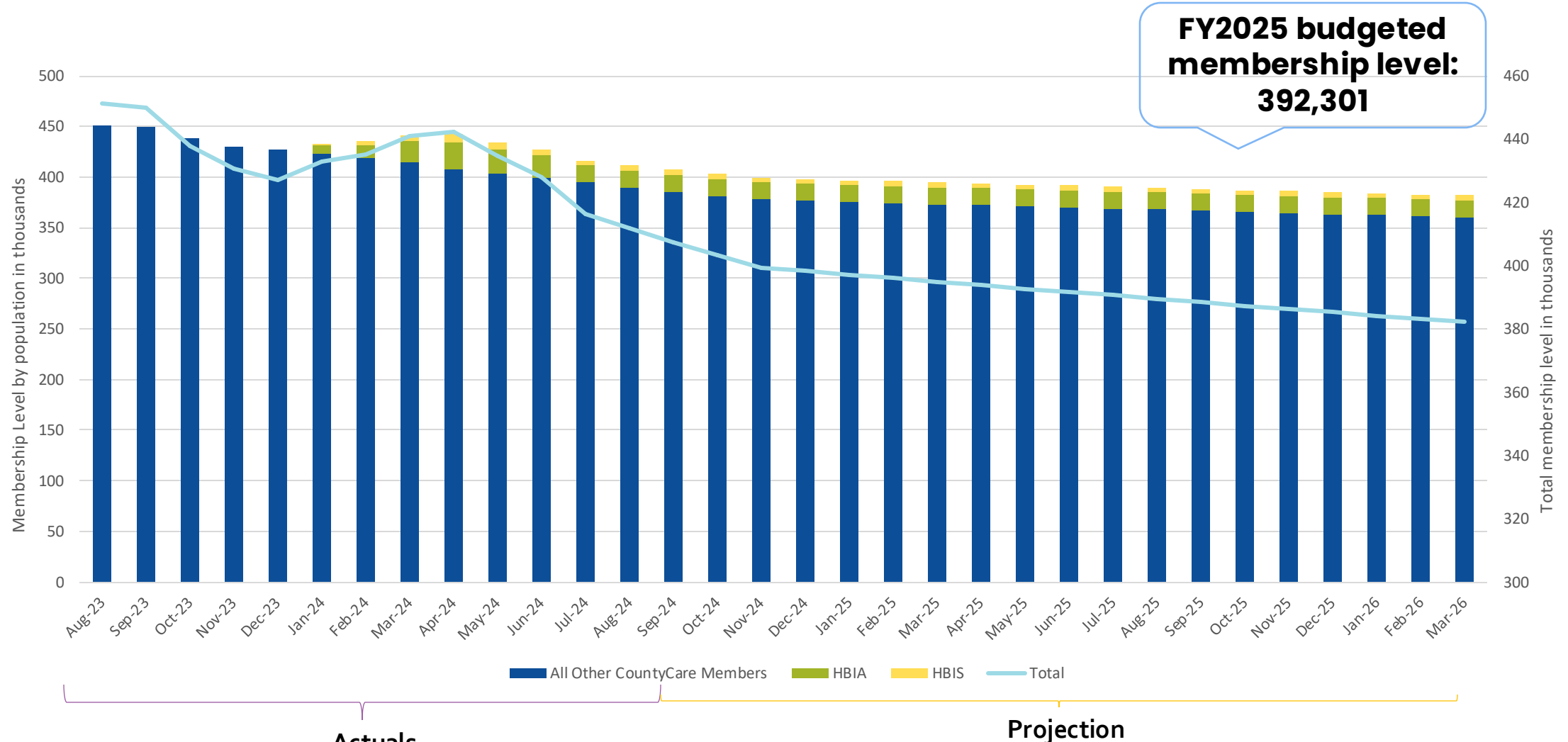
Health Enterprise Fund Revenue - \$5.15B



- Cook County allocates property tax revenue to CCH to support correctional health and public health.
- County Care PMPM revenues account for 63% of the HEF revenue estimates, \$683M higher than FY2024 budget.
 - PMPM memberships are expected to be higher than FY2024
- Net Patient Service Revenue (NPSR) accounts for \$706M of the HEF revenues.



Health Enterprise Fund PMPM Revenues

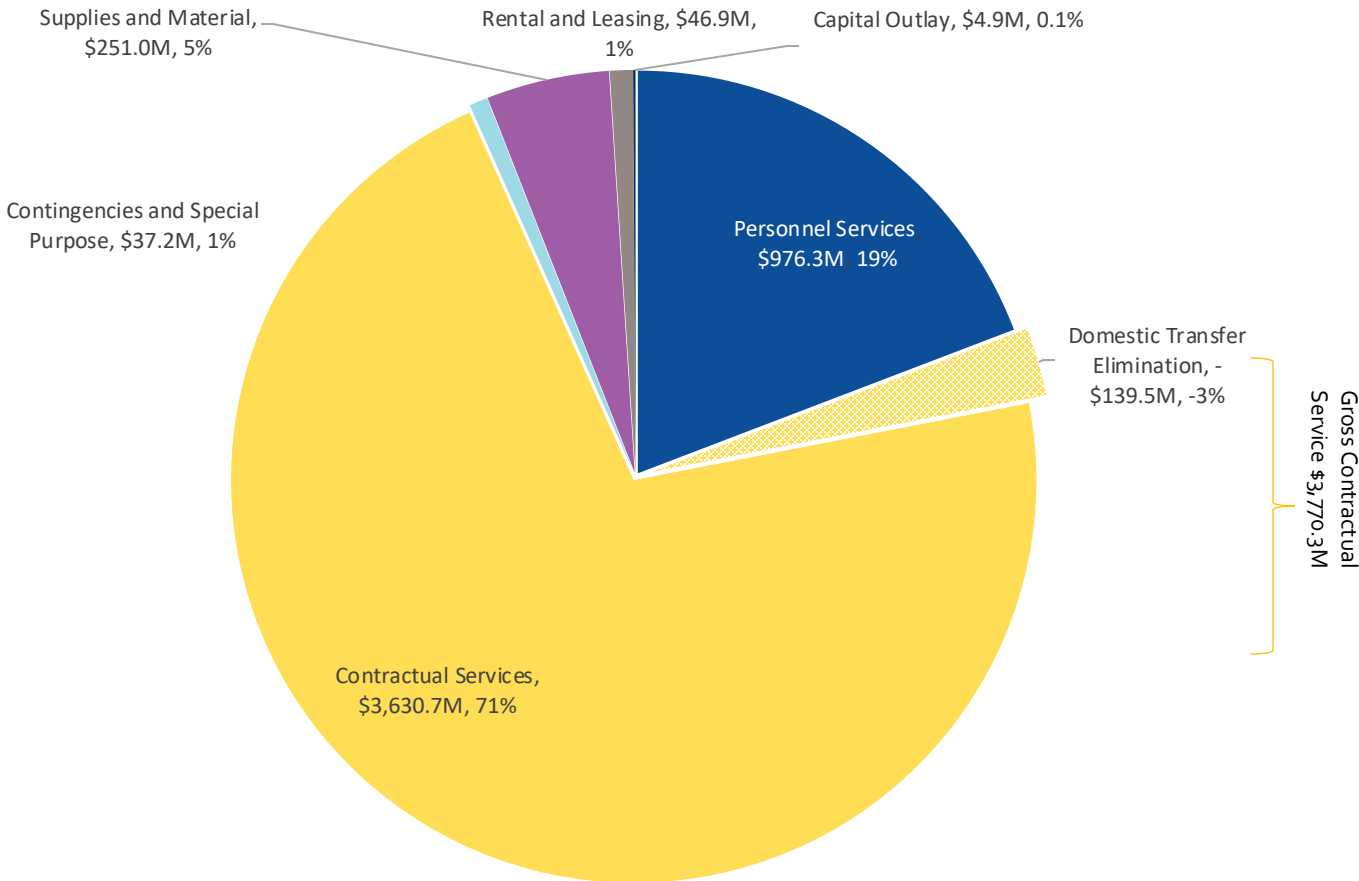


FY2024 Actuals PMPM membership level exceeded the budgeted membership level due to the new immigrants adults and senior population as well as HPS strategic effort to retain members. Membership level declines due to re-determination process and will stay around 392K; reimbursement rate increases, leading to the net increase in PMPM revenues.



Health Enterprise Fund Expense

HEF Expenses by Expense Type



- 73% of the HEF budget supports contractual services such as CountyCare claims and contractual labor
- Cost driver of FY2025 expense budget is an anticipated increase in Managed Care claim expenses due to the membership level and increase in charge.

3

Special Purpose Funds





Special Purpose Funds



Opioid Remediation & Abatement Fund

Established to support treatment of Opioid Use Disorder and any co-occurring Substance Use Disorder or Mental Health conditions through evidence based or evidence informed programs or strategies to address treatment, prevention and other strategies.

FY2025 Projects:

Sheriff Overdose Prevention: **\$331K**

CCH OUD Treatment: **\$2.1M**



Infrastructure & Equipment Fund

Established **to reduce borrowing costs and provide needed investments** to capital projects associated with environmental conservation, social justice, juvenile programs, local water infrastructure, and emergency capital infrastructure expenses that mitigate or address the impact of climate change in the region, and capital assets to enhance technology and CEP w UL of < 5.

FY2025 Major Projects:

Renewable Energy - **\$15M** to reduce energy costs by \$16.2M, **saving \$10.9M in interest and \$8.3M rebate from IRA**

Computer Replacement - **\$25M** investment for operational efficiency



Disaster Response and Recovery Fund

Established in FY 2024 **to increase the County's capacity to respond to emergencies** such as weather events, flooding and most recently new arrivals in need of services by ensuring an immediately available funding source to effectively address declared emergency disasters.

FY2025 Budget – Up to \$100M

Equity Fund

Cook County will invest **\$40M** in its **Third Installment Spending Plan** to provide funding for several of the Equity Fund recommendations and appropriate **\$35M** to continue to support JAC Grant Portfolios.

FY25 New Allocations



Digital Equity

Program Budget of \$850K



Cook County Legal Aid for Housing and Debt

Program Budget of \$600K



Community Violence Intervention Grants

Program Budget of \$20M

FY25 Continued Funding

- JAC grants
- Environment Health and Well-being
- Health Equity in All Policies
- Fair Transit
- Healthy Workers
- Access to Capital
- Community Engagement
- Property Tax Research

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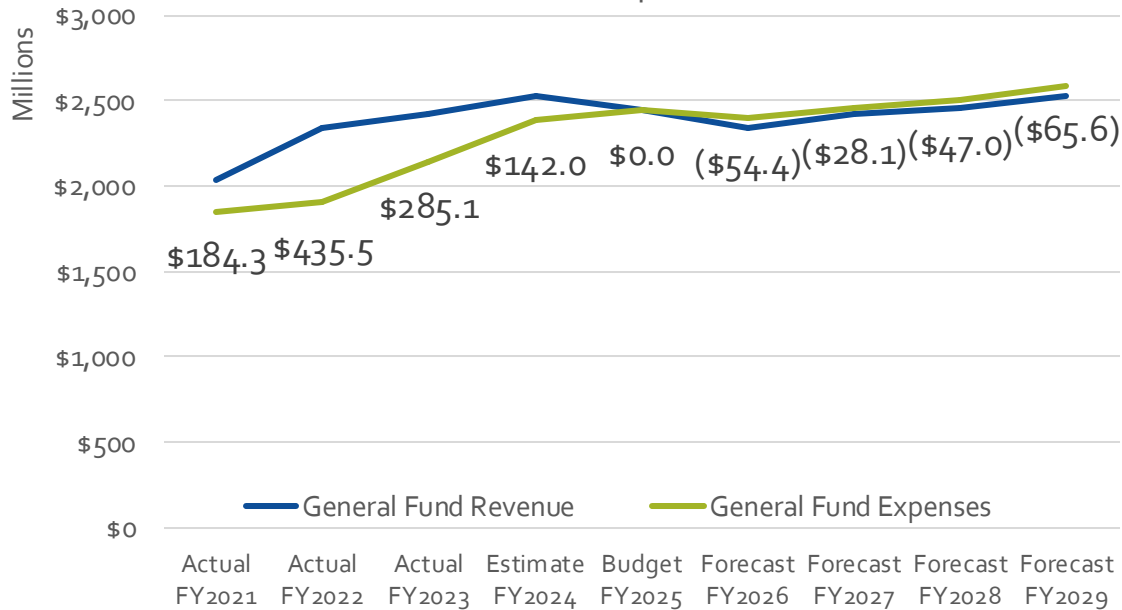
Long-Term Fiscal Sustainability





Long-Term Fiscal Planning

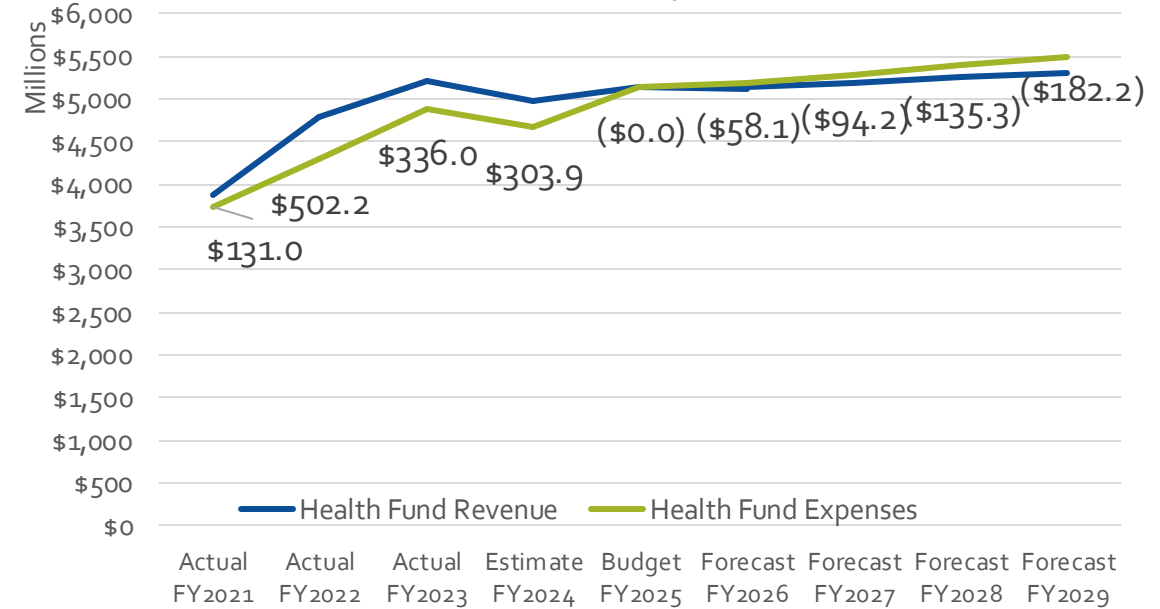
General Fund - Net Surplus/(Deficit)



Note: Includes Transportation Related Home Rule Taxes Fund

- Revenues are expected to be just short of expenses in the out-year projections
- Expense growth is attributable to personnel expenses, including salaries and health benefits
- Revenue growth can be mostly attributed to sales tax
- Several other revenue sources still fail to keep up with the growth rate of expenses, including declining cigarette tax and gas tax revenue

Health Fund - Net Surplus/(Deficit)

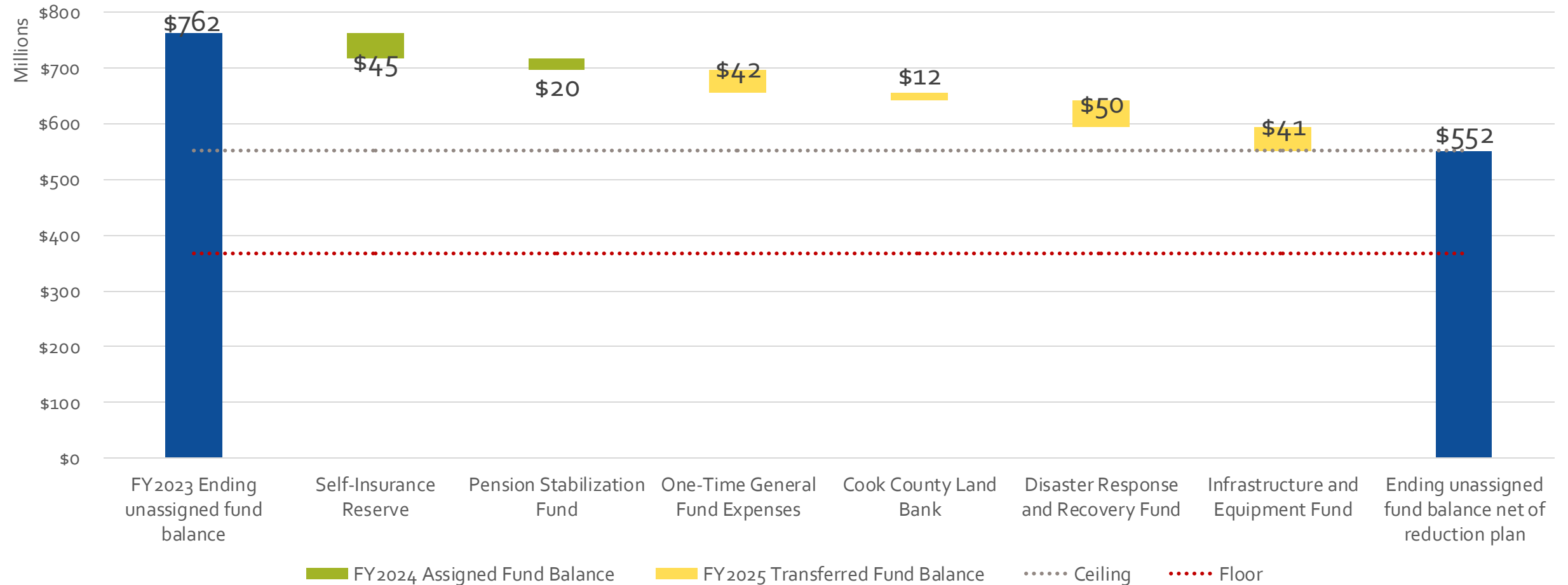


Note: FY2020 through FY2023 includes directed payments and domestic claims that CountyCare passes through to CCH in the revenues and expenses of both Health Plan Services and Health Care Services. Beginning in FY2024, directed payments will only be accounted for in the budget for Health Care Services while domestic claims will be offset in a separate account.

- Revenues are expected to be short of expenses in the out-year projections
- Revenue growth is primarily driven by expected increases in the PMPM rates that CountyCare receives for its members
- The cost of providing health care services is expected to grow faster than patient fee revenue
- Forecast assumes no federal reductions in Disproportionate Share Hospital revenue

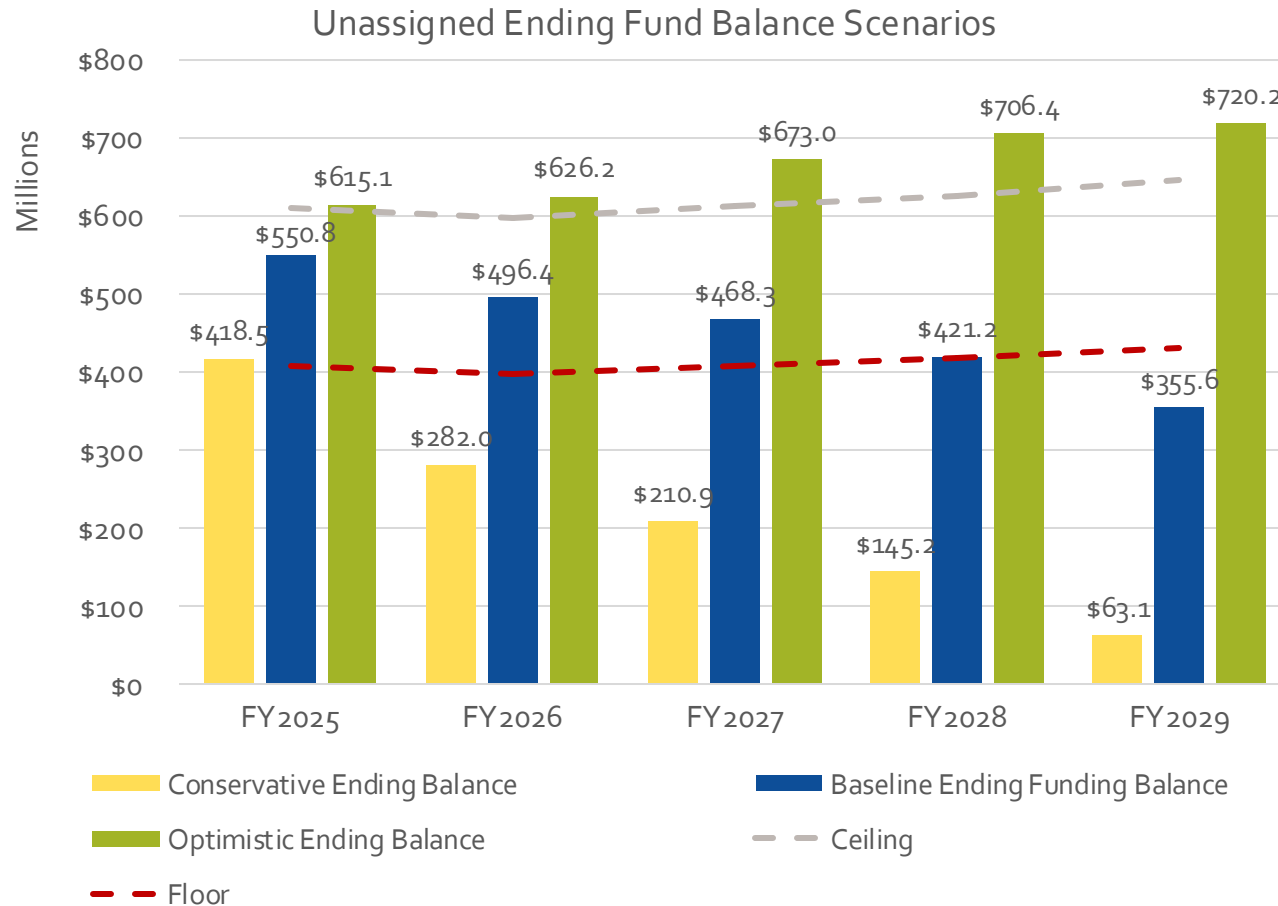


Fund balance plan





Unassigned Ending Fund Balance

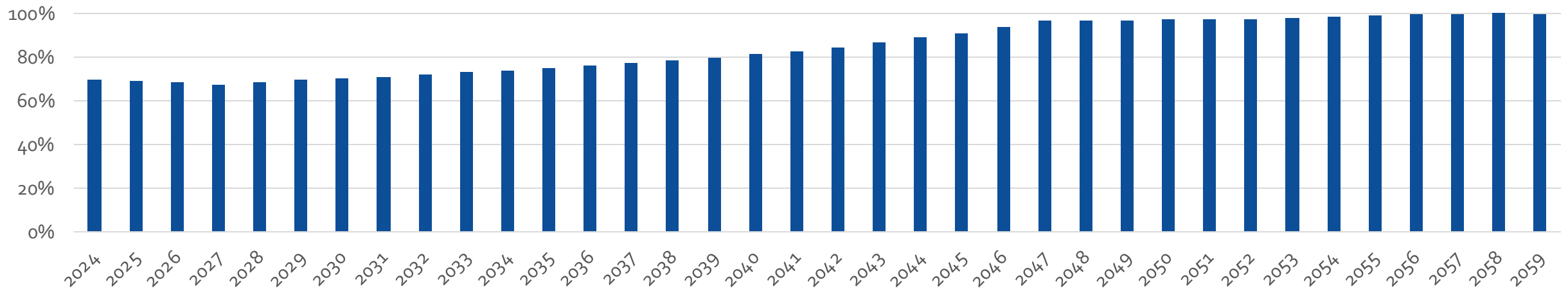


- Fund balance pursuant to FY2025 fund balance reduction plan
- Floor represents 2 months of projected annual expenses and Ceiling represents 3 months of projected annual expenses for the General Fund and Transportation Related Home Rule Taxes Fund
- Optimistic scenario – ending fund balance is \$64.3 million greater than the base case in FY2025, and \$364.6 million greater in FY2029
- Conservative scenario – ending funding balance is \$132.4 million lower than the base case in FY2025, and below the floor in FY2026

Pension Funded Ratio

- In 2023, the State approved Public Act 103-0529, a County initiative, to ensure the County's Pension Fund will remain able to provide promised benefits to annuitants by requiring the County continue to make actuarially determined contributions
- The statute requires the County to pay down all liabilities accrued prior to 2017 over 30 years, continuing the progress made under the County's IGA with the Pension Fund via our "supplemental payments"
- Starting in 2047, after these legacy liabilities are paid down, the County's Annual contributions will be significantly lower
- As new unanticipated liabilities arise, the County will be required to pay them down over 30 years .

Projected Funded Ratio for Pensions



Note: Funded ratio excludes retiree healthcare benefit costs

5

ARPA Updates





ARPA Updates

As of October 18, the County has obligated \$841M (84%) of its \$1B ARPA funding between community initiatives and County operations.

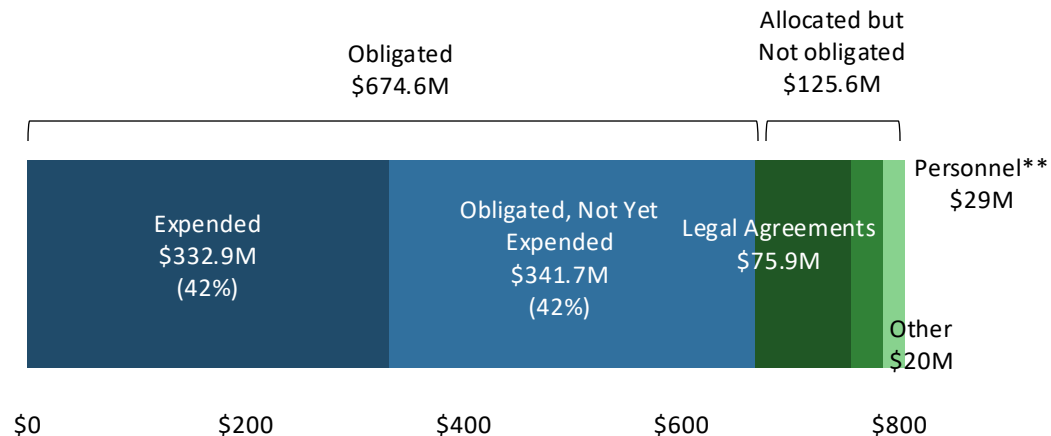
Community Programs

\$800,309,586

Budgeted across 73 Community Programs

84% Obligated

42% Expended



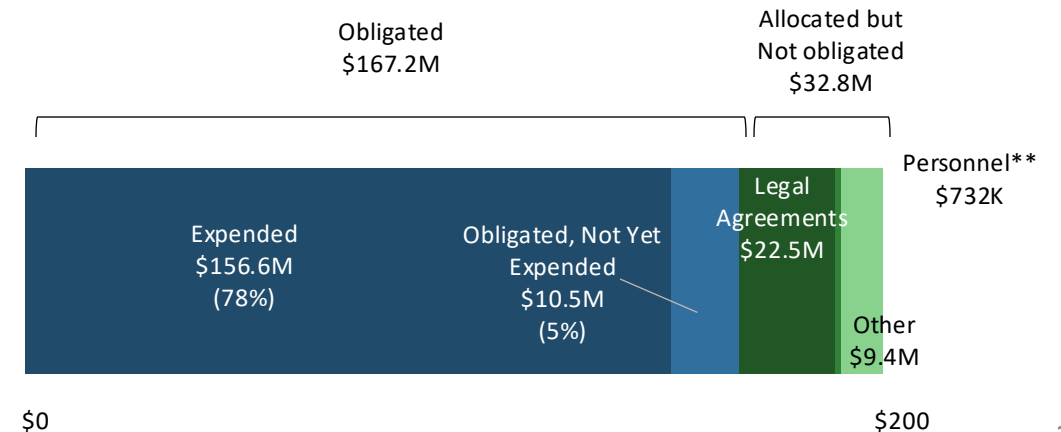
Operational Expenses

\$200,062,799

Budgeted for County Operations

84% Obligated

78% Expended



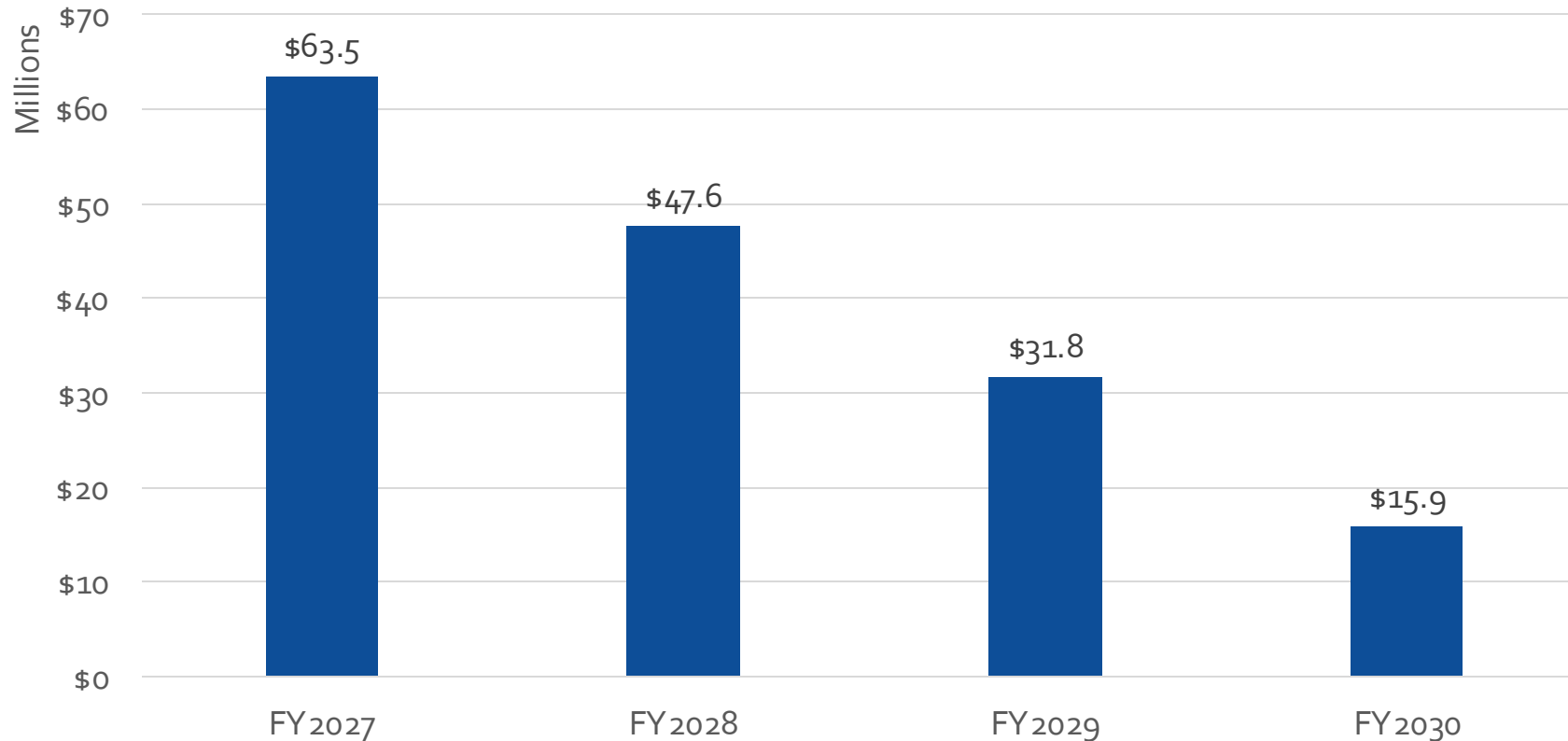
* Obligated is based on signed legal agreements as well as expenses incurred outside signed legal agreements. It does not capture costs that may be obligated via MOU in the future.

** Personnel includes the unspent portion of FY24-26 personnel budgets.



ARPA Sustainability Reserve

Anticipated Releases of \$158.8 Million* ARPA Sustainability Reserve for ARPA Program Support



*Beyond the reserve, \$7.5 million settlement was deposited into the Equity Fund that could also be used to fund ARPA programs in the future



ARPA Sustainability Plan

Preliminary ARPA
Sustainability Plan

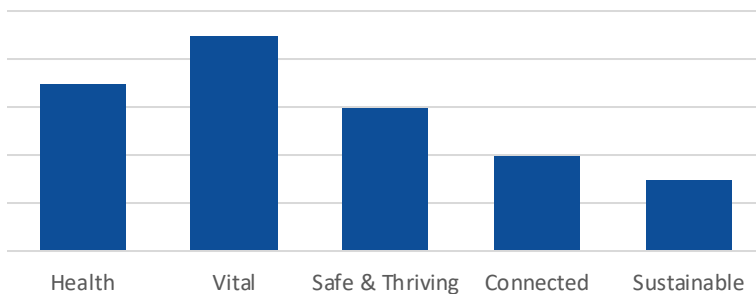


Community Survey &
Hyperlocal
Conversations



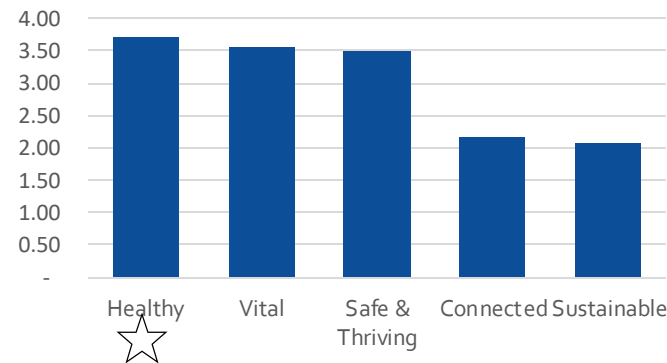
Ongoing Evaluation
and Finalization of the
ARPA Sustainability

**Proposed Initiatives to Continue by
Pillar**



County preliminary identification of
proposed initiatives to sustain.

Preliminary Results



Approx. 1,300 responses were collected.
Health & wellness scored highest in
importance, closely followed by economic
development and safety & justice.

Incorporate feedback from
Community Surveys and
Hyperlocal Conversations to
finalize program selection.

Monitor programs for spend and
impact.

Continue efforts to identify
alternative sources of funding.





FY2025 Budget Calendar





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THANKYOU