



STATE OF ILLINOIS
OFFICE OF THE PUBLIC ADMINISTRATOR
FOR THE COUNTY OF COOK
DAVID A. EPSTEIN
PUBLIC ADMINISTRATOR

October 18, 2017

Honorable John P. Daley, Chairman of the Finance Committee
Cook County Board of Commissioners
118 North Clark Street
Chicago, IL 60602

Commissioners:

This letter responds to your inquiry regarding the FY18 Executive Budget Recommendation for the Office of the Public Administrator. The President's FY18 budget recommendation for this office is \$1,391,634. In response to Chairman Daley's request that this Office propose a plan to reduce that budget by 10% (*i.e.*, by \$139,163), we offer the following proposals which will result in an overall adjustment of approximately \$400,000 (over target by approximately \$260,000), comprised of:

■ staff reductions [from 17 positions to 15] – est. savings:	\$100,000
■ fee increase – est. additional revenue:	<u>\$300,000</u>
	\$400,000

To fully answer the budget questions posed by Commissioner Daley, and to provide context, we summarize the budget history of this Office over the last 3 fiscal years, which covers the period (starting in March, 2014) in which I have served as the Public Administrator.

Background

First, we have reduced staff positions. Since I came into the Office in FY14 (taking over my predecessor's budget), we promptly eliminated one high-paid administrative position, one investigator, and one support position. The Office now has a total of 17 budgeted full-time County staff personnel (approved for FY17). (That does not include the P.A. or outside legal counsel who are not county employees.) Second, although we have reduced some expenses, our ability to eliminate or reduce costs is constrained by procedural requirements of the probate laws and the circuit court, to which our office is subservient in administering probate estates.

Prior Proposal

In this year's FY18 budget review with the County, in order to meet the possible shortfall in County revenue, this Office proposed:

- (a) to leave one clerk position vacant for the fiscal year if the Sweetened Beverage tax were repealed; and
- (b) to raise the administration fee charged to estates (to increase County revenues).

Although the administration's proposed budget eliminated the position we were intending only to leave temporarily vacant, we did raise our Office's probate fees, effective in August. (The increase was the first in 20+ years.)

The P.A. Fee Increase

The fee increase, effective for estates that were closed during the last 3-1/2 months of FY17, will bring in an additional \$100,000+ this fiscal year. The total P.A. Office fee income in FY17, estimated to be \$1,057,000, will come within \$330,000 of covering the County FY17 appropriation of \$1,384,000 to support this Office. If we also take into account the \$25,000+ court fees we pay to the Circuit Court Clerk each year, which go back into the County Treasury, the net County funding support of the P.A. Office in FY17 will be about \$300,000.

Other P.A. Revenues to the County

In addition to these administrative fee revenues, this Office provides estate funds to the County Treasurer (from estates with unknown or un-located heirs) that are retained and utilized by the County and ultimately escheat to the County and State after 7 years -- if not successfully claimed by heirs belatedly coming forward after their ancestor's estates are closed, which occurs in a small minority of cases. In the last few years, these recovered "unknown heirs" funds totaled:

FY 15	\$3,199,569
FY 16	\$1,402,977
FY 17 (10 mos.)	\$3,878,490

FY 18 Proposal

In this context, we propose the following to further reduce our County funding to help address the expected County tax revenue shortfall:

- (1) Retain the recent administration fee increase to provide an additional estimated \$300,000+ annual revenue to the County;
- (2) Eliminate two staff positions for a budget savings of over \$100,000 annually (taking into account both salaries and benefits); this is an additional staff reduction beyond

our prior agreement and would permanently reduce our support staff to 15, which is a 21% staff reduction from the 19 staff positions in FY 13 and FY 14.

This proposal should generate a total County savings of \$400,000+; that is \$260,000 in excess of both the reduction "target" we had received from the Budget Office and the 10% reduction request by Chairman Daley. We note that the fee revenue estimates are based on the recent historical volume of P.A.-administered estates; the volume has been relatively consistent in recent years, but we cannot predict future deaths or estates.

With this proposal, we believe we are contributing more than our fair share of burden in meeting the County's funding shortfall for the coming years.

Very truly yours,


David A. Epstein

cc: Toni Preckwinkle, President
Cook County Board of Commissioners
Ammar Rizki, Chief Financial Officer
Tanya Anthony, Budget Director