

Cook County Preliminary Forecast

July 23, 2018

2019

TONI PRECKWINKLE

President, Cook County Board of Commissioners

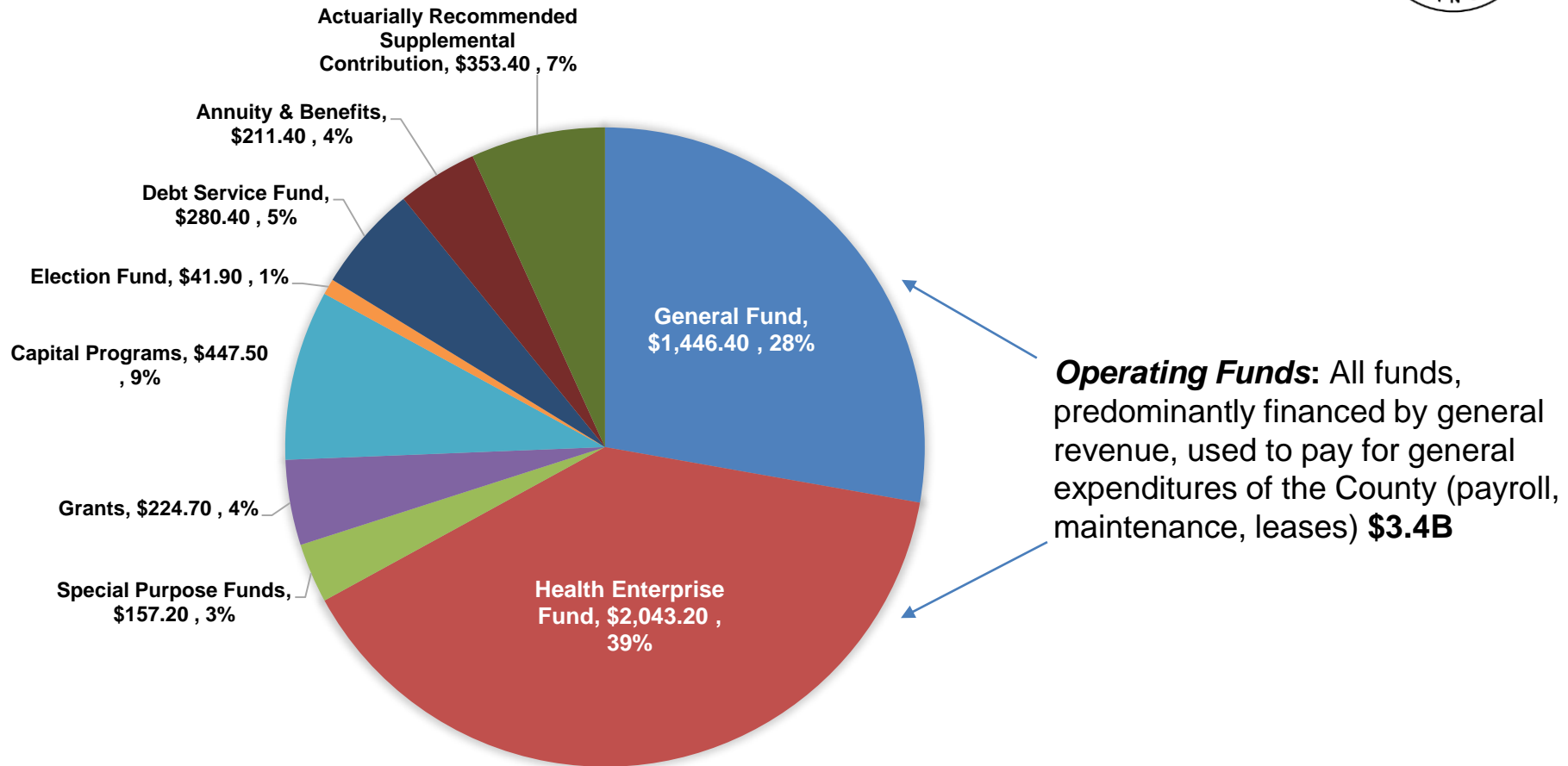




FY18 Overview

FY2018 Total Budget: \$5.2B

in millions

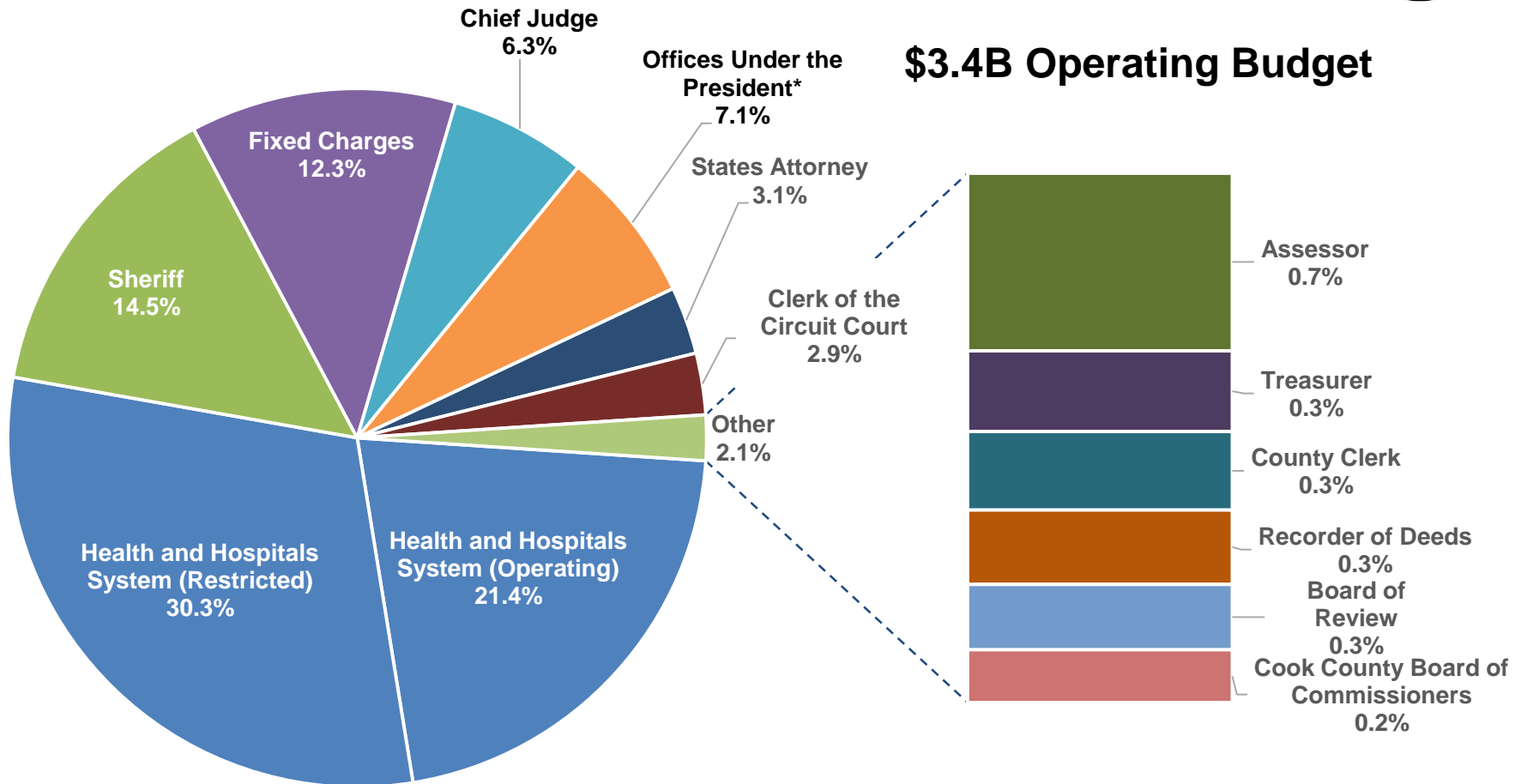


Operating Funds: All funds, predominantly financed by general revenue, used to pay for general expenditures of the County (payroll, maintenance, leases) **\$3.4B**

Capital Funds: All funds, predominately financed by tax exempt debt, used to pay for the construction or acquisition of County Assets (Buildings, IT systems, Vehicles etc.) **\$447.5M**

Restricted Funds: All funds, predominately financed by revenues generated by a specific activity to support a specific program (e.g. Grants, Special Purpose Funds). **Restricted Funds may not be used for any other purpose. \$915.6M**

Operating Budget by Elected Office

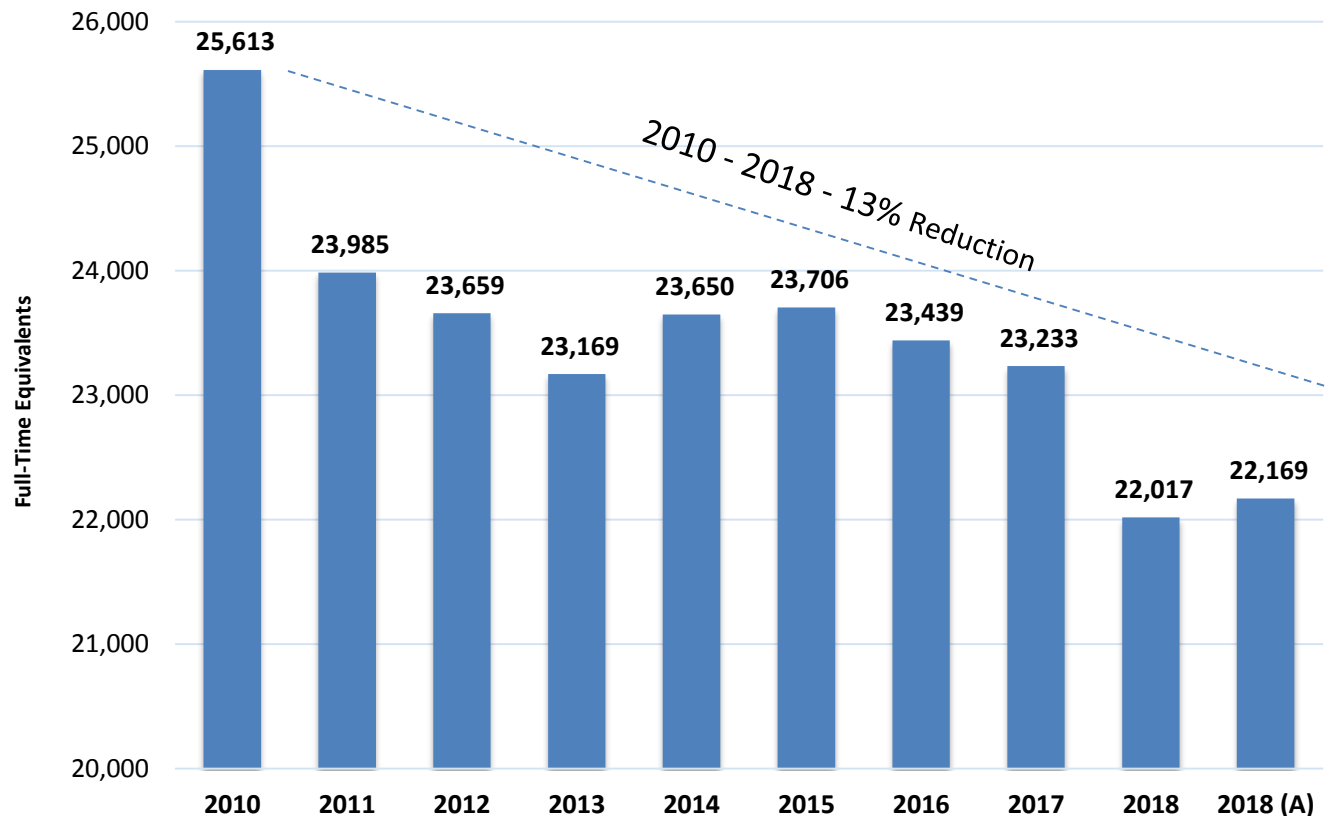


* Offices Under the President includes an additional 2% representing the Office of the Public Defender

Historical FTE Count



All Funds Total Full-Time Equivalents Since 2010



- 2018 Adopted Appropriation included 1,216 position reductions (328 layoffs)
- 2018(A) is projected year-end impact resulting from OCJ settlement
- The OCJ is expecting to reinstate 152 positions



FY2018 Projections

Preliminary 2018 Year-End Projections



\$ in Millions	2018 Appropriation	2018 Year-End Projection	FY2018 \$ Variance	FY2018 % Variance
General Fund Revenues	\$ 1,799.8	\$ 1,808.7	\$ 9.0	0.50%
General Fund Expenditures	\$ 1,799.8	\$ 1,805.8	\$ 6.0	0.33%
Health Fund Revenue	\$ 2,043.2	\$ 2,551.2	\$ 508.0	25%
Health Fund Expenditures	\$ 2,043.2	\$ 2,553.5	\$ 510.3	25%
Total Revenue	\$ 3,843.0	\$ 4,360.0	\$ 517.0	13%
Total Expenditures	\$ 3,843.0	\$ 4,359.3	\$ 516.3	13%
General Fund Gap	\$ -	\$ 3.0		
Health Fund Gap	\$ -	\$ (2.3)		
Operating Funds Gap	\$ -	\$ 0.6		

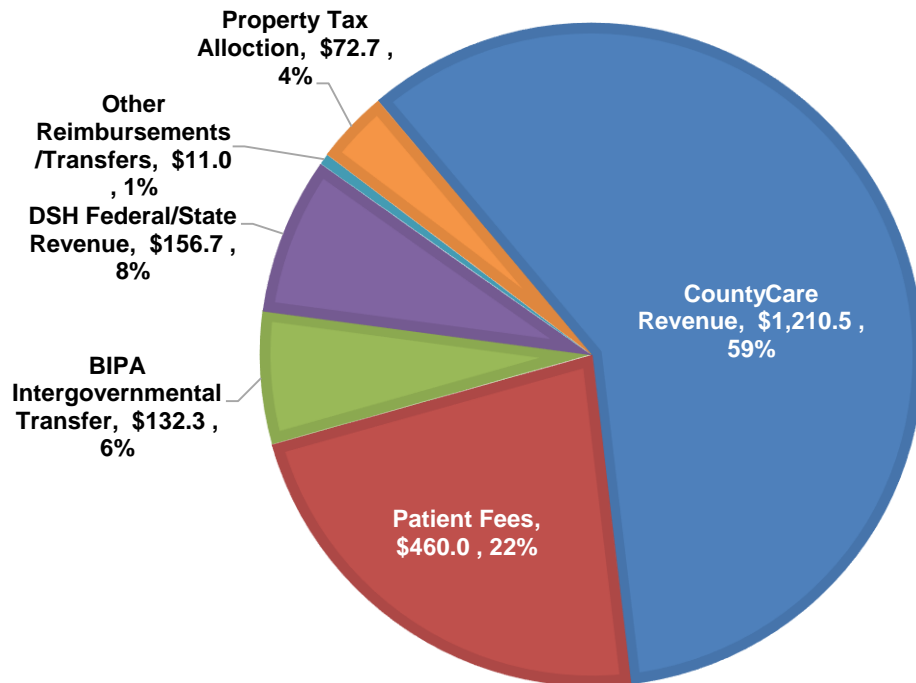
- General Fund revenue is projected to exceed budget by \$9 million
- General Fund expenditures are projected to exceed budget by \$6 million
- Health Fund revenue is projected to exceed budget by \$508M
- Health Fund expenditures are projected to exceed budget by \$510.3 million
- Health Fund projected deficit is .01% of the Health Fund budget

Overall, the FY2018 Year-End Forecast projects a surplus of \$600K in the County's operating funds.

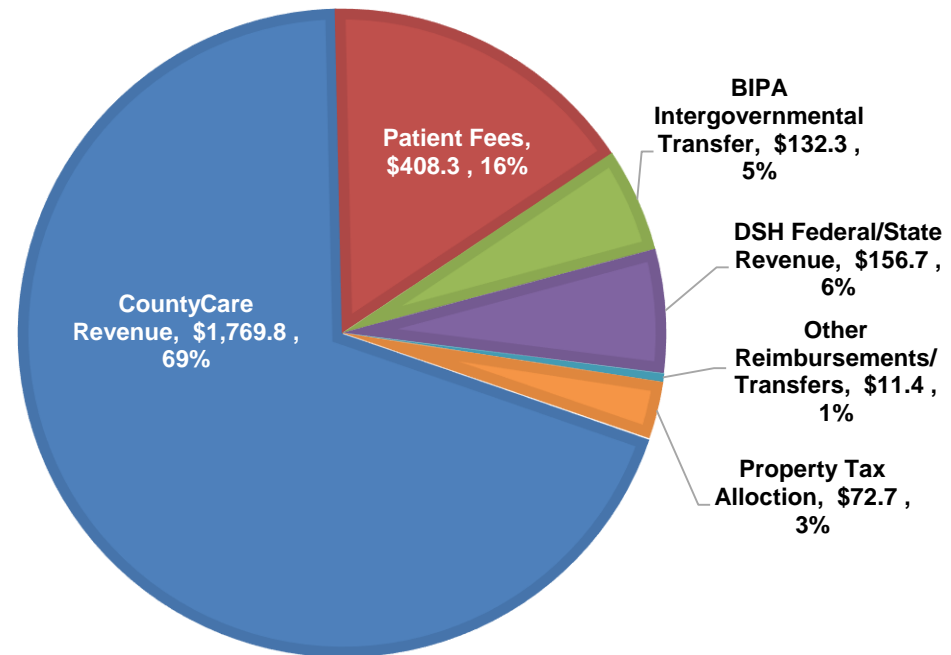
Health Fund FY18 Year-End Estimate



**FY2018 Adopted
\$2,043M**



**FY2018 Y/E Estimate
\$2,551M**



- The FY2018 adopted budget assumed 225,000 CountyCare members
- Membership has grown to an average of 331,000 members per month
- Anticipated CountyCare revenue exceeds budget by \$508M or 25%

Major Drivers Influencing Year End



General Fund revenue is projected to exceed budget by \$9 million

- Sales Tax revenue experiencing positive variance due stronger than expected economic growth
 - Includes one-time State accelerated payment of \$12M, last time received was in 2010
 - Reflects decrease in Sale 2% Administrative Fee to 1.5% mid-year (\$2M)

General Fund expenditures are projected to exceed budget by \$6 million

- Overages related to OCJ settlement
- Additional overages related to delay in Branch Court closure

Health Fund revenue is projected to exceed budget by \$508M

- Revenue increases related solely to increases in Managed Care membership growth

Health Fund expenditures are projected to exceed budget by \$510.3 million

- Overages related to associated growth in Managed Care membership
- Additional impacts in Overtime and expenses related Joint Commission accreditation
- CCHHS is reviewing all accounts to determine savings to address the \$2.3M 2018 projected deficit



FY2019

Preliminary Forecast

2019 Preliminary Budget Forecast



\$ in Millions	2018 Appropriation	2019 Preliminary Forecast	FY2019 \$ Variance	FY2019 % Variance
General Fund Revenues	\$ 1,799.8	\$ 1,810.3	\$ 10.5	0.59%
General Fund Expenditures	\$ 1,799.8	\$ 1,862.6	\$ 62.9	3.49%
Health Fund Revenue	\$ 2,043.2	\$ 2,632.7	\$ 589.5	29%
Health Fund Expenditures	\$ 2,043.2	\$ 2,662.2	\$ 619.0	30%
Total Revenue	\$ 3,843.0	\$ 4,443.0	\$ 600.1	16%
Total Expenditures	\$ 3,843.0	\$ 4,524.8	\$ 681.9	18%
General Fund Gap	\$ -	\$ (52.3)		
Health Fund Gap	\$ -	\$ (29.5)		
Operating Funds Gap	\$ -	\$ (81.8)		

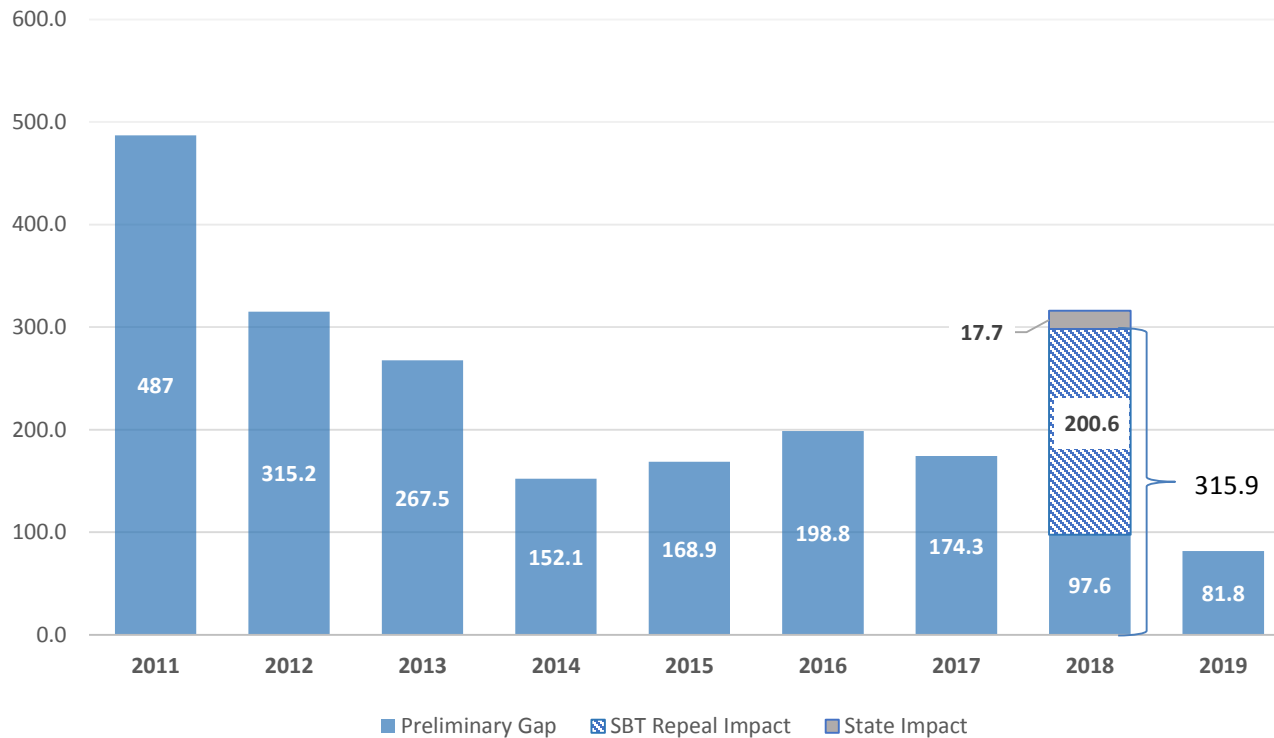
- General Fund revenue increases by \$10.5M over FY2018 appropriations
- General Fund expenditures are projecting an increase of \$63M over FY2018**
- Health Fund revenue is projected to increase by \$590M over FY2018 adopted appropriations
- Health Fund expenditures are projecting an increase of \$620M over FY2018**

Overall, the FY2019 Forecast projects a **deficit of \$82M in the County's operating funds.**

2019 Preliminary Budget Forecast



Historical Budget Gaps



- FY2019 budget deficit is projected at \$81.8 million across the General and Health Enterprise Funds
- Long-term financial planning reduced structural deficits by 83% since 2011

2019 Preliminary Budget Forecast – General Fund (Gap: \$52.3M)



Major Revenue Variances compared to FY2018 Adopted Budget

- ▲ Property Tax available to the General Fund increases by \$19.5M
- ▲ Sales Tax revenue - \$36.9M
- ▼ County Treasurer revenue - \$31M

Absent Sales Tax growth, General Fund revenue would decline by \$26M or 1.5%

Major Expenditure Variances compared to FY2018 Adopted Budget

- ▲ Salaries and Wages expenses - \$29.5M
- ▲ Employee health benefit expenses - \$10.1M
- ▲ Debt Service Expense - \$9.4M
- ▲ Technology Spending - \$3.2M

Budget Calendar



June 19	Release Preliminary Forecast
July 12	Public hearing on 2018/2019 Preliminary Forecast
July 23 – 25	Mid-Year Budget Hearings
Aug-Sept	Finalize FY2019 budget requests with Departments
October	Present President's Executive Budget Recommendation
Oct-Nov	Public hearings held, amendments proposed, Board of Commissioners votes on Appropriation Bill