

FY2019 Mid-Year Budget Review

CIRCUIT COURT OF COOK COUNTY

Objective: Update on FY2019 Goals and Objectives, review FY2019 YTD budget, FY2019 year-end projections and discuss challenges and opportunities impacting the FY2020 budget.

I. Highlights of 2019 – Review of Goals and Objectives

Throughout 2019, court management has focused significant attention on the progress of bail reform. On May 9, 2019, Chief Judge Evans issued his report, *Bail Reform in Cook County* that reviews the initial results of his General Order 18.8A that established new bail practices in the Circuit Court of Cook County. The report shows that bail reform has reduced the population of the jail, and increased the release of pretrial defendants without increasing the threat to public safety. As a result, Cook County has realized significant savings in the costs of housing for jail inmates.

To a great extent, the burdens of supervising defendants awaiting trial have shifted to the Adult Probation and Social Service Departments. Since General Order 18.8A was issued in late 2017, the number of cases under pretrial supervision has almost doubled from 3,600 to 6,890 at the end of May. The number of court orders to supervision has increased more than 70 percent in the 20 months since the order compared to the 20 months prior. This increase in workload demands an increase in resources that will be reflected in the court's 2020 budget request. As noted below, however, we expect that corresponding costs of new staff investments will be paid by the state of Illinois through increases in statutory salary subsidies.

II. Comparison of YTD budget (as of 5/31/2019) vs expenditure projections with explanations for major variances and corrective action steps

Operating Expenditures	FY 2019 YTD Budget, less DBMS Holdback	FY2019 YTD Actuals	\$ Variance	% Variance
Personnel	\$107,274,343	\$106,093,666	\$1,180,677	1.1%
Contractual Services	8,136,291	5,235,341	2,900,949	35.6
Supplies and Materials	1,864,983	1,666,265	198,716	10.6
Operations and Maintenance	8,996,688	8,912,651	84,037	0.9
Rental and Leasing	515,483	381,054	134,42	26.1
Contingencies and Special Purposes	(143,985)	(979,987)	836,002	580.6
Total	\$126,643,804	\$121,308,991	\$5,334,812	4.2%

The positive personnel variance to date reflects the effects of more than 200 vacant positions, mostly in Adult Probation and the JTDC. Vacant position values are sufficient to satisfy the court's payroll turnover obligations that were increased in the budget amendment process last year to about 6% overall. These positive trends in personnel costs are reduced somewhat by

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offsetting negative variances in overtime costs at the JTDC. The large positive variances in professional services are due to delays in contracting for the JTDC's large security contract, and delays in implementing contract changes and enhancements at Juvenile Probation, envisioned with the reorientation of mental health services at the Juvenile enterprise.

III. Comparison of YTD budget vs revenue projections (if applicable) with explanations for major variances and corrective action steps

The court is pleased to announce that with the allocation of additional funds in the state budget, the AOIC has committed to substantial increases in salary subsidy payments for probation and detention staff beginning with the new state fiscal year on July 1, 2019. In their letter of July 3, 2019, the AOIC announced that funding is available to reimburse 100% of positions at statutory amounts. Statutory funding also extends to new hires processed in the future. These state reimbursements are now expected to rise by at least \$20 million next year to \$54,500,000, based on current staff levels and vouchered values. Reimbursements will be even larger as new hires are processed, net of new retirements. As such, the court intends to move forward with hiring requests into vacant positions in 2019 and will request new positions for 2020, to address critical personnel needs, mostly in Adult Probation and the Social Service Department. The AOIC's announcement is not expected to significantly change revenue estimates for FY2019.

Public Guardian revenues exceed the original budget mostly due to a one-time litigation settlement of \$457,000 received in February. The resulting surplus outlined below is expected to remain through year end. Trends remain positive. June collections of \$305,659 exceeded the budget of \$262,500 for that month, as well.

Revenue	FY 2019 YTD Budget (5/19)	FY2019 YTD Actuals (5/19)	\$ Variance	% Variance
Public Guardian fees, legal settlements	\$1,575,000	\$2,088,000	\$513,000	32.6%
Circuit Court fees	1,500	3,350	1,850	223.3%
AOIC salary subsidies	17,241,429	18,100,000	858,571	5.0%

IV. Year-End Projections

For now, revenues remain on target, unchanged from May forecasts. The estimated revenues of \$1,495,000 identifiable with the Chief Judge's Office represent fees that should be collected by the Clerk of the Court from July-November relating to the four special revenue funds which closed 7/1/19. Collections for this category will be dependent on transfers by the Clerk of the Court from general filing fee collections, which are expected to rise with the reorganization of fees, by statute and effective 7/1. As noted above, estimates of probation-detention salary subsidies from the state for 2019 also remain unchanged from the AOIC allocations announced last year. However, allocations for the upcoming year 2019-2020 will be substantially higher.

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Revenue	FY 2019 Adopted Budget	FY2019 Year End Estimate	\$ Variance	% Variance
Public Guardian fees, legal settlements	\$3,150,000	\$3,607,500	\$457,500	14.5%
Circuit Court fees	1,495,000	1,495,000	0	0
AOIC salary subsidies	34,482,858	34,482,858	0	0

In its mid-year, May 31, 2019 funds analysis report, the Comptroller reported that the court's expenditures were under its revised overall budget by 3.3%. That has occurred principally due to delays in hiring, to make certain that the court can satisfy its turnover factor of \$10.6 million. Turnover was raised significantly by the county to 6% during the 2019 budget amendment process. Through the pay period ended 5/25/19, the court projects a year end overall net payroll surplus of about \$7.6 million, assuming current levels of spending (minimal hiring and new retirements). That is about to change, however. With the news of the increased state subsidies, the court will soon hire a number of employees, mostly in Adult Probation, to serve the pretrial operations and for general caseload management. In addition, the JTDC will hire YDS and other staff to replenish staff lost during the year. Overall, the court's portfolio of vacant positions has grown to more than 200. As such, projections of expenditures below have been revised to account for the hires in the coming months. Note that projections for Juvenile Probation (1326) also have been revised. The 1326 adjustment below of \$2.4 million is necessary to correct what appears to be an error in the 5/31 *Hyperion* payroll projections.

Operating Expenditures	FY 2019 Adopted Budget	FY2019 YE Projections	\$ Variance	% Variance
Adult Probation	\$50,254,820	\$48,743,316	\$1,511,504	3.0%
Judiciary	14,115,802	14,035,612	80,190	0.6
Public Guardian	21,494,815	20,442,295	1,052,520	4.9
OCJ	44,132,858	43,259,265	873,593	2.0
Forensic Clinical	2,763,579	2,658,713	104,866	3.8
Social Service	14,229,002	14,310,270	(81,268)	(0.6)
Juvenile Probation	44,387,681	44,375,232	12,449	0
JTDC	64,934,147	61,301,209	3,632,938	5.6
Initial 5/19 Forecast Submission Total	\$256,312,704	\$249,125,912	\$7,186,792	2.8%
1280 personnel adj.		975,000	(975,000)	
1305 personnel adj.		380,000	(380,000)	
1326 personnel adj.		(2,400,000)	2,400,000	

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1440 personnel adj.		2,000,000	(2,000,000)	
2019 Projections, revised	\$256,312,704	\$250,080,912	\$6,231,792	2.4%

V. Challenges/Opportunities to be addressed in FY2020 budget

Judiciary, Office of the Chief Judge

On May 6, 2019, the NCSC issued its preliminary *Cook County, Illinois, Criminal Courtroom Utilization Study*, the result of a 12 month study to “identify strategies regarding the best use and development of county-provided space and facilities for adult criminal court operations and activities.” The study was conducted in accordance with the terms of the litigation settlement agreement between the court and Cook County, completed last year. The report is now under review by court leadership and was recently referred to committee by the Cook County Board at its meeting of June 27, 2019. In general, the report recommends centralization and regionalization of selected facilities, the construction of new facilities and the improvement of business processes. Such recommendations must be weighed against the interests of the public and their rights to access justice.

For 2020, the budget units for the Judiciary and the Office of the Chief Judge will likely face modestly rising costs in a number of areas; attorney fees for the indigent, juror foods, lease costs for the R.J. Daley Center, and communication allocations. The most significant fiscal issue, however, will be the effects of the changes in statute which eliminated four of the court’s special revenue funds effective July 1, 2019. In 2019, the costs of the children’s waiting rooms program and its 32 payroll positions transferred to 1310 from fund 11261. In 2020, related costs must rise by about \$1.3 million to account for full year effects, exceeding the county’s budget target increase for the department of \$883,000. Furthermore, the department will have to absorb the 2% increase in pay pursuant to the cost-of-living increase effective 6/10/19. That effect will increase the 1310 budget by about \$300,000.

Probation Services

Over the last five years, the Chief Judge has been a key proponent of criminal justice reform at the state and local level. His steadfast commitment to affecting reform is evident by the general orders regarding bond reform as well as the shift in the focus of all three of the court’s probation service departments, Adult Probation, Social Service, and Juvenile Probation.

The Adult Probation Department (APD) has been at the forefront of criminal justice reform at the state and local level. Pretrial operations are now an essential tool for protecting the community and the rights of defendants. Adult Probation operations now employ supervision practices based on evidence-based strategies and partnerships with community partners. The department’s Home Confinement Unit, for example, has developed a GPS program that has drawn strong interest from other jurisdictions. These accomplishments have been realized even as the department’s staffing shortages have reached critical levels. On the pretrial side, supervision caseloads are much higher than national experts recommend. APD is currently

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implementing new Probation Caseload Standards issued by the Illinois Supreme Court in January 2019, designed to allocate resources toward the highest risk clients. However, probation caseloads have been averaging about 120 clients per officer, making it impossible for officers to focus on behavior change. While the Home Confinement Unit has developed a model electronic monitoring program, increasing reliance on GPS and curfew orders for pretrial defendants have strained the unit's capacity to adequately provide geographic coverage.

APD has requested that 45 of its vacancies be filled later this month. Filling these vacancies is an important step towards sustaining the progress the department has made over the last several years and establishing a strong foundation for the future. New hires in existing positions will not be enough, however. For 2020, the department will likely request 18 new positions to provide dedicated monitoring of defendants ordered to a pretrial curfew. Cases on a curfew require significant amounts of time, effort, and resources due to the need to investigate and respond to the enormous number of electronic alerts they generate. Dedicating 16 positions and 2 supervisors to this caseload would free current staff to focus their efforts on service referrals, behavior change, and other case management activities.

Other new positions for 2020 are also under consideration. Officer positions remain the most serious need, but the department also faces shortfalls in other key areas. The department needs cashiers to ensure the timely processing of restitution and probation fees. Additionally, the department's shift towards behavior change and away from solely monitoring compliance requires a strong and consistent performance measurement framework. The department is acutely aware of the need to demonstrate positive outcomes, the importance of data-driven decisions, and the desire to focus on cost-effective programming. Additional research capacity would allow the department to build on its strong foundation and support effective probation and pretrial practices in the future.

APD's probation fee credits will also decline in 2020. Due to a reduction in collections; the elimination of probation fee cash reserve balances; and a policy change to cease collection of pretrial fees, which have been deemed unconstitutional in other jurisdictions, the court expects APD budget fee credits to decline by about \$900,000 next year.

APD is also planning to open a new community office this fall. With the closure of the Walnut Street community office and the consolidation of staff mostly to Leighton, it has become apparent that a new small community site is necessary for client reporting, to accommodate clients and prevent gang confrontations. A budget for lease costs, security and custodial services was included in the APD budget for 2019, in the amount of \$200,000 for this purpose. Office space for 5-7 staff is being planned for occupancy this fall pending County Board approval, at 845 West 69th Street in Englewood. The site would be contiguous to space planned for the court's new Restorative Justice Court. At \$3,750 per month, the lease, plus security, will be less than the budgeted amounts for 2019.

The Social Service Department (SSD) has also played a critical role in criminal justice reform. The department has shifted its operations to manage the increased caseload of assessments

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before bond, supervision before trials, as well as casework after sentencing. Additionally, casework objectives have shifted focus on behavior change through cognitive restructuring programs. To further address public safety concerns, the Court is seeking to expand Bischoff law risk assessments to all felony and misdemeanor cases involving intimate partner violence. Social Service staff currently prepares all Bischoff law assessments for the Court, which measure the risk and potential reoccurrence of domestic violence, in addition to regular bond court assessments, which address the risk of failure to appear and potential for violence.

SSD continues to need additional staff to meet the demands associated with the increase in both assessments mandated by the court and also the increase in post-release service delivery. The relatively few vacant positions are insufficient to meet the caseload needs and to satisfy the department's turnover obligations. The department is preparing to request 24 new caseload and support positions in the 2020 budget to address its increasing caseloads and the needs of its seven day a week operations.

The emphasis of the Juvenile Probation and Court Services Department for 2020 and beyond is to reorganize and expand services to its wards consistent with the goal of the Juvenile Court enterprise to provide comprehensive, trauma-informed mental health services across the spectrum of care at all points of entry. This will involve expansion of the department's hallmark JDAI shelter care and evening reporting services and expanding cognitive behavioral therapies in the community. The department has also requested that it begin hiring into its many vacancies to expand community services.

Building on its decades-long legacy of community-based alternatives to detention as one of Annie E. Casey Foundation's national model sites in such reform, the Juvenile Department has completed a deep review of the juvenile probation system culminating in an evaluation by the Robert F. Kennedy National Resource Center for Juvenile Justice and the Council of State Governments Justice Center through a grant from the US Department of Justice, Office of Juvenile Justice and Delinquency Prevention. The insights from this "Probation System Review" along with renewed minimum standards from the Administrative Office of the Illinois Courts on case management are all reflected in the department's direction and budget plans. This includes expanding personnel and services in the diversion area between referrals to court from police and adjudication; expanding quality assurance and data tracking capacity; and investing in personnel and behavioral health services specifically to address youth on probation with high-risk of involvement in criminal behavior and with exposure to violence and trauma.

Like the Office of the Chief Judge, the budgets of both APD and Juvenile Probation will be impacted by the effects of the changes in statute which eliminated four of the court's special revenue funds effective July 1, 2019. In 2019, the fee transfers from the Drug Court, Mental Health Court and Peer Jury funds ceased. In 2020, the credits totaling now about \$1,100,000 will no longer be available, driving the department budgets higher.

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Overall, the 2% target budget increases for these three departments is expected to fall short of the departments' needs to pay for the full year cost of the COLA, for new staff, to expand services in selected areas and to account for the reduction of fee credits.

Office of the Public Guardian

The Office of the Public Guardian faces two challenges which will be addressed in the upcoming fiscal year. The first is that the starting salary for department lawyers is about \$6,000 less than the starting salaries for attorneys at the Public Defender's Office and the State's Attorney's Office. Starting salaries have traditionally been competitive between the three offices. However, the Public Defenders are unionized and have enjoyed union increases in past years not received by lawyers in the department, and the State's Attorney's Office has been able to keep its salaries competitive with those at the Public Defender. The disparity with the department's peer offices is impacting the department's ability to recruit and retain attorneys. The fiscal impact to upgrade the office salaries is approximately \$805,600 annually. That amount exceeds the Cook County 2% budget target increase for 2020 of \$431,000.

The department is also planning for a web-based, client management system for the Juvenile Division to track court proceedings and dockets, placement histories, special needs, contacts, and other information for the department's 7,000 minor clients. The vendor selection process is now underway.

Juvenile Temporary Detention Center

In March 2019, representatives from the Center for Children's Law and Policy and the Council of Juvenile Correctional Administrators visited the JTDC to conduct an assessment of staffing needs and to review progress since a previous visit in 2015. These organizations represented the Annie E. Casey Foundation to conduct a review of operations and staffing pursuant to the litigation settlement agreement between the court and Cook County. The report was recently received and is under review by court leadership.

The JTDC continues to struggle with critical staffing challenges in its 3-shift operations to ensure the protection of the constitutional rights of its minor residents. As such, and even as the staffing report is looming, JTDC leadership has requested 71 hires into exiting position vacancies, including 32 YDS positions in the next few months. The need for new hires has been an issue for some time and is reaching a critical stage due to the high turnover at the center, and the significant number of staff on FMLA, sick leave or on other extended leaves. Staff shortages this year have led to significant overtime, which now project to exceed budget by \$1.5 million. In addition to approximately 80 vacancies, the JTDC lost their long-standing contract with an external staffing agency which provided 30-40 unarmed security staff.

For 2020, the JTDC will likely face a significant payroll turnover obligation and will need to fund both an increased overtime account, as well as a contract for security staffing. The 2% budget increase of \$1.3 million will likely fall short of the department's needs.