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OFFICE OF THE PUBLIC ADMINISTRATOR
FOR THE COUNTY OF COOK
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Louis G. Apostol
PUBLIC ADMINISTRATOR

MEMORANDUM

To: John P. Daley, Chairman, Finance Committee
Cook County Board of Commissioners

cc: Tanya S. Anthony, Budget Director
Mohammad Easa, Budget Analyst
Ama Baljinnyam, Budget Analyst
Department of Budget and Management Services

From: Louis G. Apostol
Illinois Public Administrator for Cook County

Date: October 24, 2019

Re: FY 2020 Executive Budget Summary

The Office of the Public Administrator is submitting this 2019 Executive Budget Summary ahead of its presentation before the County Board of Commissioners on July 17, 2019. The FY2020 budget request has been completed in the Budget Request system. Attached is supporting documentation.

I. EXECUTIVE SUMMARY

- To date in FY2019, the Office of the Public Administrator has investigated 976 cases, which is consistent with recent years.
- The PA's office has only 15 full-time staff.
- Through the close of FY 2019, the Public Administrator's Office will have generated over \$3,267,165.00 in fees, interest, court costs and funds for unknown heirs. The PA's current (FY2019) budget is \$1,318,240.
- The total revenue for the PA's Office is projected to return 2.5 times its appropriated budget for 2019.
- In FY2019, the PA's fees alone have generated \$1,418,904 in revenue returned to the County. This amount represents \$100,664 over the amount appropriated for FY2019 (107%).
- Over \$13,000,000 has been returned to heirs and beneficiaries via estate administration in FY 2019.
- The PA is working closely with the State Treasurer's Office in FY 2020 to seek and verify additional unclaimed property. To date, over \$2,200,000 has been recovered from the iCash program for previously-probated estates.
- The budget request for FY 2020 is \$1,388,020, a 7% increase from FY 2019. The increase is a result of SEIU salary increases, insurance costs, and a new hire, as well as de minimis increases for postage, bond premiums, and salary adjustments for (1) senior staff member and the Public Administrator.

The Office of the Public Administrator is a significant revenue-producing agency for both the State and County. As stated above, the PA's Office is a zero-based budget in that the revenues it generates annually far exceed its budget appropriation. As such, the PA recommends that additional reductions in FY 2020 will prohibit this office from adequately serving the citizens of Cook County.

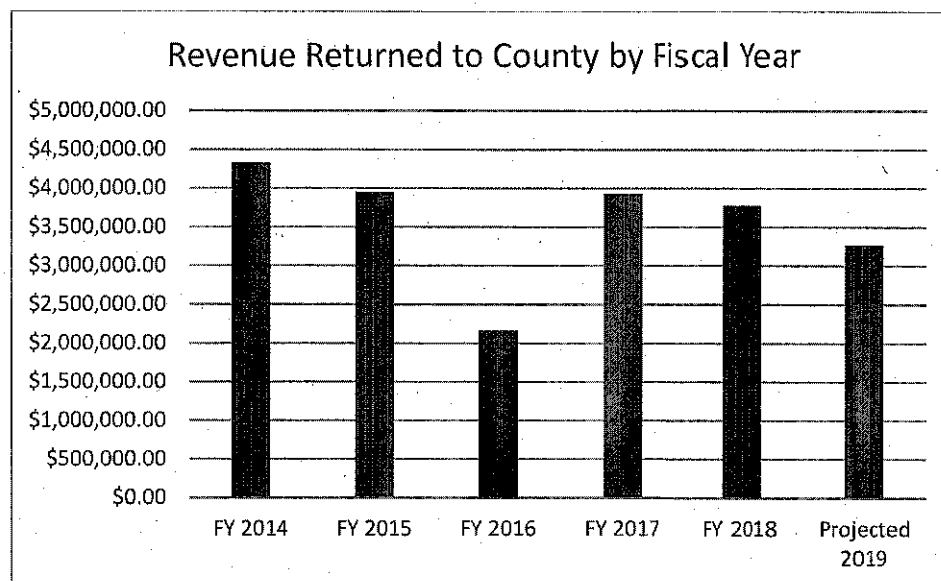
II. OFFICE OVERVIEW

This State of Illinois office and Cook County share a unique and extraordinary relationship. The Office of Public Administrator for Cook County (the "OPA") operates as a quasi-county agency in that our office budget and many personnel, payroll, pension, and collective bargaining aspects are administered under the Cook County systems, although we are legally a state office and almost all of our operations are judicially supervised probate proceedings.

The OPA is also unique among other county agencies in that we are entirely self-supporting from our operations (from fee revenues from administered probate estates) and thus do not ultimately draw on County or state tax revenues even though our budget is part of the County operating budget.

Also uniquely, the OPA regularly generates net funds *to the County* in the form of funds of OPA administered estates that are deposited with the County Treasurer for the benefit of unknown or unlocated heirs. In the past five fiscal years, the OPA has deposited the following amounts into the Cook County Treasury: \$4,322,364 (FY14), \$3,951,257.00 (FY2015), \$2,161,633.65 (FY2016), \$3,929,165.42 (FY2017), and 3,778,221.87 (FY2018).

In the current FY2019, projected deposit total (to date) is \$1,418,904, which is within the FY2019 budget goal. Of course, the amount in any year is a function of the number of estates probated by the OPA, their size, and whether heirs exist and can be found. Thus far in FY2018 we have distributed over \$13,000,000 to known heirs of the OPA administered estates.



III. FUNDING SOURCES OF OPA

The OPA is funded from fees charged to probate estates that the OPA is appointed (by the circuit court) to administer. These fund sources are as follows:

(1) Real estate and personal property -- escheats.

Pursuant to §5/2-1(h) of the Probate Act, if there are no known heirs of the decedent, any real estate owned by the decedent escheats to the situs county.

The personal property physically located in Illinois and the personal estate physically located or held outside Illinois that is the subject of ancillary administration of an estate being administered within this State escheats to the Illinois county of which the decedent was a resident

or, if the decedent was not an Illinois resident, to the county in which the asset is located (usually Cook County). (All other personal property of the decedent, wherever situated, or its proceeds, escheats to the State and is delivered to the State Treasurer pursuant to the Uniform Disposition of Unclaimed Property Act, 765 ILCS 1025/1, *et seq.*)

(2) Unknown heirs' distributions – escheat after claim period.

Pursuant to §24-20 of the Probate Act, when a ward, distributee (heir or legatee) of an estate or a claimant is known but cannot be located in order to accept the property or distribution, the Public Administrator with court approval may sell the asset/property and deposit the net proceeds with the Cook County Treasurer to hold for that distributee. The person entitled to the deposited money may obtain it, with interest, upon application to the court and with satisfactory proof of right within 7 years; but if no such claim is made and approved by the deadline, the deposited funds escheat to the County.

(3) Public Administrator's Probate Fees.

Revenue is realized by the administrator's fees (and interest thereon) that are awarded by the probate court as compensation for the OPA's administration of estates. These fees are paid to Cook County directly by the OPA.

IV. OVERVIEW OF FY2020 BUDGET RELATIVE TO CURRENT YEAR

The FY2020 budget retains the 13 staff positions and 3 management positions currently budgeted (including the P.A.) and one part-time contract attorney.

All line items of the operations budget requested for FY2020 are being requested at the same or lesser amounts requested in the FY2019 budget with the exception of the following:

- Line item #225/520259 (Postage) – an increase of \$500 is being requested due to an increase of mail being sent out on a daily basis;
- Line item #501010/10155 (Salary/Wages of Regular Employees-Administration) is being requested in the amount of \$4,000 to bring management salaries in line with County averages; and
- Line item #521054/10155 (Administration) is being requested in the amount of \$1,440, a 2% increase to provide the Public Administrator with a cost of living increase.
- The Public Administrator role receives no health, pension, or other benefits.

As with the other County offices, the FY20 budget contains a line item for "rent" in the Cook County Administration Building. This \$39,537 line item increases the FY20 budget figure, but is an accounting item rather than a spending increase because the funds recirculate into the County treasury and are not actually expended.

The FY20 budget contains a 7.0% staff salary increase of \$69,780.00 which includes mandatory step increases per the union contract as well as the salary of a previously unfilled Administrative Assistant I position.

V. OPA REVENUE TO COOK COUNTY

With respect to FY 2019, to date we have accomplished the following:

FY: 2019

OPA Budget	\$1,318,240.00
Estates Closed:	54
Estates Opened:	83
Investigations:	976
Monies Deposited to County:	\$1,658,313.45
Revenue/Interest:	\$1,340,154.51
Total:	\$2,998,452.96

In the immediate past years the OPA has accomplished the following:

FY: 2018

To date: July 2018

OPA Budget	\$1,393,586.00
Estates Closed:	47
Estates Opened:	65
Investigations:	1168
Monies Deposited to County:	\$3,778,221.87
Revenue/Interest:	\$1,306,642.01
Total:	\$5,086,222.88

FY: 2017

To date: July 2017

OPA Budget	\$1,393,586.00
Estates Closed:	57
Estates Opened:	63
Investigations:	1,273
Monies Deposited to County:	\$3,929,165.42
Revenue/Interest:	\$1,070,541.21
Total:	\$4,999,706.63

FY: 2016

OPA Budget	\$1,111,234.00
Estates Closed:	70
Estates Opened:	68
Investigations:	1,289
Monies Deposited to County:	\$1,402,977.31
Revenue/Interest:	\$758,656.34
Total:	\$2,161,633.65

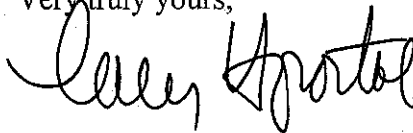
FY: 2015	
OPA Budget	\$1,190,191.00
Estates Closed:	73
Estates Opened:	64
Investigations:	1,269
Monies Deposited to County:	\$3,199,569.42
Revenue/Interest:	\$751,687.92
Total:	\$3,951,257.34

FY: 2014	
To date:	
OPA Budget	\$1,097,074.00
Estates Closed:	69
Estates Opened:	61
Investigations:	1,519
Monies Deposited to County:	\$3,524,260.13
Revenue/Interest:	\$798,103.92
Total:	\$4,322,364.05

It should be noted that these sums represent funds directly earned by this office despite how they may be characterized or accounted by the Treasurer's office after they are deposited there.

As always, please feel free to contact me in the event that you have any further questions or concerns.

Very truly yours,



Louis G. Apostol
Illinois Public Administrator for Cook County