



IRFC Quarterly Meeting

January 30, 2024



Roll call

Opening remarks

Approval of minutes

Agenda



Quarterly updates



FY2023 estimates



Long-term forecast



Next steps



Public comment

Quarterly updates



Principles of the IRFC

Principle	Action Taken
Document Economic and Operational Drivers	Tracked economic indicators and updated forecast
Pursue Consistency in Modeling	Utilized consistent methods for revenue forecasting, including alternative revenue scenarios
Systematically Track Monthly Operational and Revenue Data	Continued to analyze monthly revenues and expenses
Catalogue Historical Rates and Policies	Scoping revisions to tax history document
Review Alternative Scenarios	Researching feasibility of incorporating additional factors into Health Fund revenue scenarios
Benchmark Forecasts Against Other Jurisdictions	Meeting with City of Chicago about forecasting, and considering other opportunities for partnerships
Strive for Greater Collaboration	Conducted biweekly meetings with Cook County Health (CCH) staff

IRFC deliverables

Deliverable	Progress
Methodological report and tax history document	Published methodology report on the IRFC website
ARPA sustainability analysis	This work is currently being scoped alongside program sustainability evaluation
Access IDOR sales tax data	IDOR agreed to provide this data and the County has successfully downloaded a set
Economic and policy factors in the CCH revenue forecast	Staff has conducted research around the role of economic factors

Medicaid research

- States with comprehensive coverage have experienced an increase in Medicaid enrollment during economic recessions
- The relationship between unemployment rates and adult enrollment appears to be mixed
- Differences between states have shown to be more related to policy differences than unemployment rates

Proposed next step: develop alternative scenario for CountyCare membership that addresses the impact of a recession

FY2023 Estimates

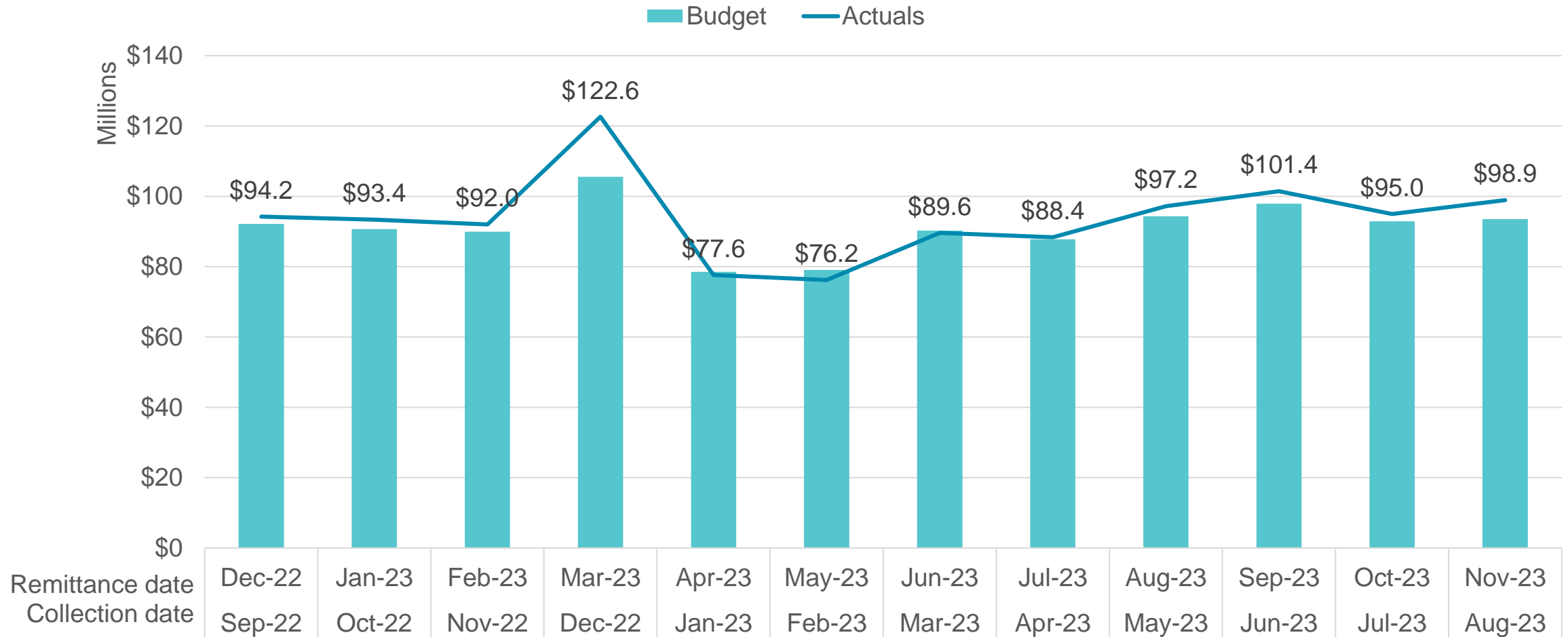


General and Transportation Fund estimates

		Appropriation	Estimate	Variance	% Variance
(in millions)		FY2023	FY2023		
Revenues	Property Taxes	\$293.5	\$286.8	(\$6.8)	(2.3%)
	Non Property Taxes	\$1,340.5	\$1,491.5	\$151.0	11.3%
	Fees	\$188.2	\$210.8	\$22.6	12.0%
	Intergovernmental Revenues	\$58.0	\$61.2	\$3.2	5.5%
	Miscellaneous Revenues	\$50.6	\$80.3	\$29.6	58.6%
	Other Financing Sources	\$43.4	\$42.5	(\$0.9)	(2.1%)
	Transportation Fund	\$237.5	\$243.2	\$5.7	2.4%
	Total Revenues	\$2,211.7	\$2,416.3	\$204.6	9.2%
Expenses	Salaries and Wages	\$1,071.7	\$1,022.8	\$48.8	4.6%
	Other Personnel Services	\$352.1	\$389.9	(\$37.7)	(10.7%)
	Contractual Services	\$124.9	\$79.5	\$45.4	36.3%
	Supplies and Materials	\$17.2	\$14.6	\$2.5	14.8%
	Operations and Maintenance	\$136.6	\$127.1	\$9.5	7.0%
	Capital Expenditures	\$3.4	\$3.7	(\$0.4)	(11.0%)
	Rental and Leasing	\$2.3	\$2.7	(\$0.4)	(16.3%)
	Contingency and Special Purposes	\$266.2	\$241.8	\$24.4	9.2%
	Transportation Fund	\$237.5	\$243.2	(\$5.7)	(2.4%)
	Total Expenses	\$2,211.7	\$2,125.3	\$86.4	3.9%
Net Result/Change in Fund Balance		\$0.0	\$291.0	\$291.0	



FY2023 sales tax revenue compared to forecast





Special Purpose Funds

Department	Special Purpose Fund
Assessor	11268 - Assessor Special Revenue 11276 - Erroneous Homestead Exemption Recovery 11282 - Cook County Assessor GIS Fee Fund
Chief Judge	11326 - Adult Probation Service Fee 11328 - Social Services Probation Court Fee
Circuit Court	11269 - Circuit Court Electronic Citation 11285 - Mortgage Foreclosure Mediation Program 11318 - Circuit Court Document Storage 11320 - Circuit Court Automation 11322 - Circuit Court Illinois Dispute Resolution
Election	11306 - Election
Hospital	11248 - Lead Poisoning Prevention 11255 - Suburban Tuberculosis Sanitarium District 11277 - Pharmaceutical Disposal Fund
MFT	11300 - Motor Fuel Tax 11856 - MFT Illinois First (1st)
States Attorney	11252 - State's Attorney Narcotics Forfeiture 11271 - State's Attorney Records Automation Fund
Treasurer	11854 - County Treasurer Tax Sales Automation

Department	Special Purpose Fund
Offices Under President	11249 - Geographical Information System 11259 - GIS Fee 11270 - Medical Examiner Fees 11272 - Public Defender Records Automation Fund 11273 - Environmental Control Solid Waste Management 11274 - Land Bank Authority 11275 - HUD Section 108 Loan Program 11281 - PEG Access Support Fund 11287 - Equity Fund 11290 - Opioid Remediation and Abatement 11302 - Township Roads 11310 - County Law Library 11312 - Animal Control
Recorder of Deeds	11258 - Clerk Circuit Court Administrative 11260 - Recorder Of Deeds Rental Housing Support Fee 11314 - County Recorder Document Storage System 11316 - County Clerk Automation
Sheriff	11262 - Sheriff's Women's Justice Services 11266 - Vehicle Purchase 11278 - Sheriff's Operations State Asset Forfeiture 11279 - Sheriff's Money Laundering State Asset Forfeiture 11288 - Zaborowski Fund 11291 - DOC Program Services Fund 11324 - Sheriff 911 - Intergovernmental Agreement - ETSB



Special Purpose Fund estimates

THE COUNTY OF COOK, ILLINOIS
 Special Purpose Funds Analysis of Expenses
 Thru Period 12 as of November 30, 2023

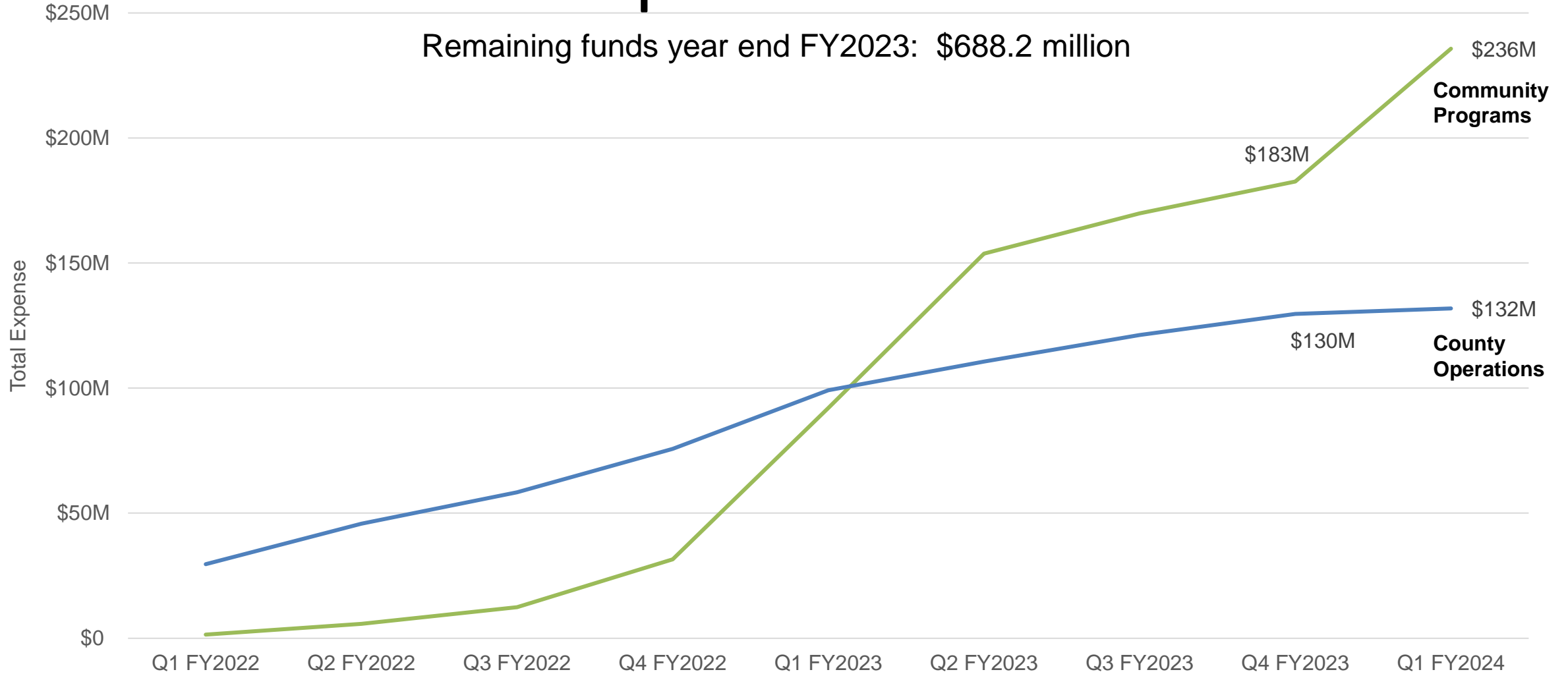
Department Name	YTD Revenue	YTD Expenses	FY2023 Ending Fund Balance (Preliminary)
Hospital	\$ 188,933	\$ 2,502,689	\$ 4,838,259
Offices Under President	58,222,288	12,992,570	126,245,306
States Attorney	990,965	2,830,959	892,006
Clerk / Recorder	6,945,672	8,131,475	20,644,320
Sheriff	2,089,489	2,126,445	3,104,275
Assessor	2,971,208	2,436,284	5,026,025
Circuit Court	15,215,057	12,127,984	6,466,325
MFT	179,061,157	172,755,419	455,808,295
Election	40,536,144	25,936,012	(1,876,311)
Chief Judge	4,379,143	664,618	8,147,746
Treasurer	12,973,133	11,757,125	14,616,129
	\$ 323,573,190	\$ 254,261,580	\$ 643,912,375

Motor Fuel Tax (11300) ending balance is based on Actual FY22 Ending Balance plus FY23 Revenue less FY23 Expenses
 Zaborowski Fund (11288) ending balance is based on Preliminary FY22 Ending Balance plus FY23 Revenue less FY23 Expenses



ARPA: Expenses Over Time

Remaining funds year end FY2023: \$688.2 million





Update on pandemic impacted revenues

(in millions)	Actual FY2019	Actual FY2020	Actual FY2021	Actual FY2022	Estimate FY2023	FY19 - FY23 % change	Old FY23 (2020 projection)	Old FY23 – Estimate FY23 % change
Gasoline / Diesel Tax	\$95.0	\$82.6	\$85.0	\$86.1	\$85.6	(9.9%)	\$90.7	(5.7%)
Amusement Tax	\$38.7	\$12.5	\$17.9	\$36.7	\$44.4	14.9%	\$42.0	5.8%
Parking Lot and Garage Operation*	\$49.0	\$29.4	\$32.2	\$45.3	\$49.5	0.9%	\$51.1	(3.2%)
Hotel Accommodations Tax	\$35.6	\$12.2	\$15.8	\$32.7	\$37.8	6.4%	\$37.0	2.3%
Total - home rule taxes	\$218.2	\$136.7	\$151.0	\$200.8	\$217.3	(0.4%)	\$220.8	(1.6%)

*Totals without audits

- The FY2023 amounts in the highlighted column were projections published in the FY2020 Adopted Budget.
 - Hotel accommodations and amusement tax revenues have recovered to pre-pandemic levels and are slightly higher than pre-pandemic projections.
 - Parking lot and garage operation tax revenue is slightly higher than pre-pandemic levels, but FY2023 is trailing the pre-pandemic projection.
 - Gasoline/diesel tax revenue continues its downward trend, however, FY2023 revenues are lower than the pre-pandemic projection.

General Fund long-term forecast

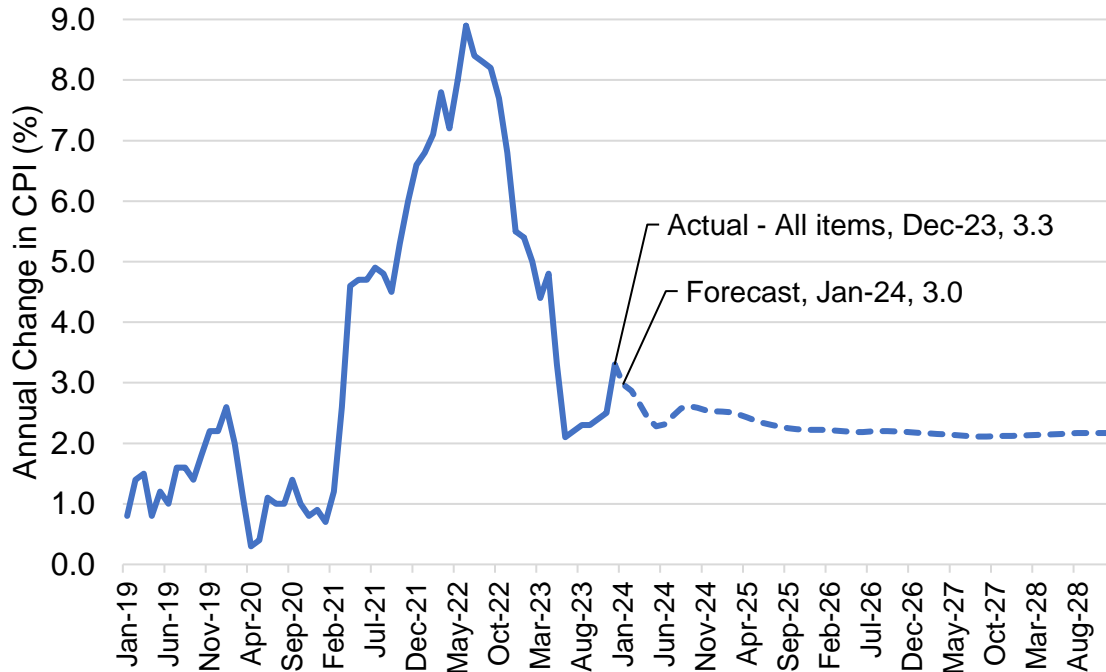


Economic update

Inflation growth continued to decline from its June 2022 peak, but CPI growth has slowly ticked higher in recent months.

After experiencing 5.9% growth in 2021 and 2.1% in 2022, **U.S. economic growth** is projected to slow in 2024 as the economy faces elevated interest rates from the Fed's efforts to bring down inflation.

Year over year percent change in Consumer Price Index, Chicago MSA, actual and forecasted, 2019-28



Sources: U.S. BLS, January 2023; Moody's Analytics, December 2023

Real GDP forecasts

Year	Federal Reserve	Moody's	Survey of Professional Forecasters	Wall Street Journal
2023	2.6%	2.4%	2.4%	2.6%
2024	1.4%	1.9%	1.7%	1.0%
2025	1.8%	1.6%	1.8%	2.0%
2026	1.9%	2.1%	2.1%	2.0%
2027	1.8%	2.3%	2.1%	1.9%

Sources: Federal Open Market Committee, December 2023; Moody's Analytics, January 2024; Survey of Professional Forecasters, November 2023; Wall Street Journal Economic Forecasting Survey, January 2024



General Fund forecast Changes from October 2023 forecast





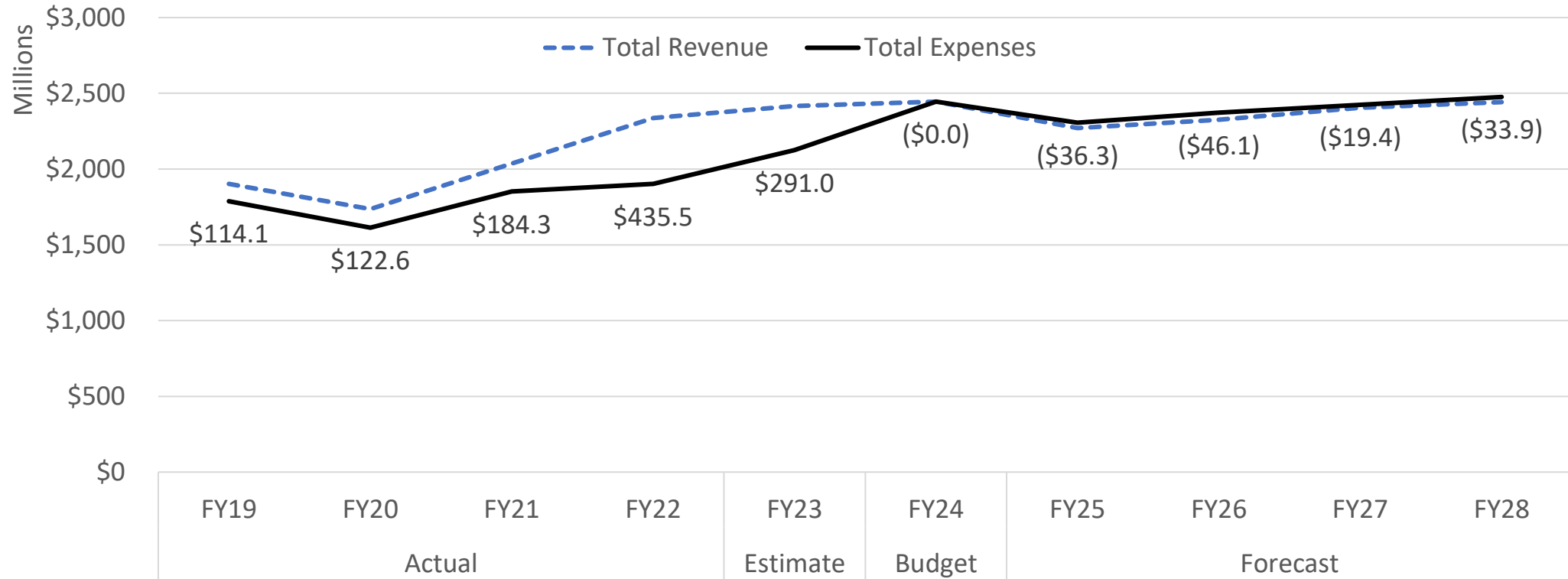
General Fund forecast

Major changes from October 2023 forecast

Revenue source	January forecast FY2025	Percent change in forecast FY2025	Amount change in forecast from October 2023 forecast			
			FY2025	FY2026	FY2027	FY2028
401150-County Sales Tax	\$1,155.4	1.5%	\$17.5	\$0.0	(\$10.0)	(\$13.5)
407010-Miscellaneous Revenue	\$40.7	10.1%	\$3.7	\$4.7	\$4.1	\$4.3
402548-Clerk of the Circuit Court Fees	\$65.6	(2.4%)	(\$1.6)	(\$1.8)	(\$2.0)	(\$2.2)
400010-Property Taxes	\$170.0	(3.6%)	(\$6.3)	(\$6.3)	(\$5.6)	(\$10.8)
Subtotal major changes	\$1,431.8	0.9%	\$13.3	(\$3.4)	(\$13.4)	(\$22.1)
Other GF revenues	\$588.5	0.1%	\$0.5	(\$0.9)	(\$0.5)	\$0.3
Total GF revenues	\$2,020.3	0.7%	\$13.9	(\$4.3)	(\$13.9)	(\$21.9)



General Fund Net Surplus/(Deficit) Projection

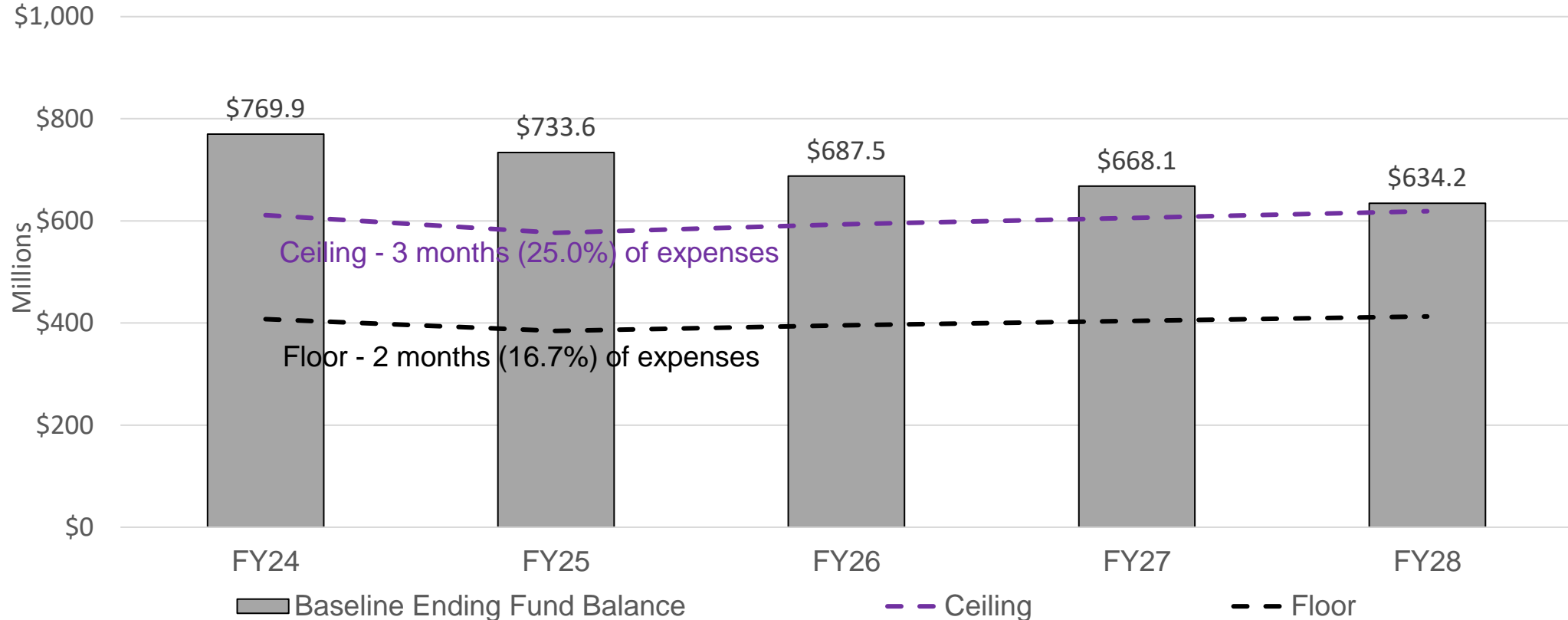


* includes Transportation Related Home Rule Taxes Fund

- The amounts displayed along the lines in the chart represent the net surplus or (deficit) corresponding to the fiscal year when considering the total revenue against total expenses



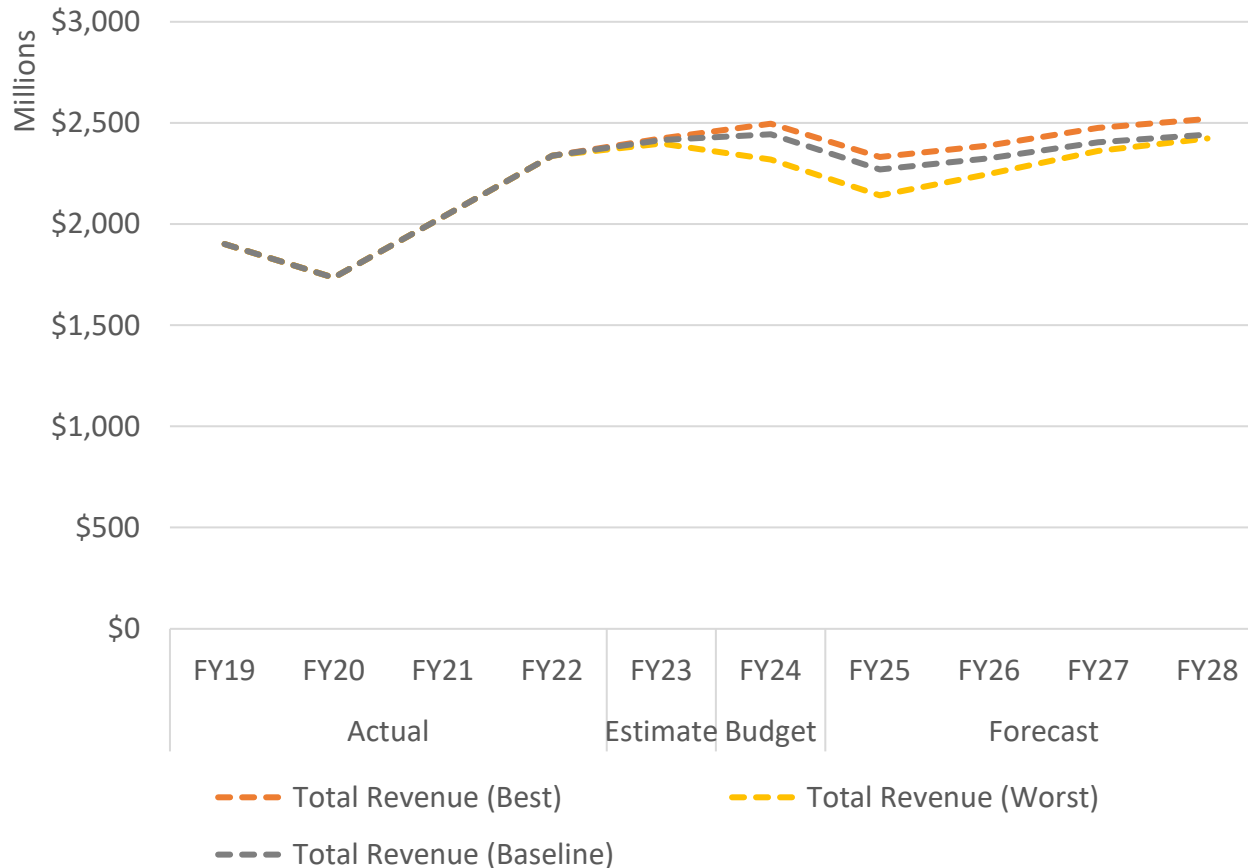
General Fund Unassigned ending fund balance



- Floor represents 2 months of projected annual expenses and Ceiling represents 3 months of projected annual expenses
 - Floor and ceiling calculations determined pursuant to Government Finance Officers Association (GFOA) recommendations and Cook County’s Fund Diversity And Stabilization/Financial Reserve Policy.
- Floor and ceiling incorporate both General Fund and Transportation Related Home Rule Taxes Fund expenses



General Fund revenue scenarios



Scenario Assumptions

Best

- The economy has a 10% chance of performing better and a 90% chance of performing worse
- Interest rates & inflation are a bit higher than baseline due to stronger growth
- Russian invasion of Ukraine and the Hamas-Israel conflict resolve faster than anticipated
- The economy has more than full employment starting in Q1 2024

Baseline

- The economy has a 50% chance of performing better and a 50% chance of performing worse
- The Fed is done tightening and will begin easing interest rates in June 2024
- Inflation growth will approach the Fed's 2% target by Q4 2024
- Federal government avoids a shutdown and remains in continuous operation through 2024

Worst

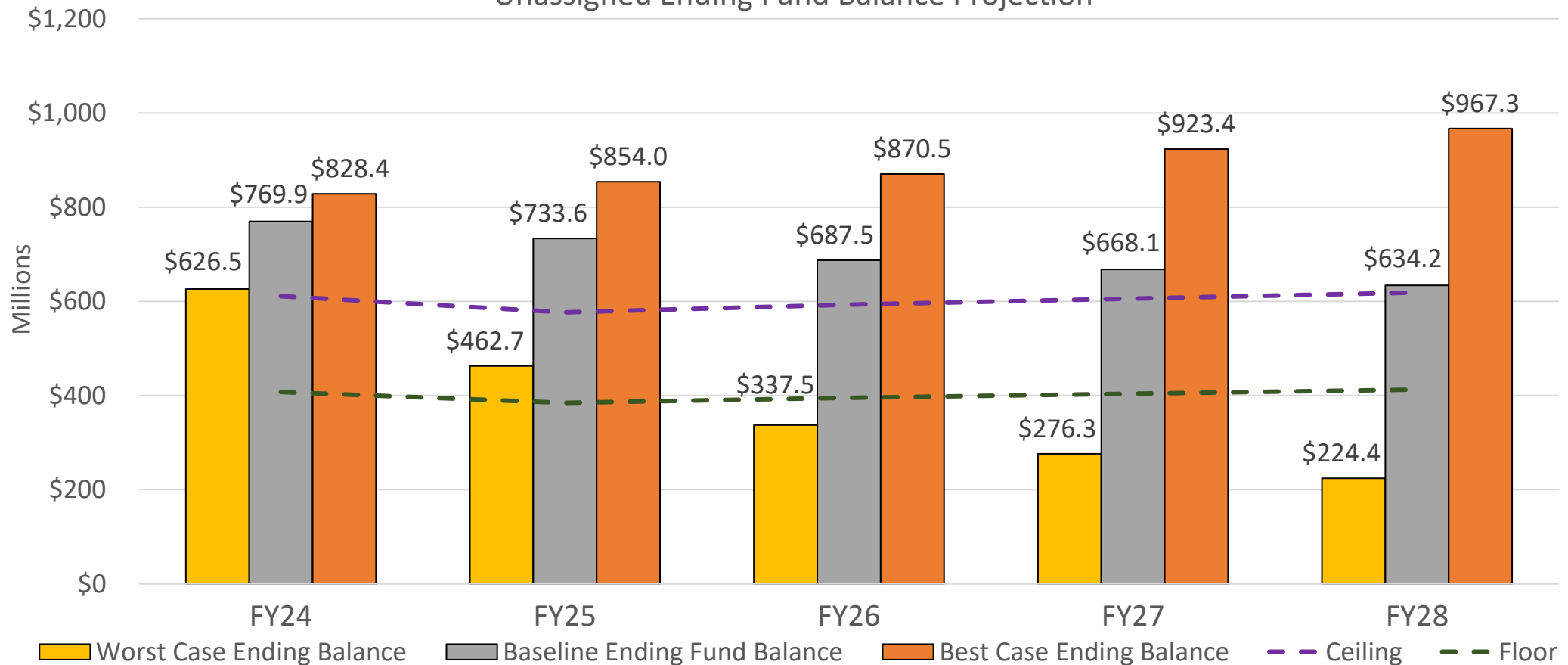
- The economy has a 90% chance of performing better and a 10% chance of performing worse
- Unemployment increases starting in Q1 2024, peaking at 7.7% in Q1 2025
- Economy enters a recession in Q1 2024 due to federal government shutdown, political tensions, recent bank failures, still-elevated inflation, and the Fed's decision to initially keep the fed funds rate elevated

*Includes both General Fund and Transportation Related Home Rule Taxes Fund



General Fund - fund balance scenarios

Unassigned Ending Fund Balance Projection



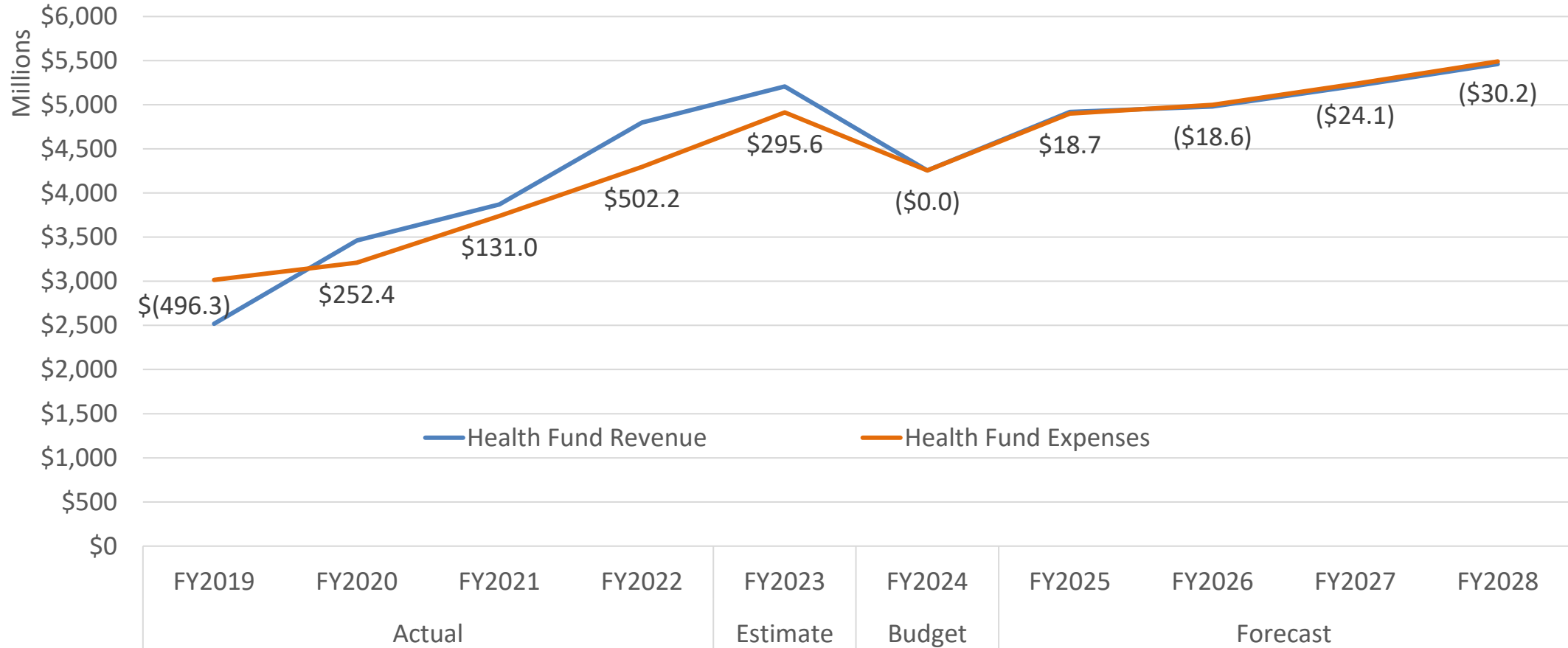
*Incorporates both General Fund and Transportation Related Home Rule Taxes Fund

- Base scenario - the economy has a 50% chance of performing better and a 50% chance of performing worse
- Worst case scenario - the economy has a 90% chance of performing better and a 10% chance of performing worse
- Best case scenario - the economy has a 10% chance of performing better and a 90% chance of performing worse

Health Fund long-term forecast



Health Fund Net Surplus/(Deficit)



- Revenues are expected to be just short of expenses in the out-year projections
- Property tax allocations to the Health fund are expected to increase by \$10 million annually
- Declines in revenues and expenses in FY2024 can be attributed to the reinstatement of redeterminations at Health Plan Services, some of which will be offset by the addition of Immigrant Senior and Immigrant Adult programs.

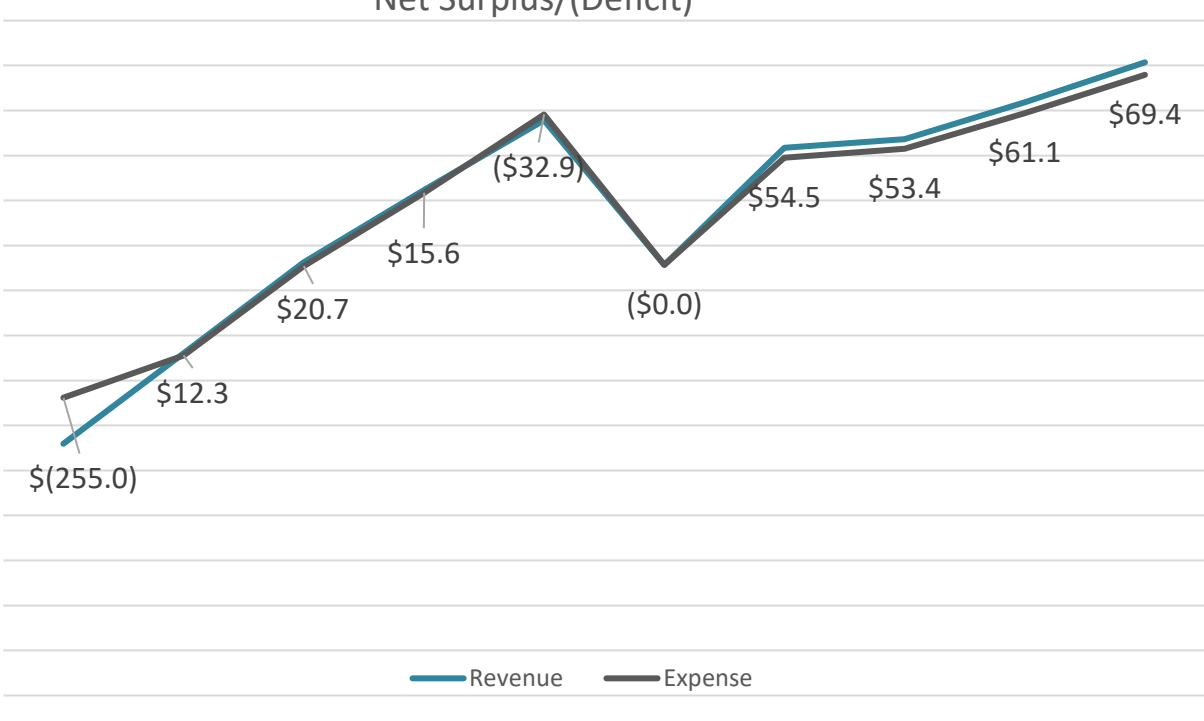
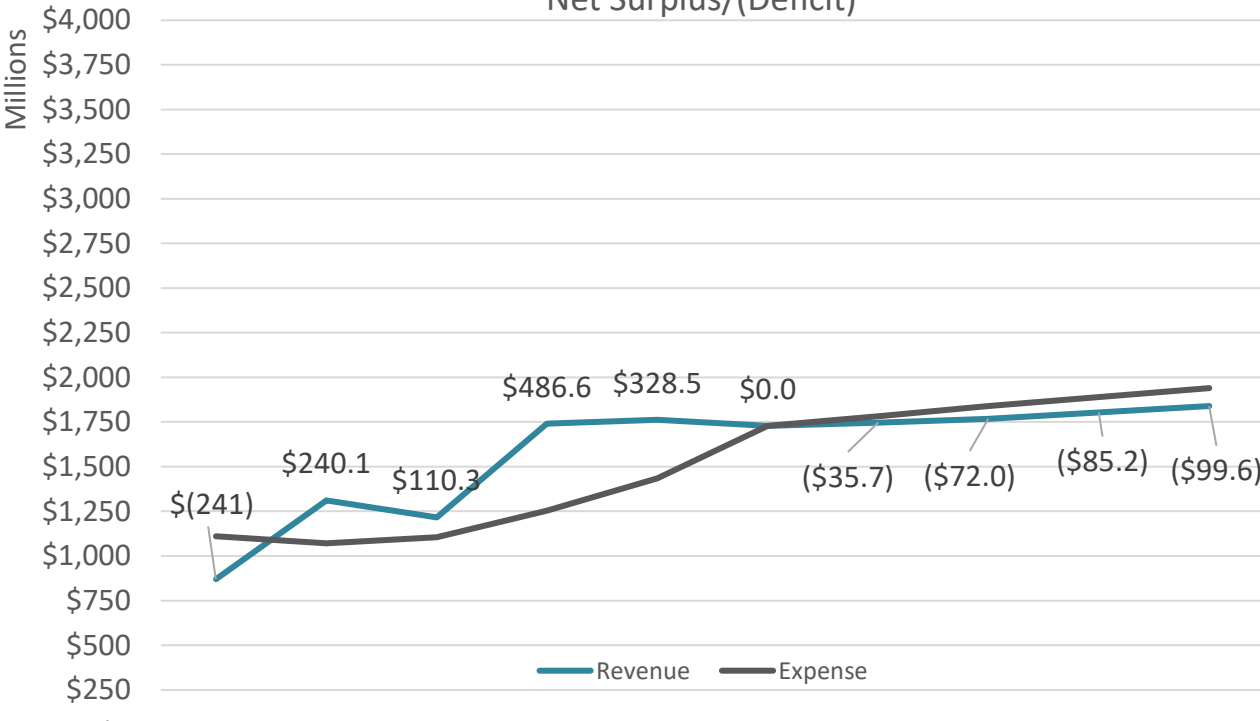


Health Fund

Health Care Services and Health Plan Services

CCH - Health Care Services
Net Surplus/(Deficit)

Health Plan Services (CountyCare)
Net Surplus/(Deficit)



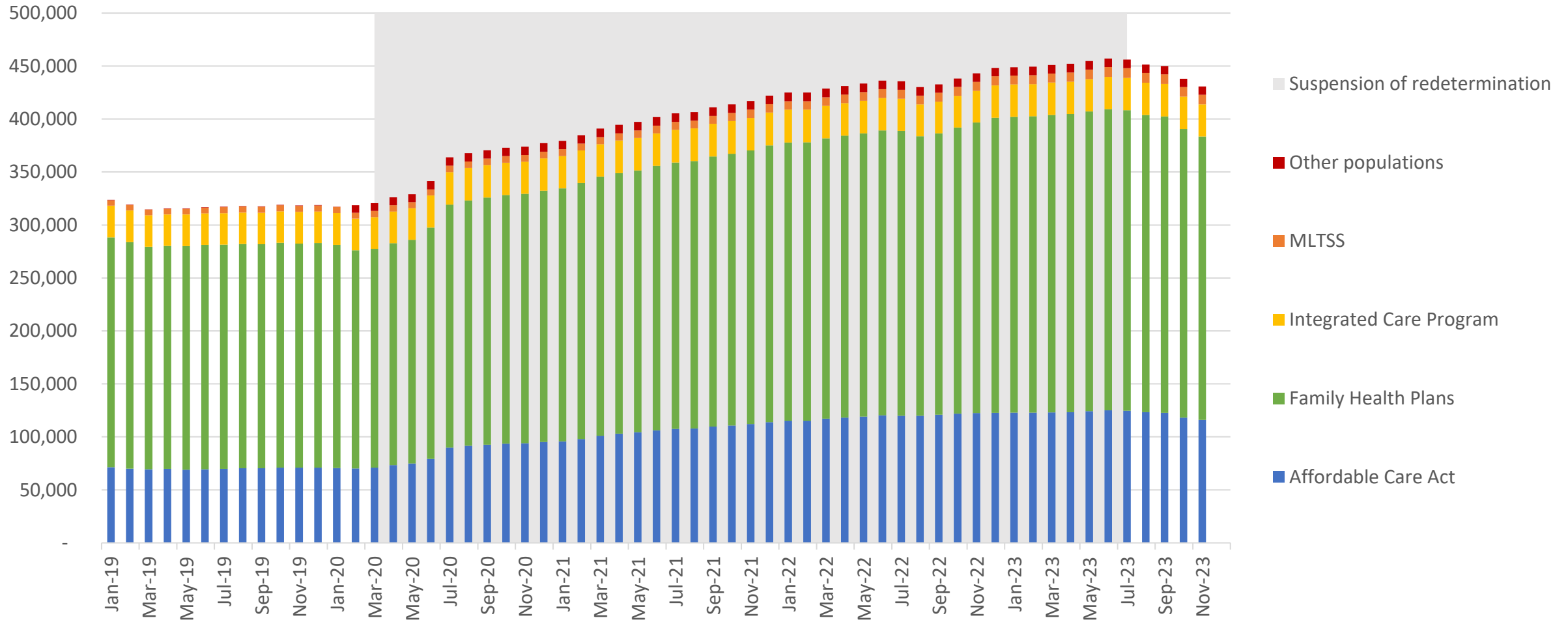
FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Actual			Estimate		Budget	Forecast			

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Actual			Estimate		Budget	Forecast			

*Domestic claims elimination excluded from totals in both charts

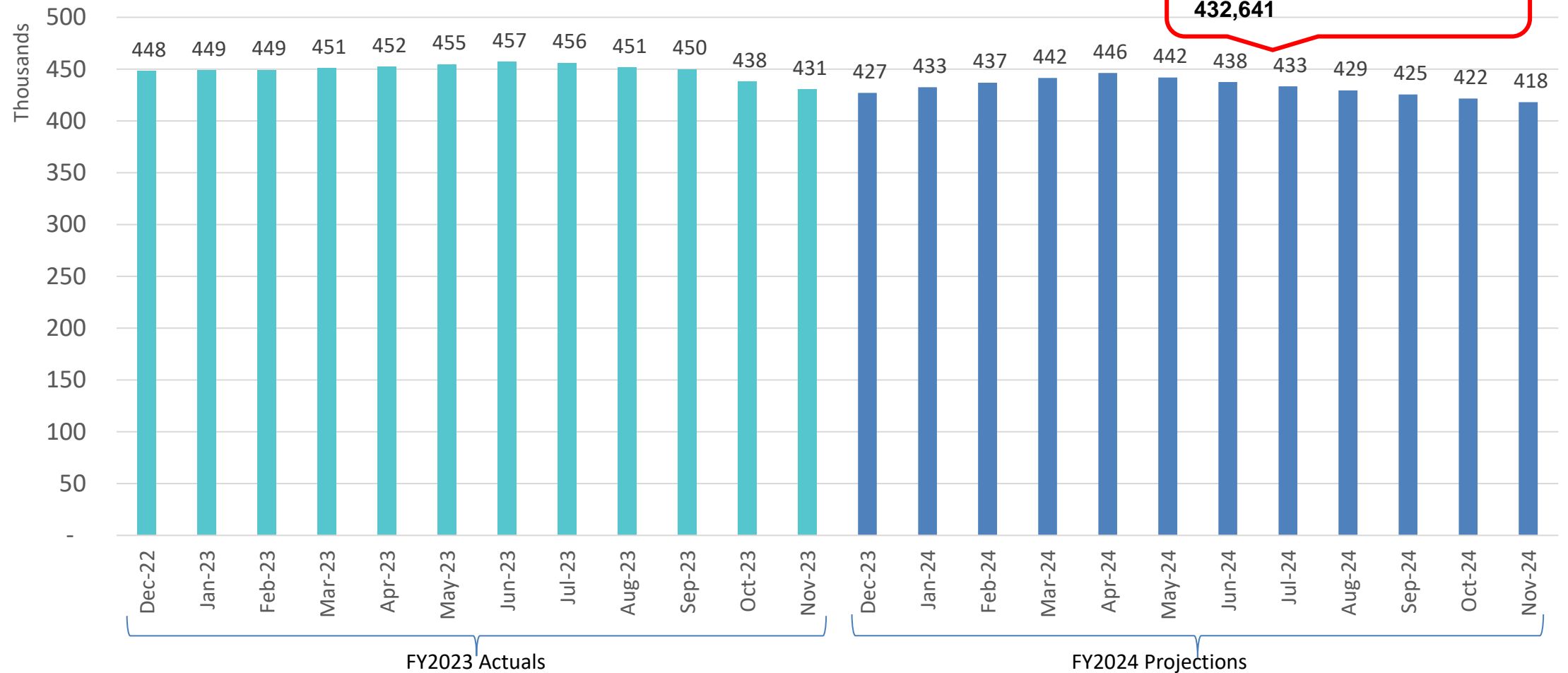


CountyCare Membership, 2019 - 2023





FY2024 Membership Projections: CountyCare

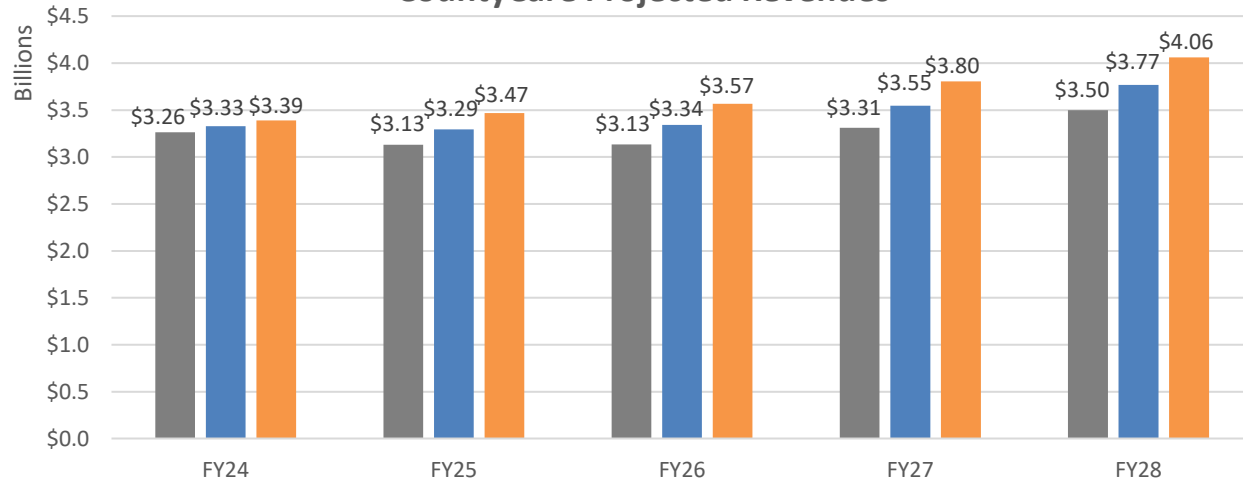


*increase in membership rates is due to the addition of Immigrant Adult and Immigrant Senior programs



Health Fund: CountyCare scenarios

CountyCare Projected Revenues



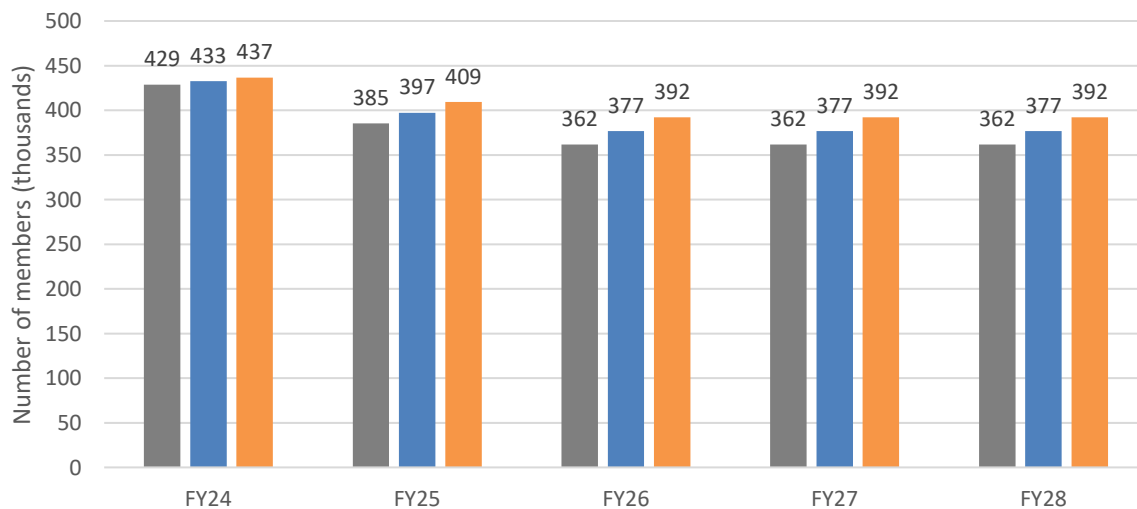
For **all scenarios**, average monthly membership is anticipated to drop initially in FY2024 and then again in FY2025.

Conservative: assumes auto-assignment and choice adds will be lower and member terminations will be higher than the previous 3-month average; PMPM rates will increase slower than past trends

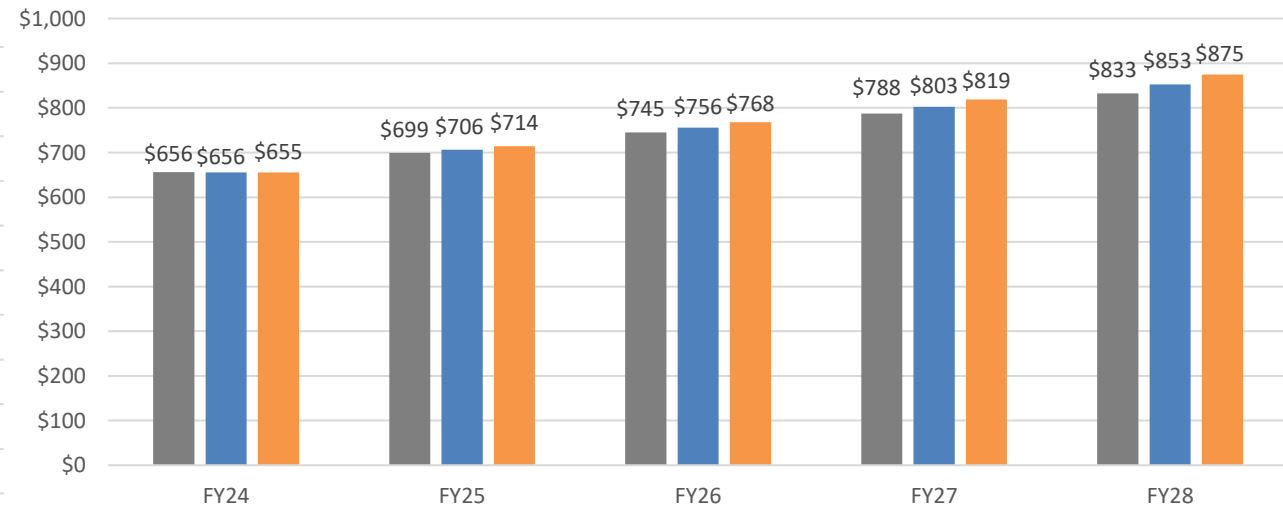
Baseline: assumes auto-assignment, choice adds, and member terminations will follow the previous 3-month average; PMPM rates will increase as in the past.

Optimistic: assumes auto-assignment and choice adds will be higher and member terminations will be lower than the previous 3-month average; PMPM rates will increase faster than past trends

CountyCare Average Monthly Membership Projections



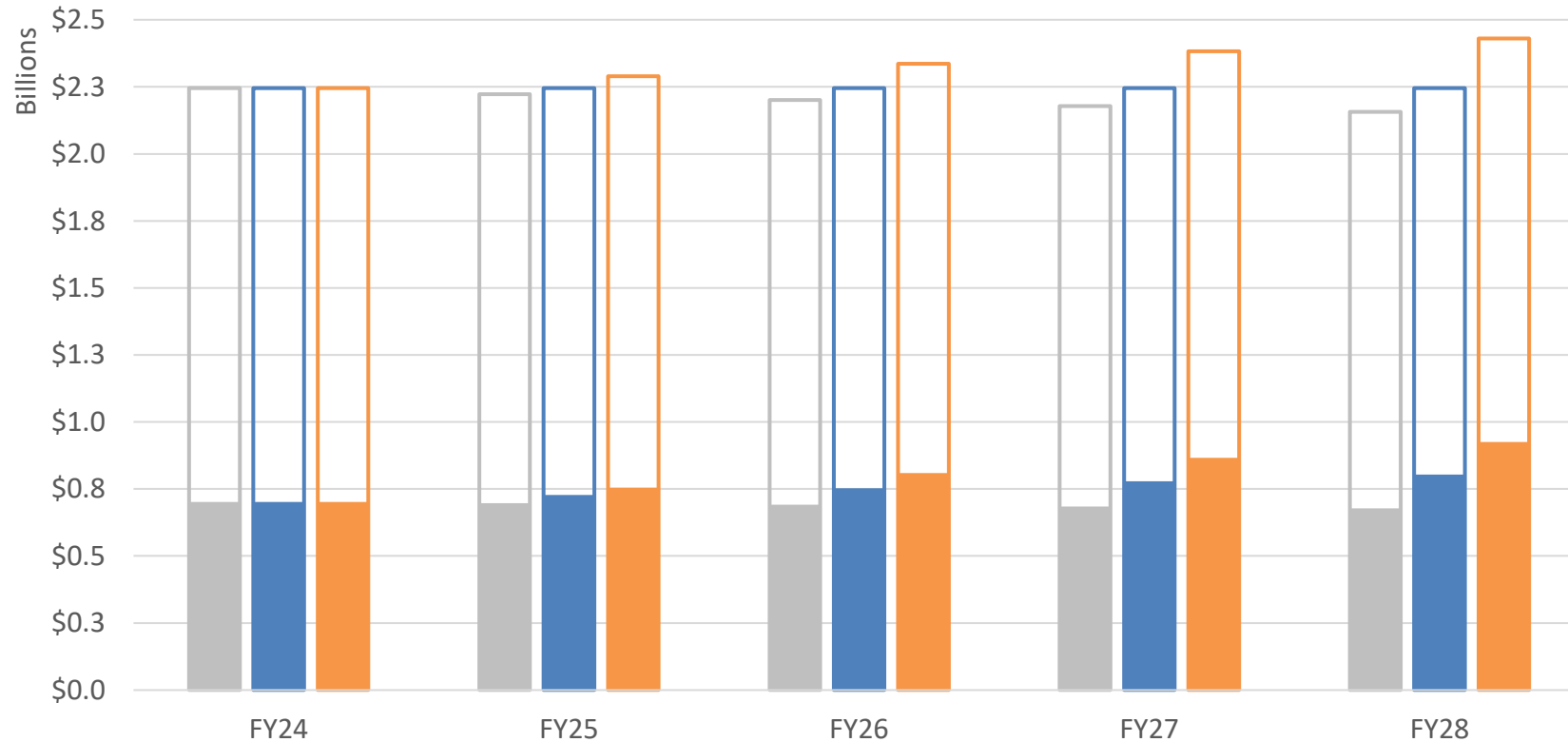
CountyCare Average PMPM Revenue





Health Fund Net patient service revenue scenarios

Net patient service revenue compared to gross charges, FY2024-28



Scenario Assumptions

Conservative: volume and associated gross charges decline, fewer people will have Medicaid coverage, and reimbursement rates will fall below inflation

Baseline: consistent volume, people will maintain current coverage, and reimbursement rates will be consistent with inflation

Optimistic: that volume and associated gross charges will increase, more self pay will be covered by Medicaid, and reimbursement rates will be higher than inflation

*Estimates of gross charges billed by CCH are represented by the full bar and net patient service revenue estimated to accrue to CCH is represented by the filled in portion of the bar.

Next steps

Meeting calendar

February

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

February 29: County Board meeting

March

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

March 14: County Board meeting

April

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

April 18: County Board meeting
April 30: IRFC quarterly meeting

Public comment

Adjournment