



COOK COUNTY
BUREAU OF
FINANCE

Independent Revenue Forecasting Commission

Approval of
recommendations

August 28, 2024



Agenda

-  Roll call
-  Approval of minutes
-  Opening remarks
-  Quarterly updates
-  IRFC recommendations
-  Next steps
-  Public comment



Quarterly updates



Principles of the IRFC

Principle	Action Taken
Document economic and operational drivers	Tracked economic indicators
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 future work in this area
Review alternative scenarios	Considering technical improvements to General Fund scenario modeling
Benchmark forecasts against other jurisdictions	Discussed sales tax forecasting with the RTA
Strive for greater collaboration	Conducted biweekly meetings with Cook County Health staff



IRFC deliverables

Deliverable	Progress
Methodological report and tax history document	Determined new sections to be drafted during 3 rd and 4 th quarters
ARPA sustainability analysis	This work is being performed alongside overall sustainability evaluation
Access IDOR sales tax data	Cleaning data to prepare for further analysis
Economic and policy factors in the CCH revenue forecast	Made estimates on the impact; intend to revisit forecasting methods next year

CountyCare membership

- Research* indicates that a 1 percentage point increase in the local unemployment rate was associated with 0.25 percentage point increase in being unemployed with Medicaid in states with generous benefits.
- Moody's Analytics S3 scenario (economy has a 90% chance of performing better and a 10% chance of performing worse) assumes an 8.9% unemployment rate in the 4th quarter of 2025, as compared to 4.7% in the baseline
- Results under this scenario produce a 1.7% membership increase
- CountyCare would receive PMPM revenues for the new members
- The impact on the system would depend on the level and timing of the receipt of the PMPM revenues

	Increase in unemployment rate	
	1 percentage point	4.2 percentage points
Increase in Medicaid enrollees in Cook County*	7,588	32,046
Enrollees assumed to be in a managed care plan (72%)	5,469	23,095
Portion of enrollees to CountyCare (32% market share)	1,750	7,391
Percent increase in CountyCare members	0.4%	1.7%

*Based on estimates of non-disabled non-elderly adult residents of Cook County



Documentation scoping – new sections

Long-term forecasting methodology document

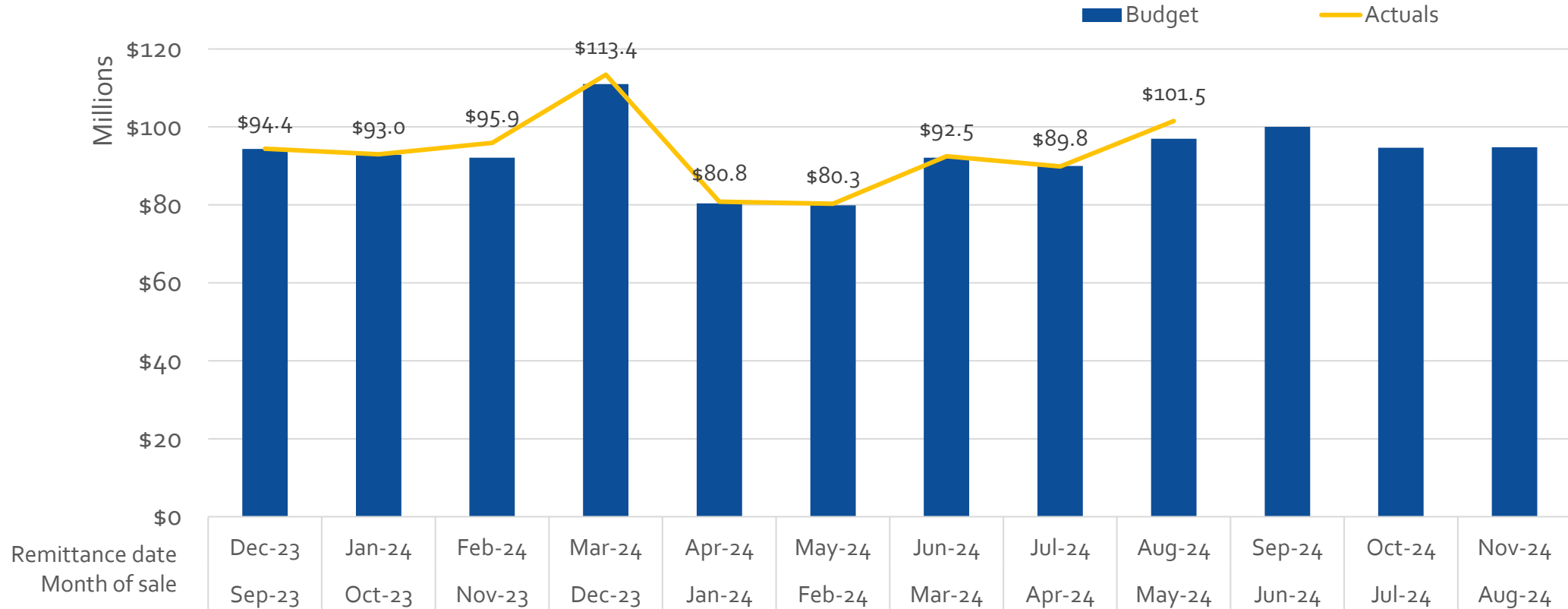
- Amusement tax
- Hotel accommodations tax
- Cook County's disbursements of state Income & Use tax
- Medical Examiner fees

Tax history

- Non retailer trans use tax
- New motor vehicle tax
- Firearms tax
- Gambling machine tax
- Hotel accommodations tax
- Real estate transfer tax



FY2024 sales tax revenue compared to forecast



Note: Amounts displayed along line are Actuals



Sales tax updates

Remote sales variable

- Tested and adjusted phase-in variable for capturing the impact of the Leveling the Playing Field for Illinois Retail Act (remote sales)

Moody's

- Met with Moody's Analytics team to discuss various forecasting topics
- Tested model using recommended economic metrics for sales tax



Recommendations





Revisit sales tax forecast methodology



- Pursue methodology and process improvements around the sales tax forecast, a critical part of the county's fiscal condition
- Engage with the Illinois Department of Revenue and other regional partners
- Clarify approach to comparing methods and economic drivers of sales tax revenue



Revisit sales tax forecast methodology

Next steps

Deliverable	Timing
Revise assumptions around the phasing in of remote sales after January 2021 using detailed sales tax data from the Illinois Department of Revenue or other modeling methods	3 rd /4 th quarter FY2024
Ensure forecasting assumptions are consistent with administrative and legislative changes at the state level by establishing regular communication with the Illinois Department of Revenue	3 rd /4 th quarter FY2024
Clarify and document the approach to comparing methods and economic drivers of sales tax revenue	1st quarter of FY2025
Research how other governments with substantive sales tax revenues forecast their sales tax and continue to meet with regional partners	1st quarter of FY2025
Test out changes to methodology, incorporating IRFC feedback and best practices from other governments	2nd quarter of FY2025



Review CountyCare financial metrics and membership forecasting methods



- Currently, pre-pandemic trends as well as short-term trends in membership are being used to forecast membership
- New enrollment trends may emerge once the cycle of the resumption of redetermination is complete
- CCH, in conjunction with OCFO, should consider new methods based on these trends and throughout the year, actuals should be used to validate the methods
- Beyond the membership forecast, there are other sources of financial risk associated with variances from the assumptions included in the baseline forecast for CountyCare



Review CountyCare financial metrics and membership forecasting methods

Next steps

Deliverable	Timing
CCH will assess whether new enrollment trends have emerged that need to be accounted for in membership forecasting methodology	1st quarter of FY2025
CCH and the OCFO will provide data on financial metrics, as well as information about financial risks associated with variances from the assumptions driving the baseline forecast.	1st quarter of FY2025
If warranted, CCH, in consultation with the OCFO, will consider new membership forecasting methodology	2nd quarter of FY2025
Any new forecasting methodology would be integrated into the membership forecast	3rd quarter of FY2025
Document forecasting methodologies	3rd quarter of FY2025



Continue to consider options to sustain ARPA programs in the long term



- The County is undertaking an extensive process to assess the overall sustainability of ARPA-funded initiatives
- Initiatives identified as priorities to remain after 2026 would require a source of funding



Continue to consider options to sustain ARPA programs in the long term

Next steps

Deliverable	Timing
Provide the IRFC with regular updates on the ARPA sustainability process, including efforts to identify external funding opportunities that would provide a sustainable source of funding.	Throughout FY2025
Continue efforts to be proactive in identifying data and research that would be required to plan and perform analysis of any new funding sources for ARPA programs.	Throughout FY2025



Next steps





Meeting calendar

September

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					

September 19: County Board meeting

October

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		

October 10: Executive Recommendation
October 24: County Board meeting
October 30: IRFC quarterly meeting

November

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

November 21: County Board meeting



Public comment





Adjournment

