



COOK COUNTY

PRESENTATION OF OCFO FORECAST TO THE IRFC

JULY 1, 2021

TONI PRECKWINKLE
PRESIDENT, COOK COUNTY BOARD OF COMMISSIONERS



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Opening Remarks



Approval of the Minutes

Agenda



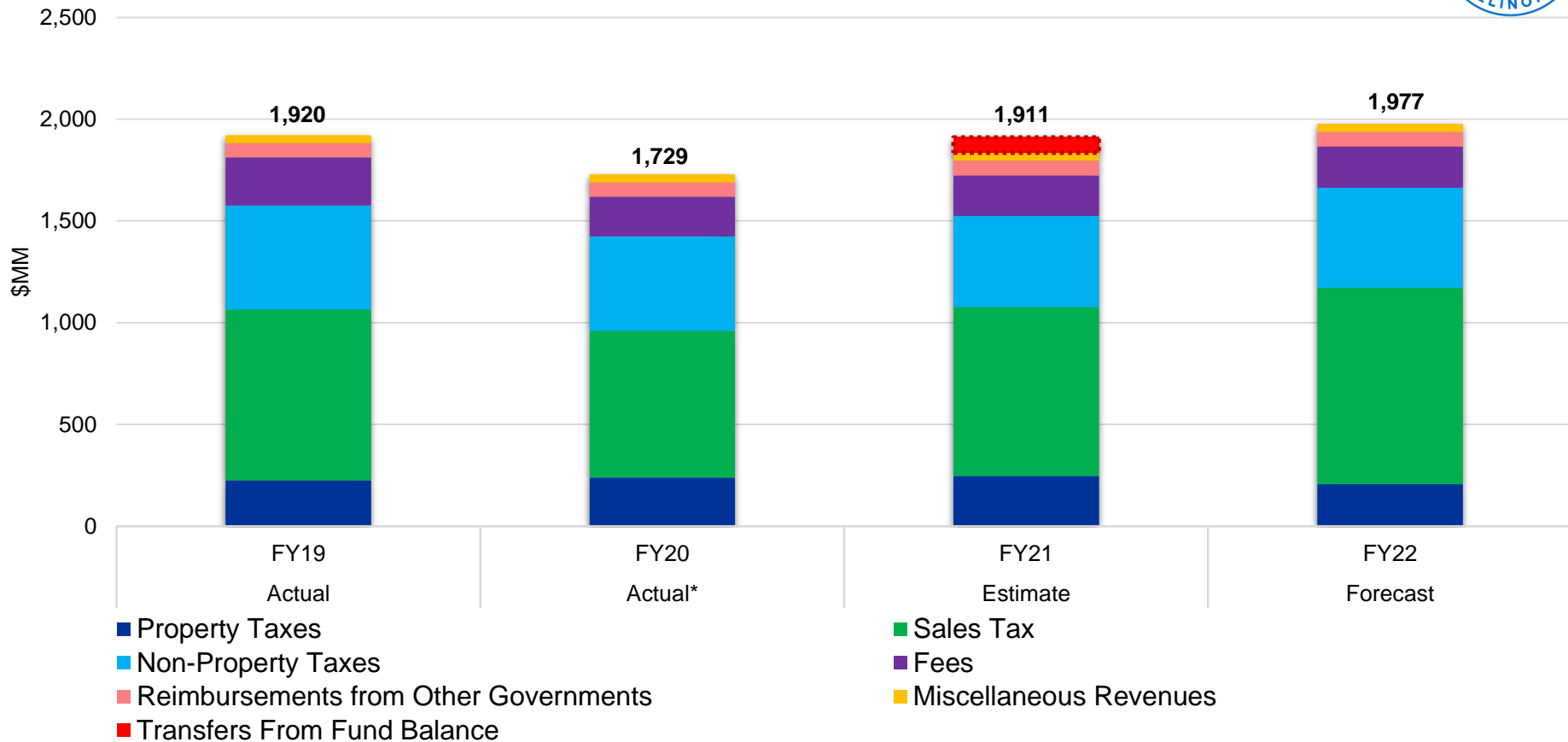
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**Preliminary
Revenue Estimates
FY 2021/2022**

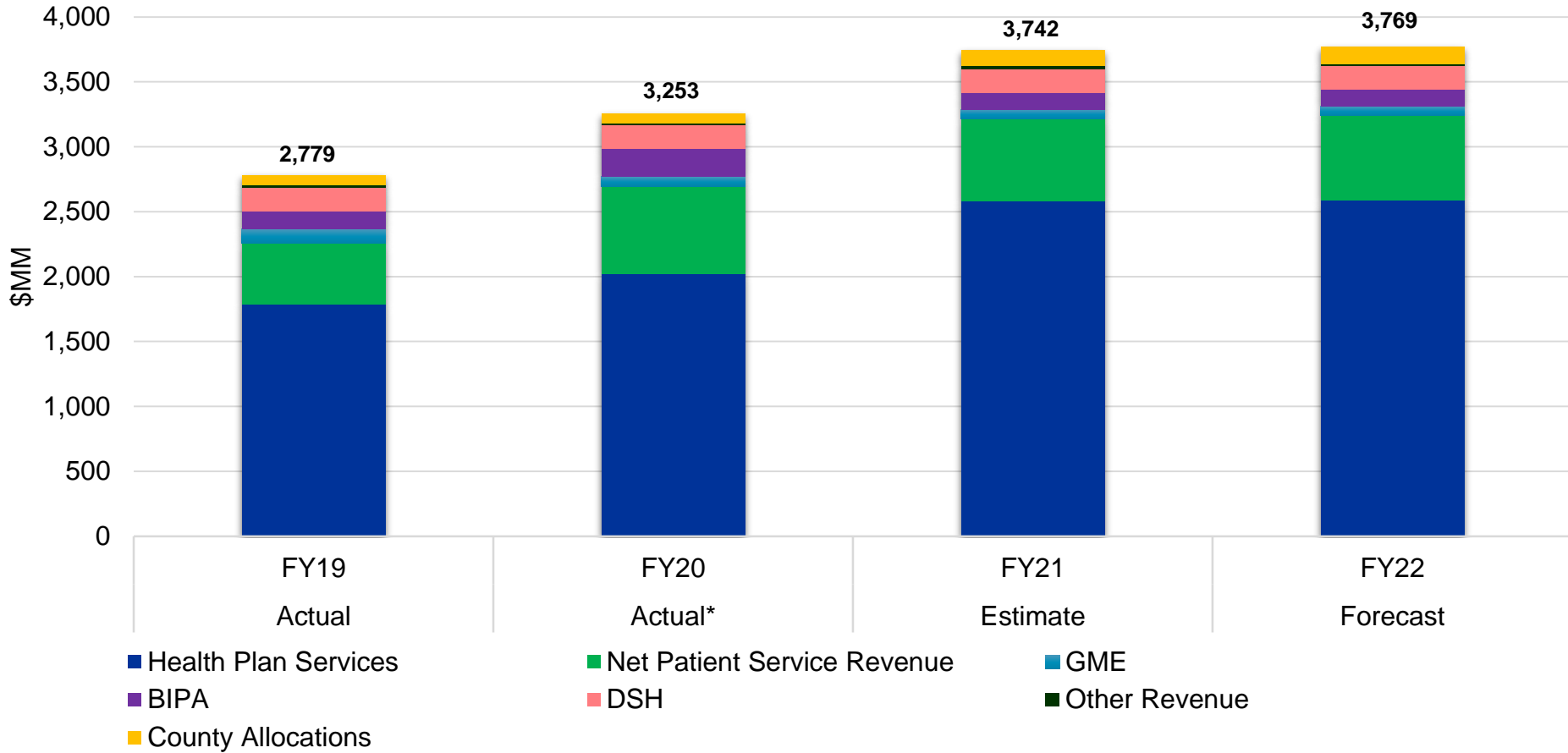


General Fund Preliminary Forecast



	FY20-FY21 Variance (%)	FY21-22 Variance (%)	5-Yr. CAGR (%)
Property Taxes	+3.6%	-16.6%	-3.9%
Sales Tax	+14.9%	+16.4%	+5.0%
Non-Property Taxes	-3.3%	+9.8%	+1.9%
Fees	+2.2%	+2.0%	-0.2%
Total GF Revenues	+10.5%	+3.5%	+2.72%

Health Funds Preliminary Revenue Forecast



	FY20-FY21 Variance (%)	FY21-22 Variance (%)	5-Yr. CAGR (%)
Health Plan Services	+27.4%	+0.5%	+0.5%
Net Patient Service Revenue	-5.3%	+1.9%	+1.9%
Total HF Revenues	15.0%	0.7%	1.4%

FY21/22 Economic Indicators



	<h3>Employment</h3> <p>The US economy has recovered 559,000 jobs in May 2021 and unemployment rate fell to 5.8% the lowest since the pandemic</p>		<h3>Vaccinations</h3> <p>45% of the total US Adult Population has completed their COVID-19 Vaccination</p>
<h3>Air Travel</h3> <p>U.S. airlines carried 9.5% more scheduled service passengers in May 2021 than in April 2021</p>		<h3>Retail Sales</h3> <p>Advance estimates of U.S. retail and food services sales for May 2021, were 28.1% above May 2020</p>	

<u>Date</u>	<u>Source</u>	<u>Notes</u>
6/21/2021	BTS	https://www.bts.gov/newsroom/air-travel-consumer-report-may-2021-numbers
6/25/2021	CDC	https://www.cdc.gov/mmwr/volumes/70/wr/mm7025e1.htm?s_cid=mm7025e1_w
6/04/2021	BLS	https://www.bls.gov/news.release/pdf/empst.pdf
6/15/2021	US Census Bureau	https://www.census.gov/retail/marts/www/marts_current.pdf

New Federal Policies



American Rescue Plan

- American Rescue Plan is providing \$350 billion in emergency funding to local governments
- Money is being given for capital projects, homeowner assistance, emergency rental assistance, and small businesses
- **\$1.0 Billion is allocated directly to Cook County**
- \$1.9 Billion is allocated to Chicago
- \$257.5 Million is allocated to Suburban Cook County Cities
- Additional funds are allocated to non-entitlement communities within the Region via the State (\$742.2 Million)



Child Tax Credit

- A tax credit is being delivered to middle- and working-class families
- Tax Credit applied in July
- Estimated to effect 90% of families with children



American Jobs Plan

- Approximate \$1.2 trillion plan to improve infrastructure
- Investing in transportation, home care, manufacturing, and more

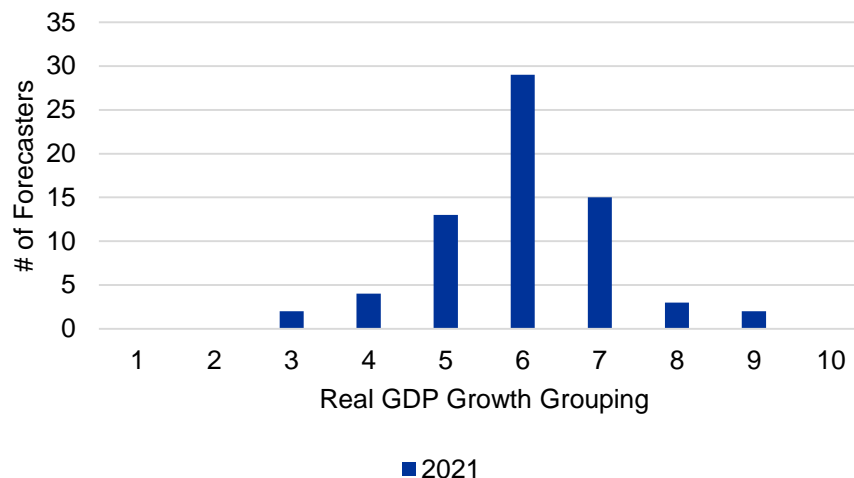


Federal Spending



*Federal spending is driving a strong economic recovery in 2021

WSJ Survey Real GDP Growth Distribution



REAL GDP FORECASTS

Year	Moody's*	SPF	WSJ	CBO	Federal Reserve	Mean
2021	5.8%	6.3%	6.4%	3.7%	7.0%	5.8%
2022	4.5%	4.3%	3.2%	2.4%	3.3%	3.5%
2023	2.0%	2.6%	2.4%	2.3%	2.4%	2.3%
2024	2.6%	2.3%	2.4%	2.2%	1.8%	2.3%
2025	2.2%	2.3%	2.4%	2.2%	1.8%	2.2%

CPI FORECASTS

Year	Moody's*	SPF	WSJ	CBO	Federal Reserve	Mean
2021	3.6%	3.0%	2.5%	1.9%	3.4%	2.9%
2022	2.9%	2.3%	2.3%	2.1%	2.1%	2.3%
2023	2.3%	2.3%	2.3%	2.3%	2.2%	2.3%
2024	2.3%	2.4%	2.3%	2.4%	2.0%	2.3%
2025	2.3%	2.4%	2.3%	2.4%	2.0%	2.3%

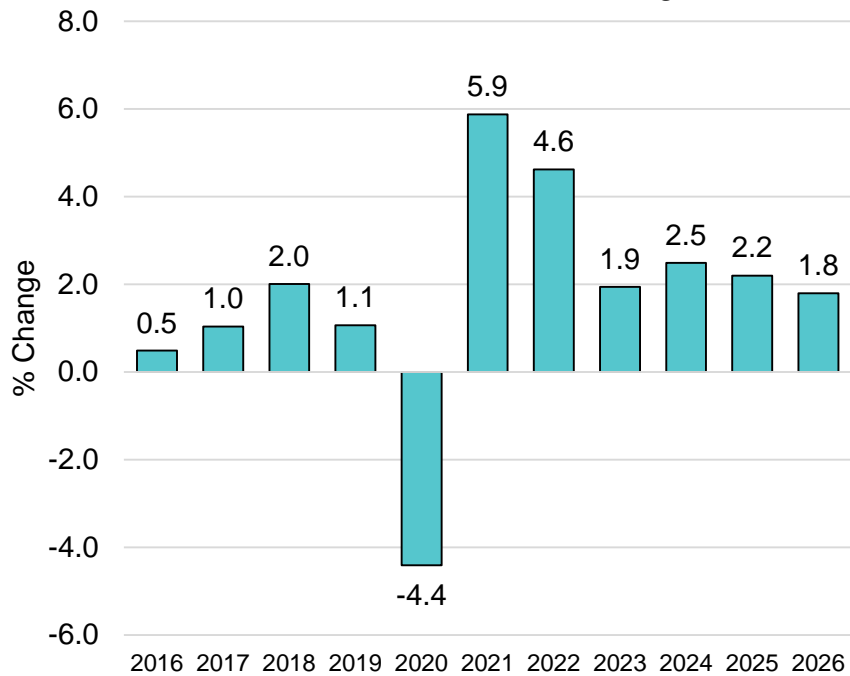
Date	Source	Notes
3/10/2021	WSJ	https://www.wsj.com/articles/latest-stimulus-package-could-jolt-u-s-growth-revive-inflation-in-2021-11615372201?mod=article_inline
2/1/2021	CBO	https://www.cbo.gov/publication/56982#_idTextAnchor003
6/16/2021	FED	https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20210317.pdf
5/14/2021	SPFS	https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q2-2021
6/14/2021	Moody's	https://www.moody's.com/Series:%20US%20Public%20Finance%20Credit%20Outlook



Economic Recovery

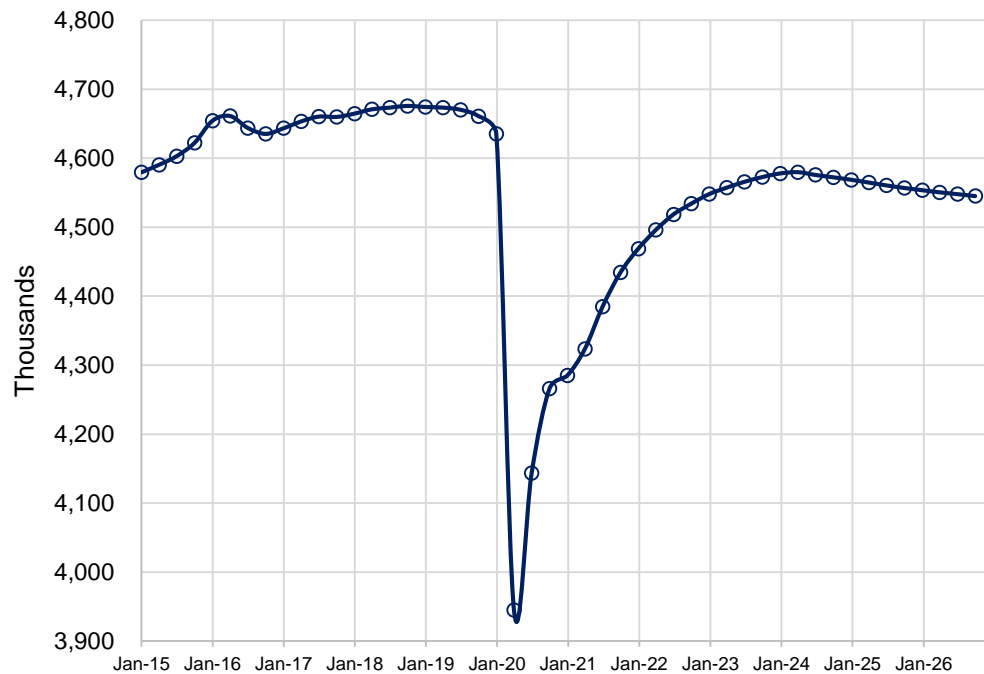


Estimated Annual Percent Change in GMP



Moody's Analytics

Regional Number Employed



FY 2021 Economic Impact Payments



Economic Impact Payments

Total Stimulus Payments under ARPA ¹	\$ 404.9B
Percent Distributed ²	95%
Value of Rebates Distributed	\$384.7M
US population ³	328.2M
Distributed Per Capita	1.2K
Cook County Population ³	5.2M
Rebates Distributed to Cook County	\$6.0B
% Spent (not saved or for debt) ²	19%
Total Spent in Cook County	\$1.1B
% Spent on Taxable Goods	30%
Total Rebates Spent on Taxable Goods in Cook County	\$573.4M
Sales Tax Rate	1.75%
Taxes collected by State	\$10.0M
Less State Administrative Fee (@ 1.5%)	\$(150.5K)
Remitted to Cook County	\$9.9M

Sources:

¹<https://www.cbo.gov/system/files/2021-02/hwaysandmeansreconciliation.pdf>

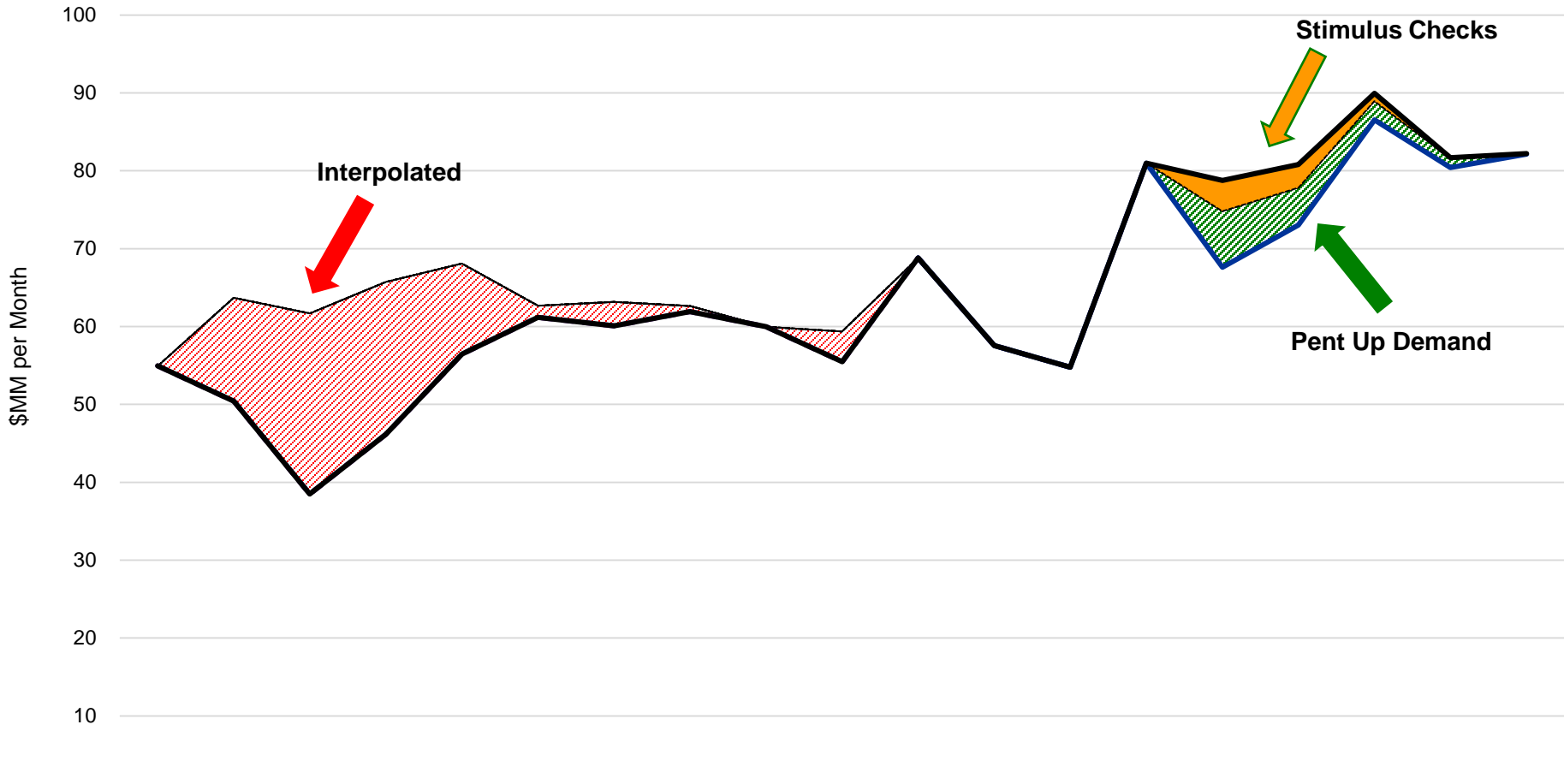
²<https://www.pgpf.org/blog/2021/05/how-did-americans-spend-their-stimulus-checks-and-how-did-it-affect-the-economy>

³<https://www.census.gov/quickfacts/fact/table/cookcountyillinois,US/PST045219>

FY 2021 General Fund Scenarios: Factoring in Pent up Demand



Sales Tax Analysis



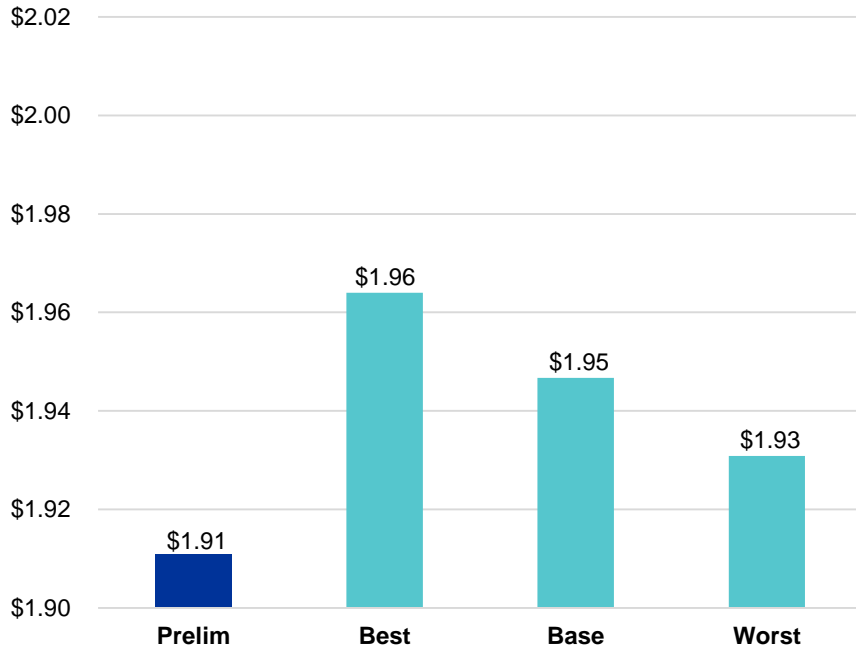
Remittance	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
Collection*	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21

Interpolated
 Pent up Demand
 Stimulus
 Actual
 Base Estimate
 Final Estimate

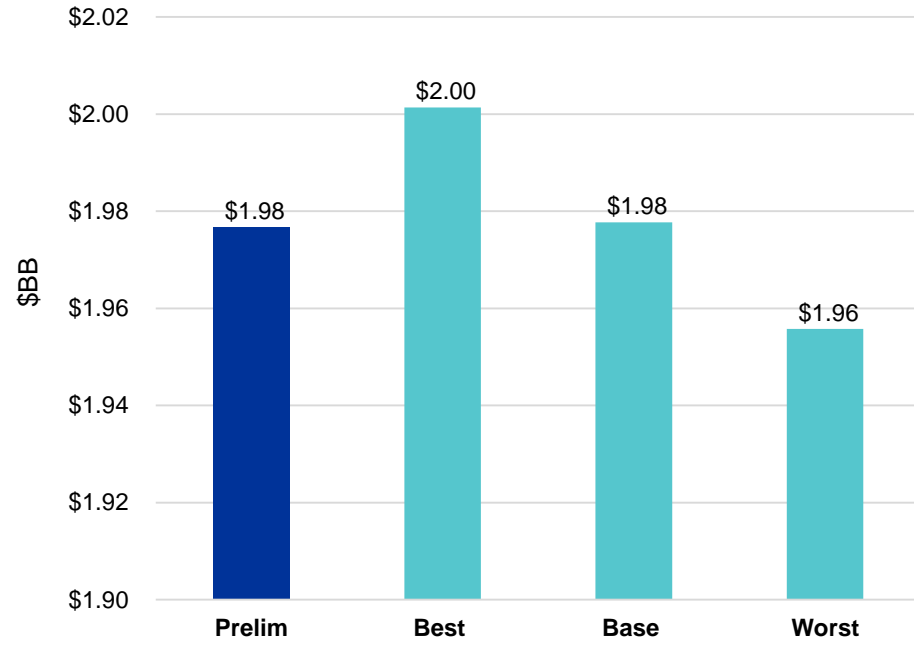
GF FY2021/2022 Prelim vs. Base Case



FY2021



FY2022



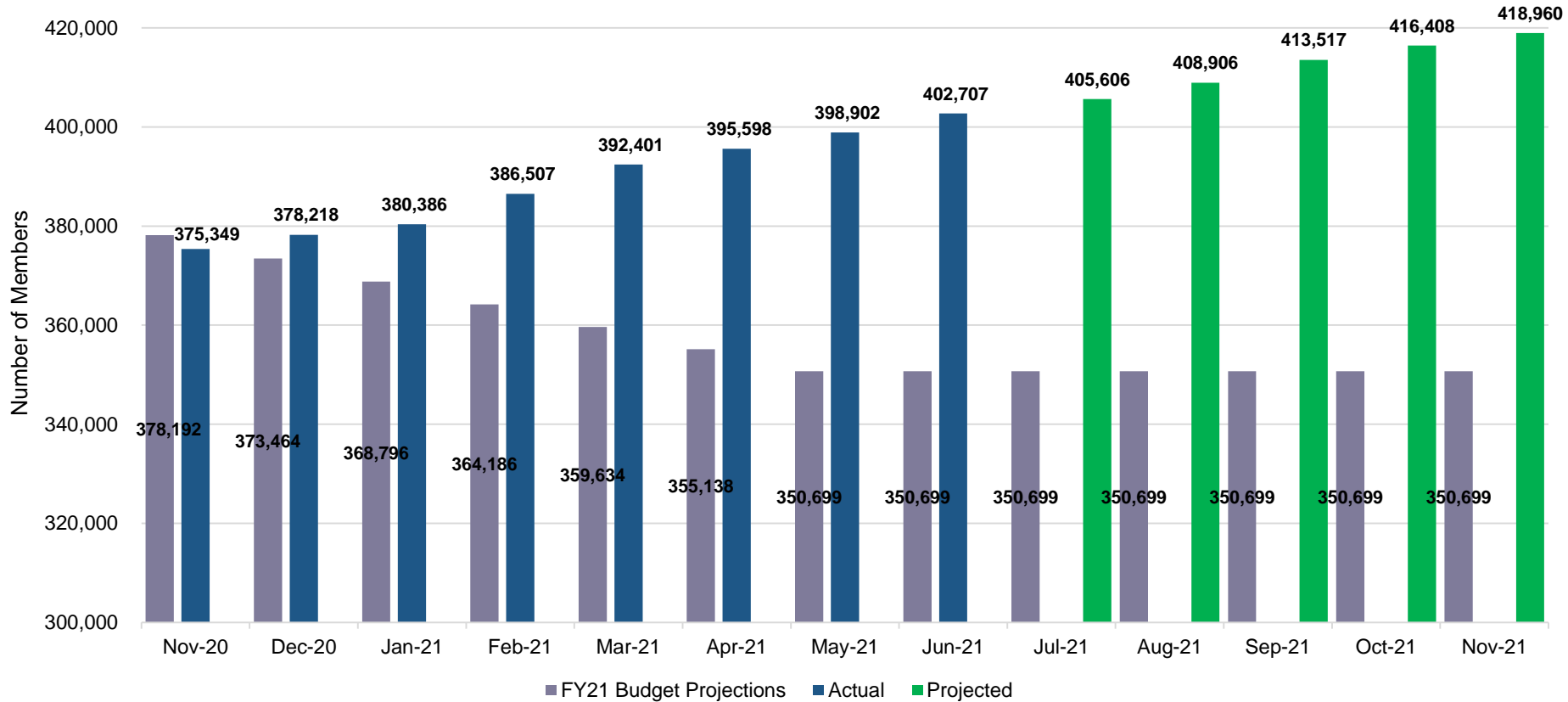
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**Preliminary
Long-Term Forecast**

Projected County Care Membership



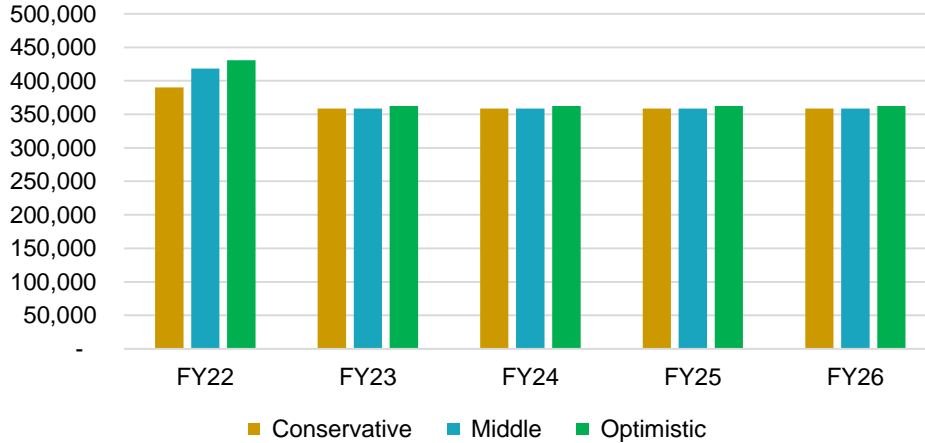
*Membership is greater than expectation due to continued suspension of re-determinations and favorable auto-assignment



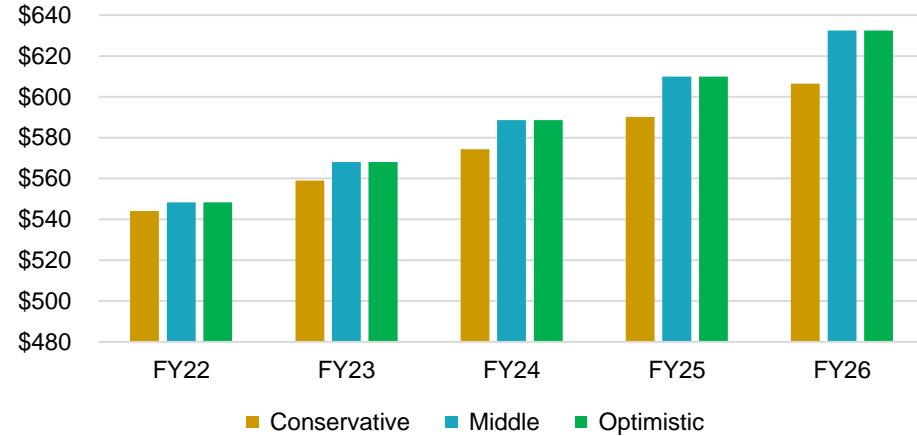
Projected HPS Scenarios



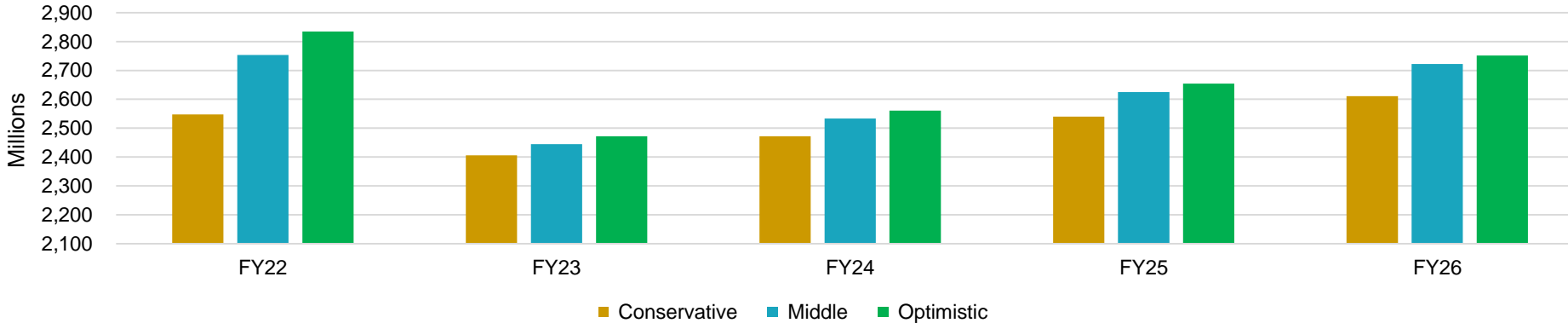
Average Monthly Membership



Average PMPM Revenue

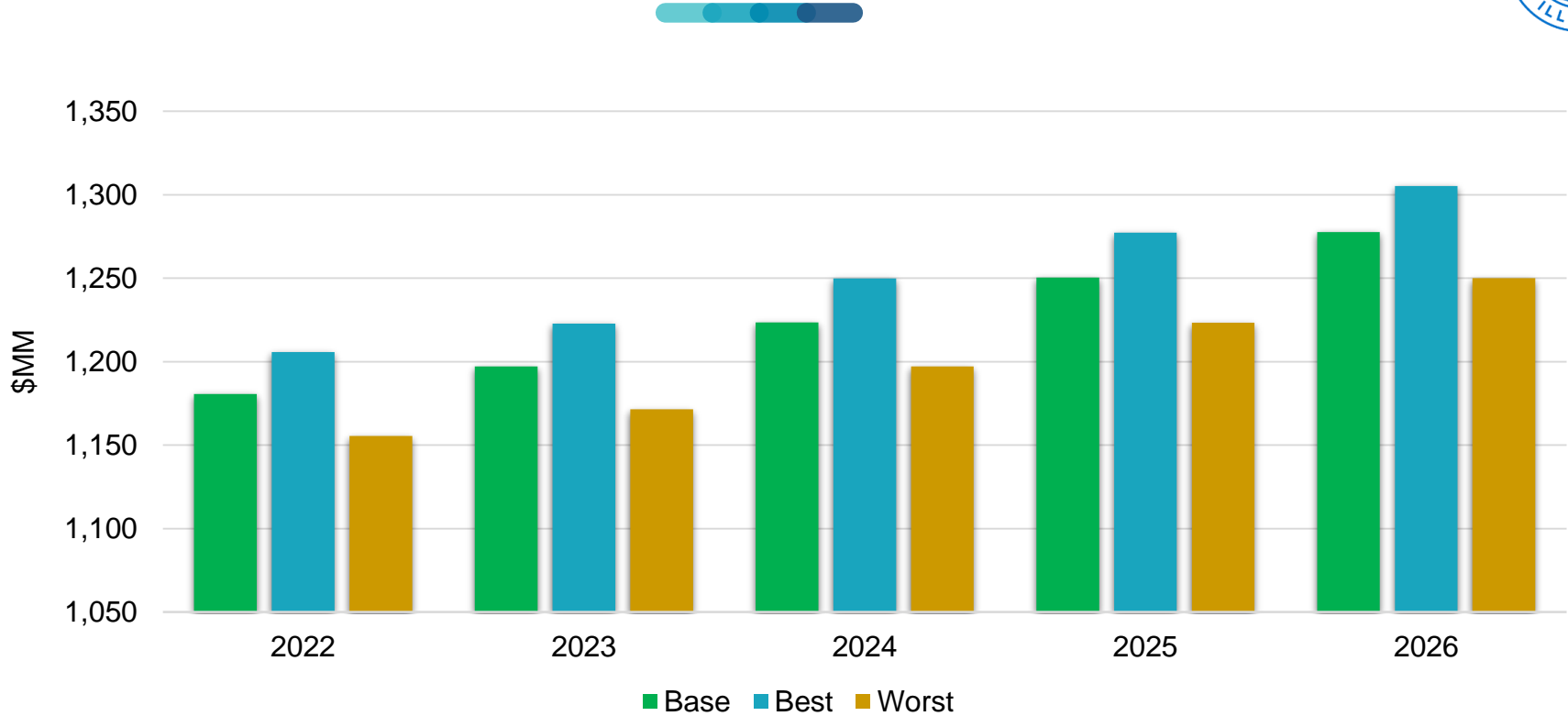


Estimated HPS Medicaid Revenue



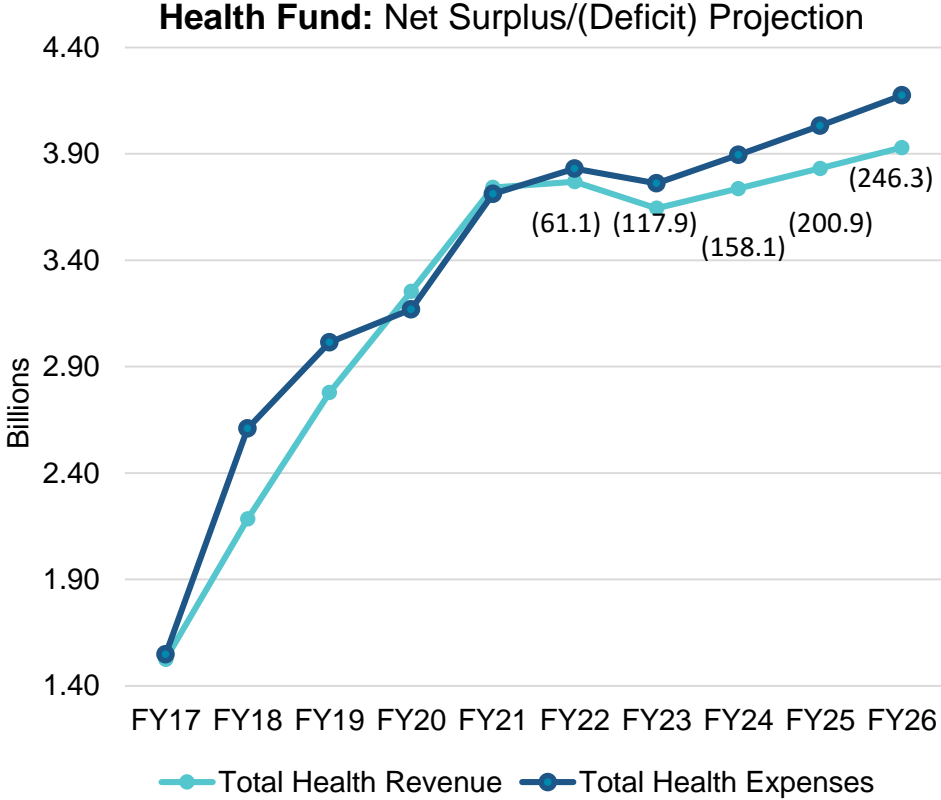
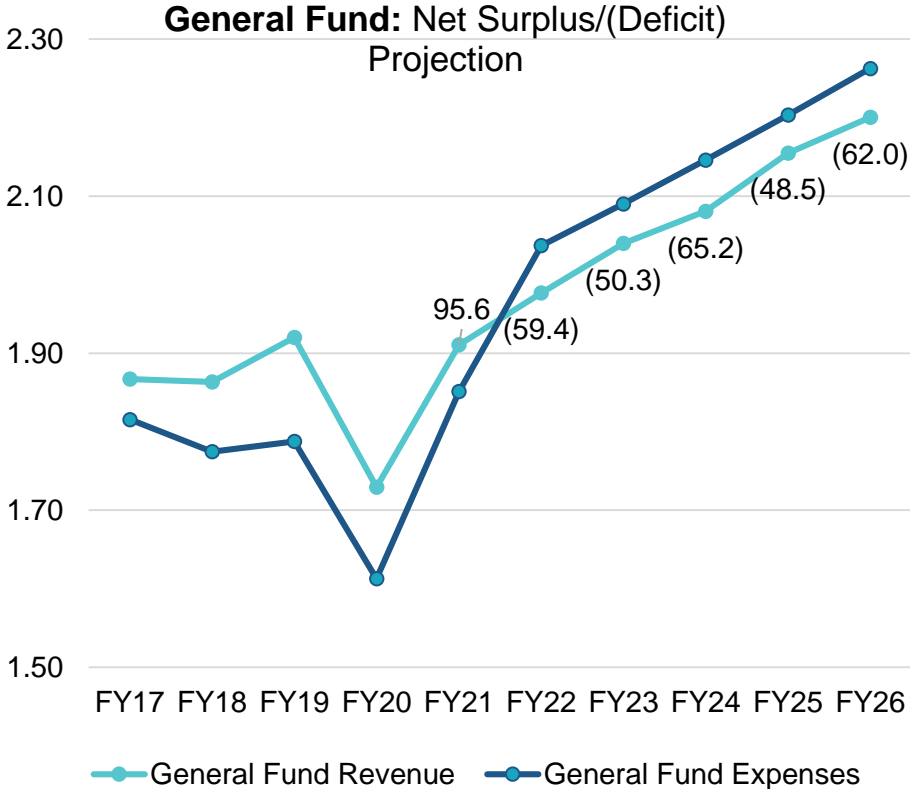
- ❖ All scenarios assume redeterminations return in the first quarter of 2022
- ❖ The conservative scenario assumes a return to normal auto assignment in October 2021, Middle assumes Jan 2022, and Optimistic assumes through 2022 as well as a more generous assumptions about net regular membership retention in the out years
- ❖ The conservative scenario assumes a lower effective PMPM compared to the middle and optimistic scenarios, largely due to a more conservative assumption of the growth in ACA PMPM

Projected CCH Scenarios



(in \$MM)	Base	Best	Worst
409570-Private Payors and Carriers - Budget Entry	\$165.8	\$174.6	\$157.1
409560-Medicaid Public Assistance - Budget Entry	\$235.4	\$247.8	\$223.1
409550-Medicare - Budget Entry	\$75.8	\$79.8	\$71.8
Total NPSR	<u>\$477.1</u>	<u>\$502.2</u>	<u>\$451.9</u>
Yield (%)	27.4%	28.8%	26.0%

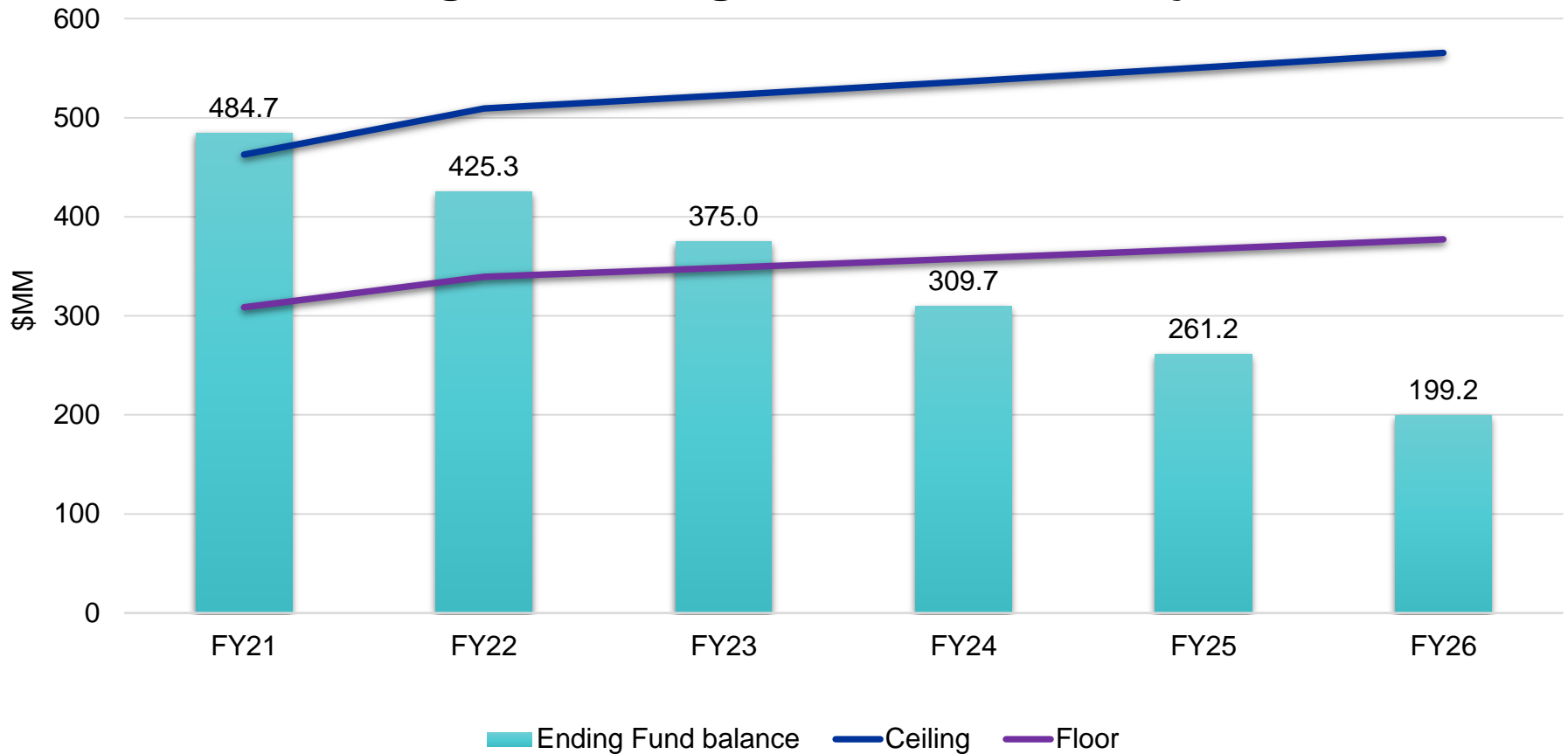
Long-Term Fiscal Outlook: General & Health Funds



Long Term Ending Fund Balance: General Fund

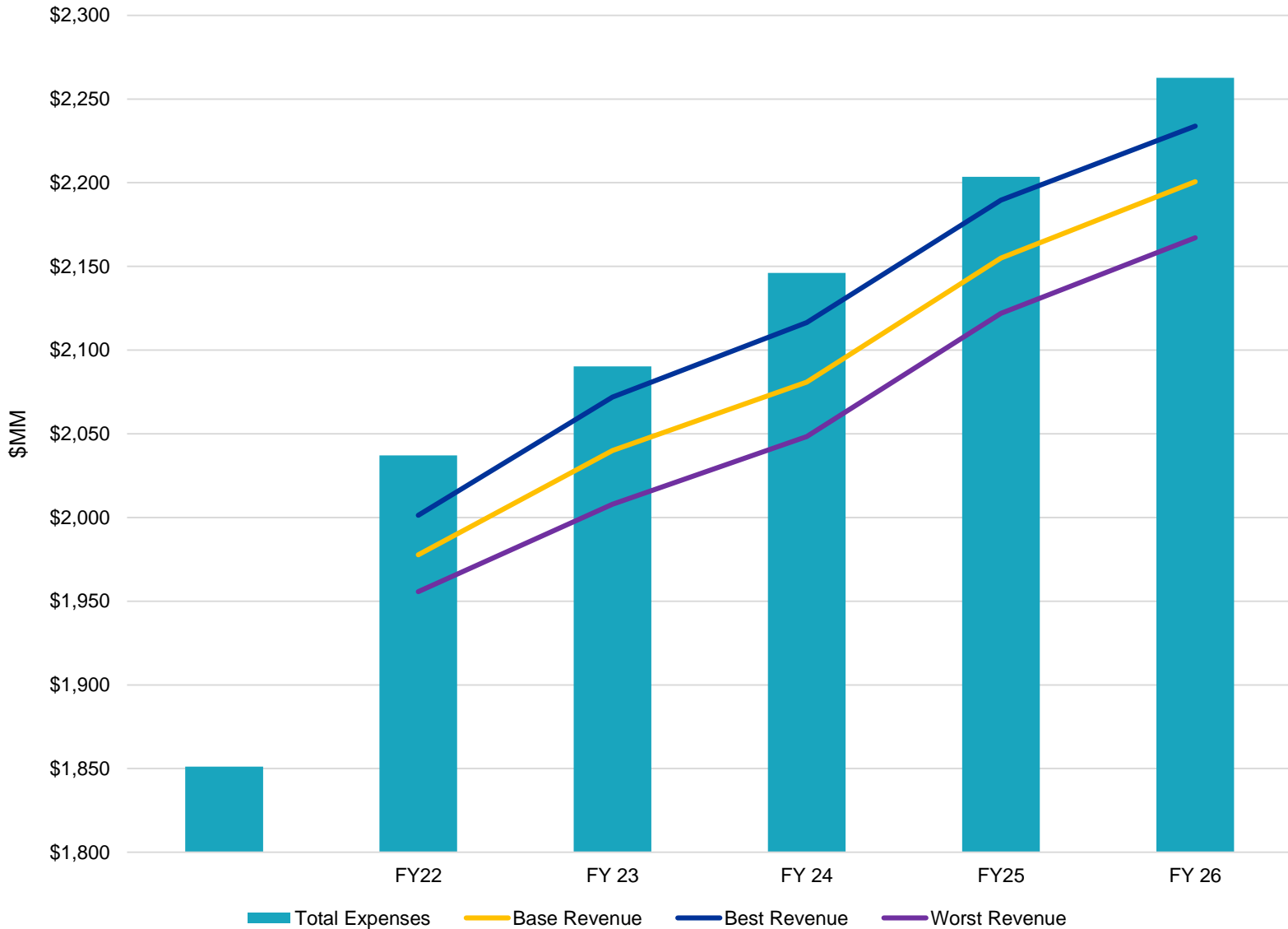


Unassigned Ending Fund Balance Projection



- ❖ *Ceiling*: 3 months worth of Base-Case Projected Expenses
- ❖ *Floor*: 2 months worth of Base-Case Projected Expenses

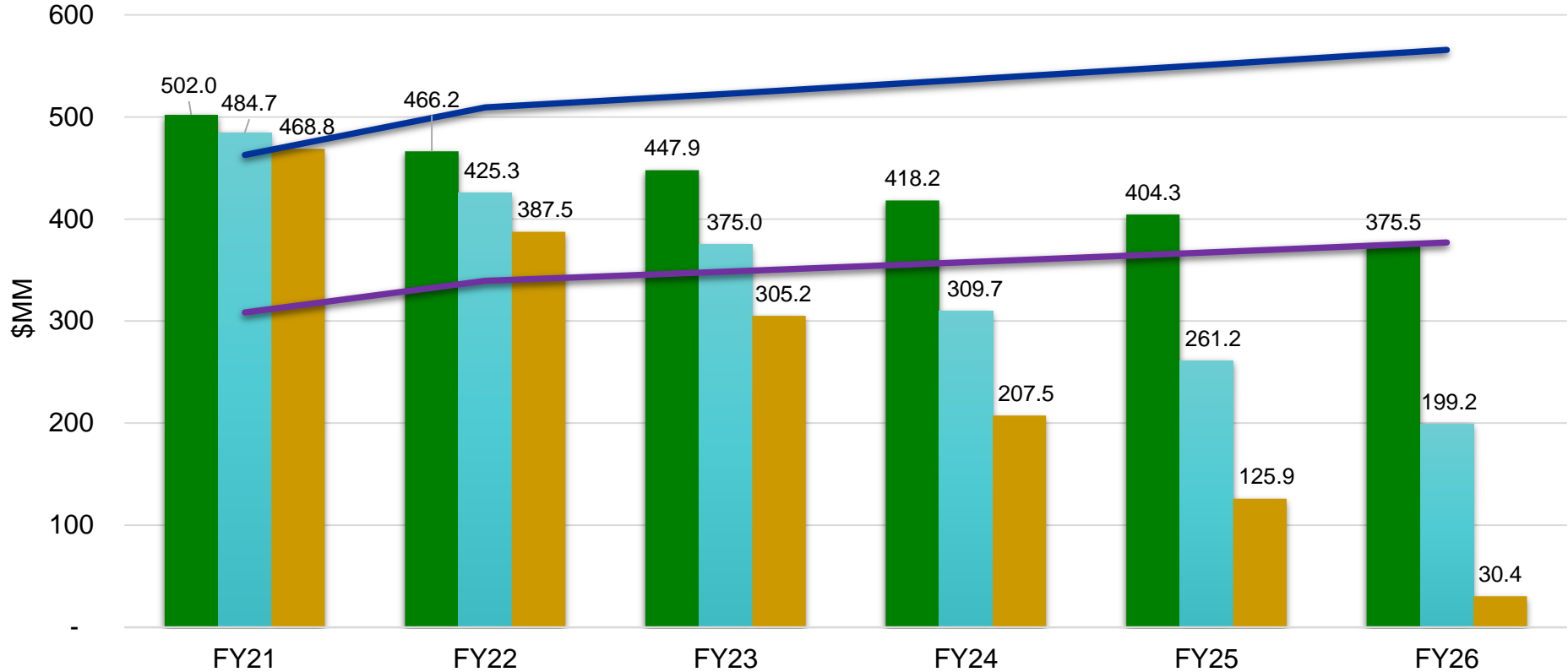
Long Term Revenue Forecasts: GF Scenarios



Long Term Revenue Forecasts: General Fund



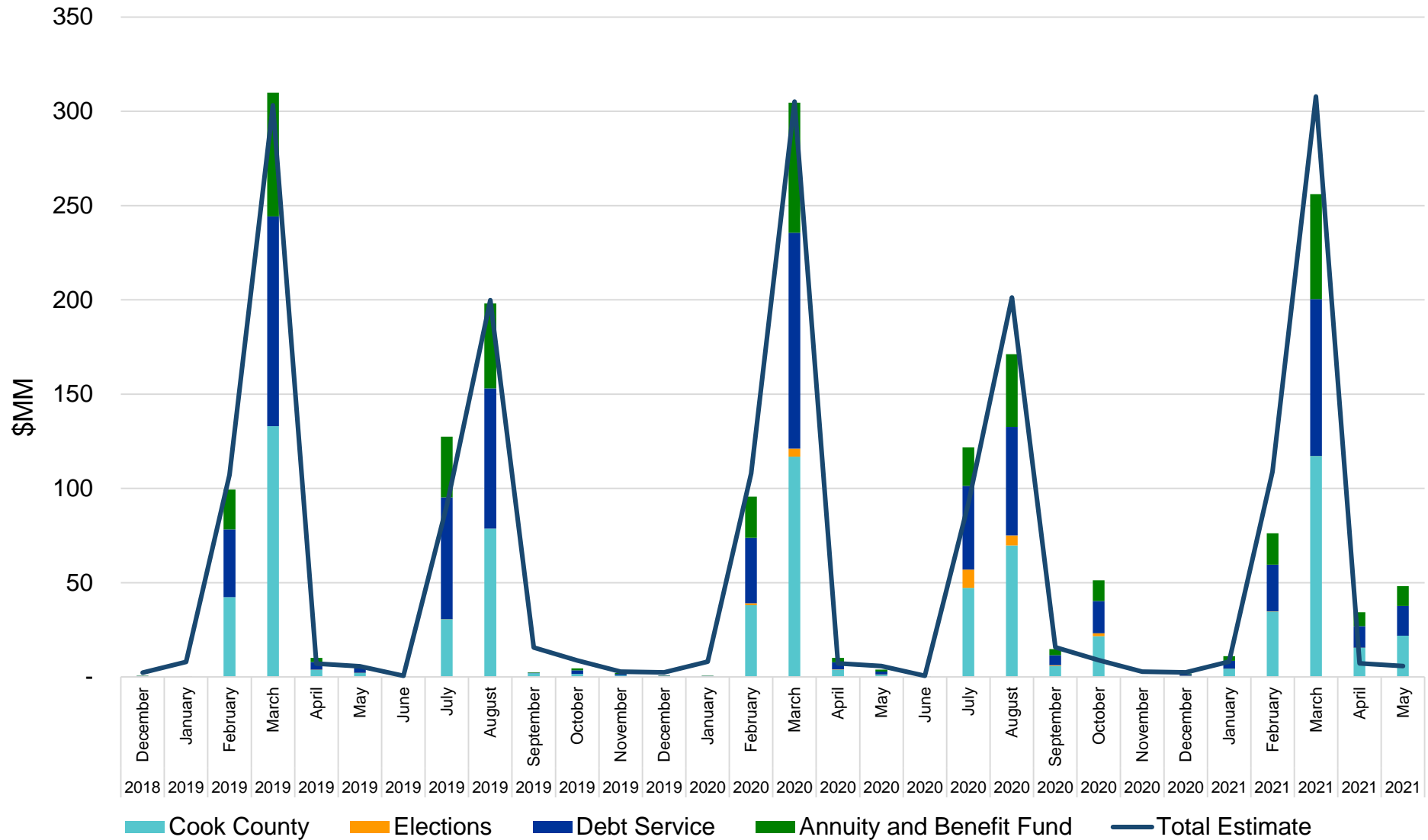
Unassigned Ending Fund Balance Projection



■ Best Case Ending Balance
 ■ Base Case Ending Balance
 ■ Worst Case Ending Balance
 — Ceiling
 — Floor

- ❖ *Ceiling*: 3 months worth of Projected Expenses
- ❖ *Floor*: 2 months worth of Projected Expenses

Property Tax Revenue



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FY2022 Budget Calendar



**Preliminary
Forecast
Released**



July

**President's
Executive
Recommendation
Released**



Late October

**Budget
Amendments &
Vote on
Appropriation Bill**



June

**Public Townhall &
Mid-Year Budget
Hearings**



Early October

**Public Townhall &
Department
Budget Hearings**



November

Upcoming Budget Dates



July						
S	M	T	W	T	F	S
				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

- July 1:** IRFC estimates due
- July 7:** Prelim Forecast public hearing
- July 16:** CCH Budget due to DBMS
- July 19-23:** Mid-Year Budget Hearings
- July 29:** IRFC Quarterly Meeting*

September						
S	M	T	W	T	F	S
			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 23: CCH submits budget to Board

August						
S	M	T	W	T	F	S
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				

- August 27:** CCHS Budget vote
- August 31:** Issuance of Recommendations
- TBD:** Additional IRFC meeting, as needed

October						
S	M	T	W	T	F	S
					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 7:** Release of President's recommendation
- October 18-22:** Department Briefings
- October 28:** IRFC Quarterly Meeting

*Disclaimer: dates are subject to change



—
**Public
Comment**



Adjournment