FY21/22 Economic Indicators

Air Travel
U.S. airlines carried 41.2 million systemwide scheduled service passengers in March 2021...up 29.6% from February.

Employment
The US economy has recovered 14.7 million jobs, or two-thirds of 22.4 million jobs lost in March and April 2020

Retail Sales
Advance estimates of U.S. retail and food services sales for April 2021, were 51.2 percent above April 2020

Vaccinations
64.4% of the total US Adult Population has received at least one dose of the COVID-19 Vaccines
Economic Recovery
Early indications of a strong recovery in CY2021

Estimated Annual Percent Change in GMP

National Passenger Throughput, TSA

Regional Number Employed

Moody's Analytics

https://www.tsa.gov/coronavirus/passenger-throughput
FY2021 Total Adopted Budget: $6.9 Billion
Healthcare and Public Safety make up 70% of Total Adopted Budget and 88% of the Operating Budget.
Cook County Historical Gaps
Structural solutions have reduced deficits by 96% since 2011

In Millions

2011: $-487.0
2012: $-315.2
2013: $-267.5
2014: $-152.1
2015: $166.9
2016: $198.7
2017: $-174.2
2018: $315.9
2019: $-181.8
2020: $18.7
2020 COVID-19: $-280.3
2021: $409.6
2022 Prelim: $(121.43)
Cook County FTEs

Structural solutions have reduced deficits by 96% since 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund</th>
<th>SPF</th>
<th>Grants</th>
<th>CCH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>15,505</td>
<td>1,117</td>
<td>541</td>
<td>6,638</td>
<td>23,801</td>
</tr>
<tr>
<td>2012</td>
<td>14,857</td>
<td>1,080</td>
<td>481</td>
<td>7,058</td>
<td>23,476</td>
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<tr>
<td>2013</td>
<td>14,861</td>
<td>1,050</td>
<td>406</td>
<td>6,668</td>
<td>22,985</td>
</tr>
<tr>
<td>2014</td>
<td>14,861</td>
<td>1,030</td>
<td>321</td>
<td>6,744</td>
<td>22,985</td>
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<tr>
<td>2015</td>
<td>15,546</td>
<td>880</td>
<td>300</td>
<td>6,786</td>
<td>22,522</td>
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<tr>
<td>2016</td>
<td>15,312</td>
<td>869</td>
<td>297</td>
<td>6,961</td>
<td>23,439</td>
</tr>
<tr>
<td>2017</td>
<td>14,971</td>
<td>936</td>
<td>330</td>
<td>6,997</td>
<td>23,233</td>
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<tr>
<td>2018</td>
<td>13,916</td>
<td>905</td>
<td>304</td>
<td>7,047</td>
<td>22,171</td>
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<tr>
<td>2019</td>
<td>13,814</td>
<td>914</td>
<td>318</td>
<td>7,392</td>
<td>22,438</td>
</tr>
<tr>
<td>2020</td>
<td>14,114</td>
<td>915</td>
<td>328</td>
<td>6,715</td>
<td>22,072</td>
</tr>
<tr>
<td>2021</td>
<td>13,546</td>
<td>900</td>
<td>629</td>
<td>6,802</td>
<td>21,877</td>
</tr>
</tbody>
</table>
General Fund Review: $1.9 Billion

- Sheriff, $570.90, 30%
- Pension & Fixed Charges, $520.60, 28%
- Chief Judge, $260.50, 14%
- Offices Under the President, $157.10, 8%
- Clerk of the Circuit Court, $99.40, 5%
- Public Defender, $80.10, 4%
- Other, $71.70, 4%
- State's Attorney, $133.70, 7%
- Assessor, $28.10, 2%
- County Clerk, $18.70, 1%
- Board of Review, $14.10, 1%
- Treasurer, $0.80, 0%
- Public Administrator, $1.40, 0%
FY2021 Preliminary Year-End Projections

General Fund positive variance of $59.7M forecasted for year-end

$14.5M variance in revenue
- Led by increase in recording fees at the County Clerk due to strong housing market.
- Slight decrease in non-property tax revenue due to impact of COVID-19.

$45.2M variance in expenses
- Increase in overtime and non-personnel expenses to address COVID-19 offset by COVID-19 expenditure reimbursements from CARES Act and FEMA Public Assistance.
- Savings in salaries and wages due to slower than anticipated hiring.

$77M in reserves used to remediate FY2021 General Fund budget gap

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021 Adopted</td>
<td>$1,896.32</td>
<td>$1,896.32</td>
</tr>
<tr>
<td>FY2021 YE Projection</td>
<td>$1,910.90</td>
<td>$1,851.20</td>
</tr>
</tbody>
</table>
**FY2022 Preliminary Forecast**

General Fund gap of $60.3M forecasted for FY2022

---

$80.5M variance in revenue
- Increase in County non-property tax revenue as economy rebounds post-pandemic.
- Continued increase in County fee revenues as County operations continue to open post-pandemic.
- Revenue increases offset reduction in federal COVID-19 awards.

($140.8M) variance in expenses
- Increase in personnel expenses, including natural growth in salaries and wages.
- Second allocation of investment in Cook County equity fund.

---

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021 Adopted</td>
<td>$1,896.32</td>
<td>$1,896.32</td>
</tr>
<tr>
<td>FY2022 Forecast</td>
<td>$1,976.79</td>
<td>$2,037.11</td>
</tr>
</tbody>
</table>

---

$80.5M Variance

($140.8M) Variance

Cook County PRELIMINARY FORECAST FY21/22
Health Enterprise Fund Review: $3.39 Billion

- Health Plan Services, $2,229.64, 66%
- Ambulatory & Comm. Health Network, $108.35, 3%
- John H. Stroger, $774.30, 23%
- Correctional Health, $104.50, 3%
- Provident Hospital, $62.63, 2%
- Health System Administration, $50.40, 1%
- Fixed Charges, $40.65, 1%
- Department of Public Health, $16.91, 1%

Cook County PRELIMINARY FORECAST FY21/22
FY2021 Preliminary Year-End Projections
Health Enterprise Fund positive variance of $30.6M forecasted for year-end

$354M variance in revenues
- Higher Patient Fees due to payor mix and collections
- Higher CountyCare domestic spend
- Lower directed payments based on actuals
- CountyCare membership projected to 418K

($324.3M) variance in expenses
- Increased claims costs for CountyCare due to higher membership
- Savings in vendor contracts
- Personnel budget savings
- Expectation of some FEMA reimbursement to offset COVID costs

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021 Adopted</td>
<td>$3,387.38</td>
<td>$3,387.38</td>
</tr>
<tr>
<td>FY2021 YE Projection</td>
<td>$3,742.23</td>
<td>$3,711.67</td>
</tr>
</tbody>
</table>
FY2022 Preliminary Forecast

Health Enterprise Fund gap of $61.1M forecasted for FY2022

$381.7M variance in revenues
- Expectation to return to FY2019 clinical volumes
- CountyCare membership to average 390K, assuming return of re-determinations
- Retain improved FY21 domestic spend

($442.8M) variance in expenses
- CountyCare membership driving additional claims expense
- Rising pharmacy and lab costs
- Increased personnel expenses
- No Federal COVID reimbursements

FY2021 Adopted

Revenue: $3,387.38
Expenditures: $3,387.38

FY2022 Forecast

Revenue: $3,769.11
Expenditures: $3,830.23

Variance

- Revenue: $381.7M variance
- Expenditures: ($442.8M) variance

Health Enterprise Fund gap of $61.1M forecasted for FY2022.
FY2022 Budget Calendar

- **Preliminary Forecast Released**
  - **June**
  - Public Townhall & Mid-Year Budget Hearings

- **President’s Executive Recommendation Released**
  - **July**

- **Late October**
  - Public Townhalls & Department Budget Hearings

- **Budget Amendments & Vote on Appropriation Bill**
  - **November**

County Support of Cook County Health

Key takeaway

FY22 Additional Allocations
Capital Equipment = $9M
CountyCare Reserve = $30M
Questions
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 $1.7 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

REAL GDP FORECASTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Moody’s*</th>
<th>SPF</th>
<th>WSJ</th>
<th>CBO</th>
<th>Federal Reserve</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5.8%</td>
<td>6.3%</td>
<td>6.4%</td>
<td>3.7%</td>
<td>6.5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>2022</td>
<td>4.5%</td>
<td>4.3%</td>
<td>3.2%</td>
<td>2.4%</td>
<td>3.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>2023</td>
<td>2.0%</td>
<td>2.6%</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2024</td>
<td>2.6%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>1.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2025</td>
<td>2.2%</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>1.8%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

2021 WSJ Survey Real GDP Growth Distribution

2022 WSJ Survey Real GDP Growth Distribution

Date | Source | Notes |
--- | --- | --- |
2/1/2021 | CBO | [https://www.cbo.gov/publication/56982#_idTextAnchor003](https://www.cbo.gov/publication/56982#_idTextAnchor003) |
4/5/2021 | Moody's | FGDP$Q.IUSA_MCHI -March 2021 Vintage *reflects regional GMP |
Cook County is developing a responsible, comprehensive and equitable spending plan for its $1B ARPA allocation.

**Strategy**

Setting of Immediate & Long-Term Goals

Funds will carefully consider use of ARPA for both immediate recovery needs and long-term transformative initiatives.

**Prioritization**

Focus on Core Values

Funding will target and support County policy priorities and center decision-making on core values of equity, engagement and excellence.

**Equity**

Far-Reaching Planning

Funding is intended for all County residents, not just Cook County government. We will spend funds in an equitable manner with the largest benefit over the longest amount of time.

**Community Development**

Commitment to Community

Years of responsible financial management allows deployment of ARPA for recovery efforts rather than debt relief or other non-programmatic efforts. Results in more funding for our communities.

**Continued Recovery**

Building on Successes

The County will build on successes learned from distributing CARES Act funding and work tirelessly to address ongoing COVID-related needs throughout the region.

Two ARPA Resolutions for June Board Meeting

- **21-3654:** Acceptance of ARPA funding and establishment of SPF
- **21-3657:** Budget authority to implement ARPA framework
Cook County Public Safety Budgets

Public Safety portfolio budget has declined by 3% since 2017 (offset by 7% increase in SAO & PD budgets)

Overall growth in budgets due to Personnel Cost increases

- Expansion of programming and initiatives in mental health, youth programming, restorative justice and immigration

Economic and Legislative drivers have impacted operational budgets in public safety portfolio

- Overall reduction in FTE count (1,363) in public safety portfolio since 2017.
  - Decrease offset by increase in FTE (51) in State’s Attorney/Public Defender
- 2018 repeal of Sweetened Beverage Tax led to a reduction in FTE (~500)
- Impact of COVID-19 on County revenue resulted in reduction of FTE vacancies (~500)
CountyCare Membership

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

**FY21 Budget Projections**

- Actual
- Projected

### County Care Membership

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-20</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Sep-20</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Oct-20</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Nov-20</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Dec-20</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Jan-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Feb-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Mar-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Apr-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>May-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Jun-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Jul-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Aug-21</td>
<td>340,000</td>
<td>360,000</td>
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<tr>
<td>Sep-21</td>
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<td>360,000</td>
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<td>Oct-21</td>
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<td>360,000</td>
</tr>
<tr>
<td>Nov-21</td>
<td>340,000</td>
<td>360,000</td>
</tr>
</tbody>
</table>
Key Revenue Cycle Metrics

CCH revenue cycle process improvements, improved rates and payor mix have increased the yield from patient fees.

Revenue Cycle Yield – Patient Fees

Yield Percentage

<table>
<thead>
<tr>
<th>Year</th>
<th>Yield Percentage</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>23.5</td>
</tr>
<tr>
<td>2017</td>
<td>26.0</td>
</tr>
<tr>
<td>2018</td>
<td>25.0</td>
</tr>
<tr>
<td>2019</td>
<td>23.5</td>
</tr>
<tr>
<td>2020</td>
<td>26.0</td>
</tr>
<tr>
<td>2021*</td>
<td>30.0</td>
</tr>
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</table>

Cook County PRELIMINARY FORECAST FY21/22
<table>
<thead>
<tr>
<th>Metric</th>
<th>November 30, 2019</th>
<th>May 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Claim Rate</td>
<td>73%</td>
<td>87%</td>
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<tr>
<td>AR Days 86 Days ($417M)</td>
<td></td>
<td>68 Days ($312M)</td>
</tr>
<tr>
<td>Cash Collection as % of Net Revenue</td>
<td>85%</td>
<td>118%</td>
</tr>
<tr>
<td>Unbilled Discharged Not Final Billed</td>
<td>10 Days ($47M)</td>
<td>5 Days ($21M)</td>
</tr>
<tr>
<td>Waiting for Coding</td>
<td>7 Days ($33M)</td>
<td>4 Days ($18M)</td>
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</tbody>
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