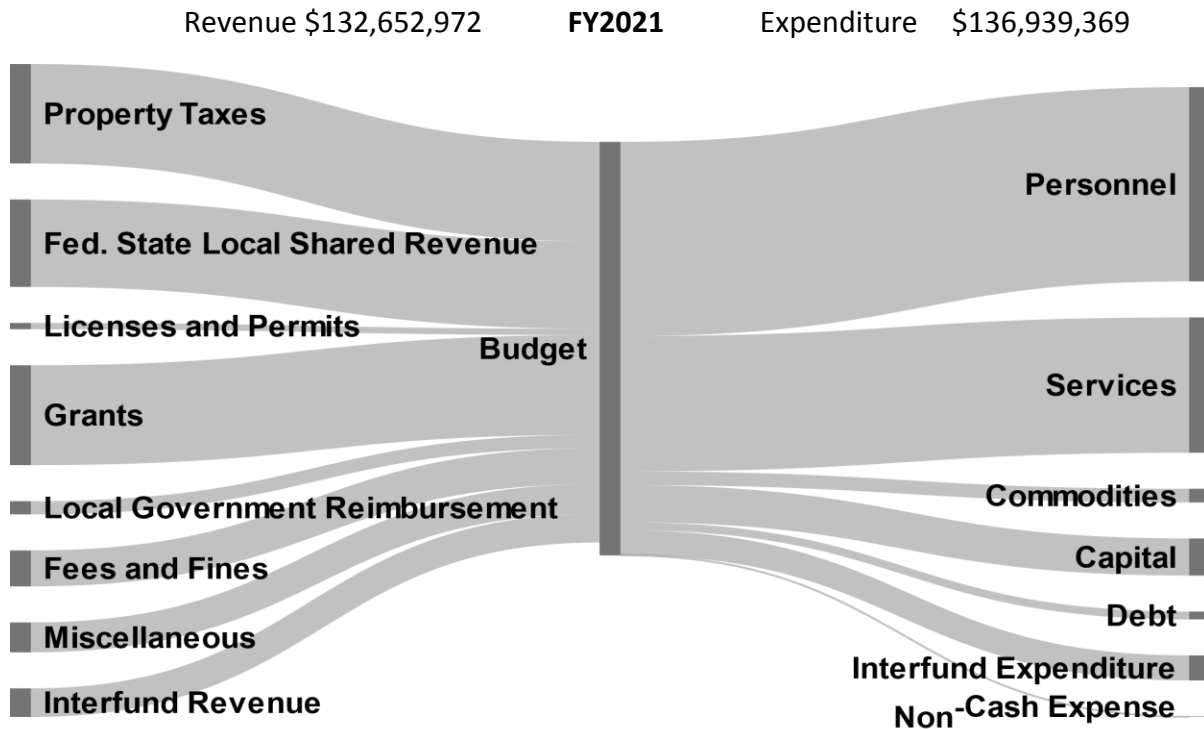


## FY2021 BUDGET SUMMARY

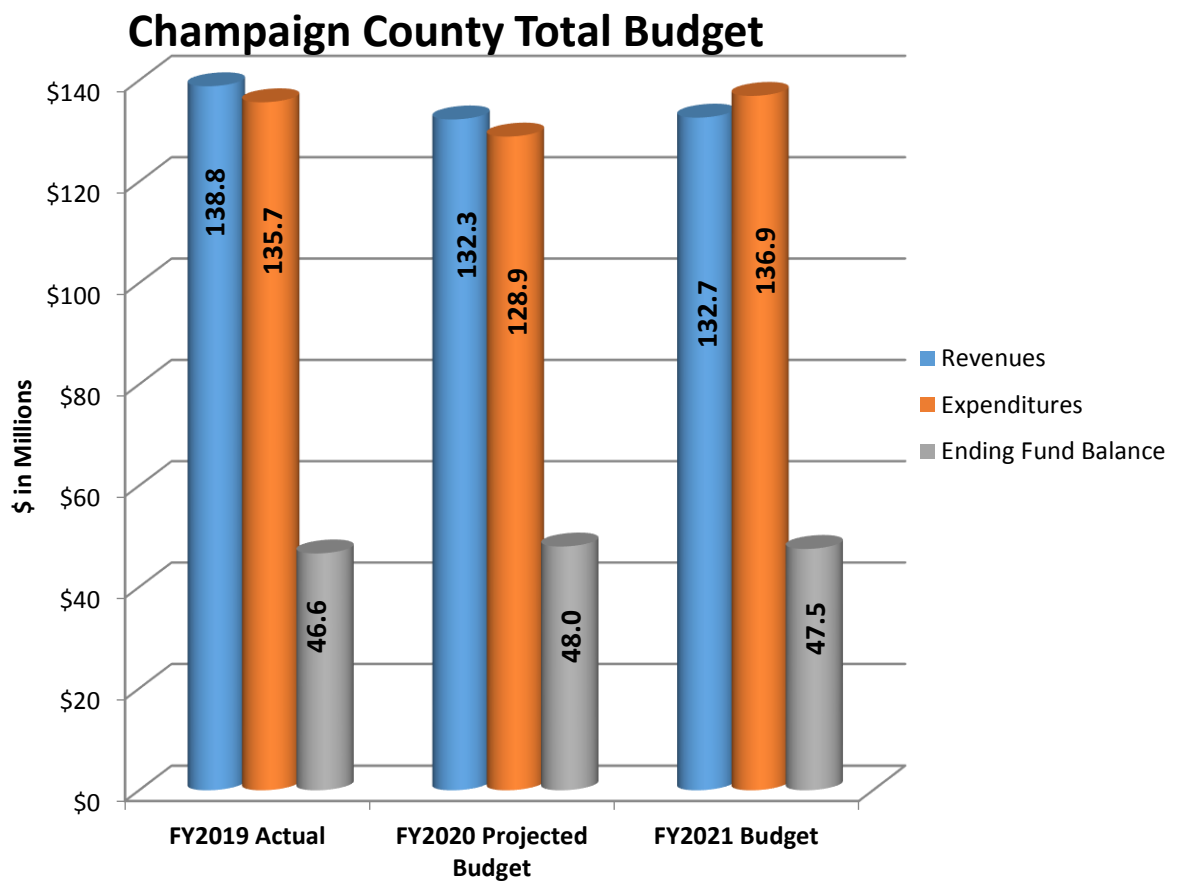


The Champaign County budget is prepared by the County Executive in conjunction with the County’s elected officials and department heads and submitted to the County Board for its approval. The County Board receives and places the budget on file for public review in October, with final approval scheduled for November 19, 2020. The FY2021 budget is a balanced budget per Champaign County’s Financial Policies. The \$4.3 million revenue to expenditure deficit is the result of appropriating reserve balances within individual funds for planned projects and capital expenditures.

The following table reflects an aggregated roll-up of the FY2021 Champaign County Budget.

Champaign County Budget	FY2019 Actual	FY2020 Original Budget	FY2020 Projected Budget	FY2021 Budget	\$ Variance	% Variance
Property Taxes	34,256,636	37,131,941	34,492,991	37,576,868	444,927	1.2%
Federal State & Local Shared	24,581,341	25,706,523	23,172,149	24,288,292	(1,418,231)	-5.5%
Licenses & Permits	1,986,469	2,071,865	1,951,688	2,073,810	1,945	0.1%
Grants	22,702,801	27,026,890	35,525,538	33,065,882	6,038,992	22.3%
Local Gov. Reimbursement	3,886,069	4,144,622	4,383,632	4,376,796	232,174	5.6%
Fees & Fines	14,318,131	12,756,923	11,017,267	11,903,931	(852,992)	-6.7%
Miscellaneous	17,560,200	9,392,744	11,939,838	9,896,250	503,506	5.4%
Interfund Revenue	19,551,142	10,914,084	9,806,885	9,471,143	(1,442,941)	-13.2%
<b>TOTAL REVENUE</b>	<b>138,842,789</b>	<b>129,145,592</b>	<b>132,289,988</b>	<b>132,652,972</b>	<b>3,507,380</b>	<b>2.7%</b>

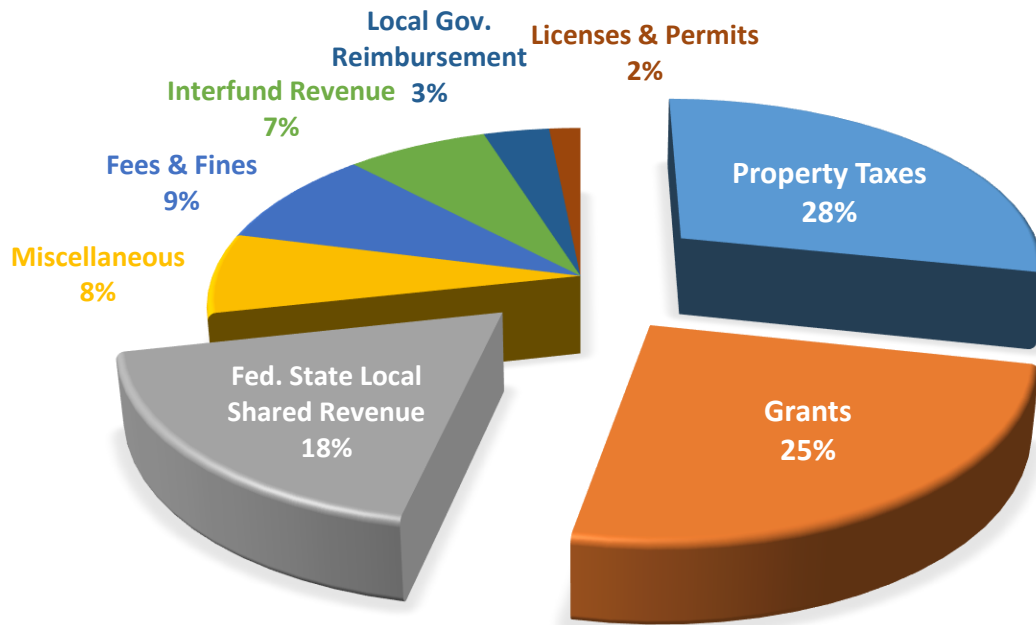
<b>Champaign County Budget</b>	<b>FY2019 Actual</b>	<b>FY2020 Original Budget</b>	<b>FY2020 Projected Budget</b>	<b>FY2021 Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	57,864,258	63,438,055	62,965,008	64,330,715	892,660	1.4%
Commodities	4,424,434	4,591,803	4,868,512	4,521,378	(70,425)	-1.5%
Services	39,679,073	41,300,205	43,588,402	44,792,058	3,491,853	8.5%
Capital	7,067,645	8,646,113	7,005,587	12,267,272	3,621,159	41.9%
Non-Cash Expense	15,738	165,000	165,000	155,000	(10,000)	-6.1%
Interfund Expenditure	14,551,800	8,954,308	7,732,367	8,282,335	(671,973)	-7.5%
Debt	12,080,815	2,594,017	2,586,162	2,590,611	(3,406)	-0.1%
<b>TOTAL EXPENDITURE</b>	<b>135,683,763</b>	<b>129,689,501</b>	<b>128,911,038</b>	<b>136,939,369</b>	<b>7,249,868</b>	<b>5.6%</b>



**FY2021 Total Budgeted Revenue \$132,652,972**

A 2.7% increase compared to the original FY2020 Budget.

Includes \$9.5 million in Interfund Transfers.



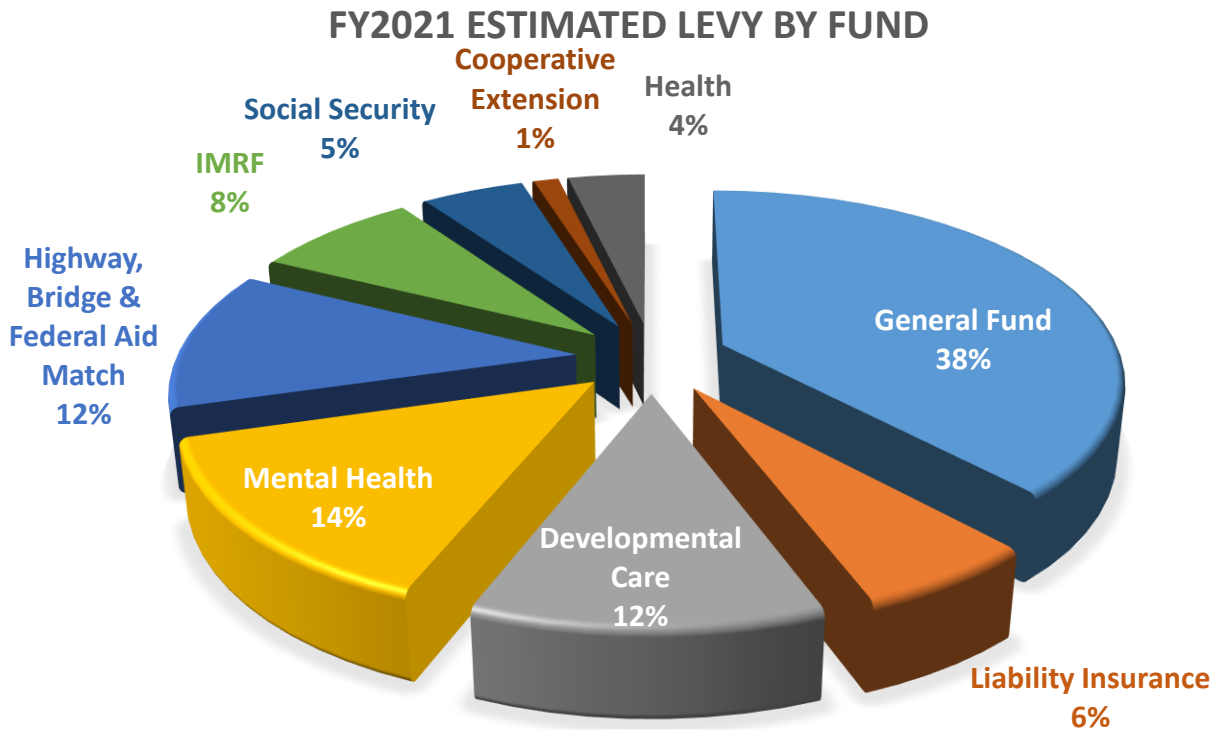
The \$3.5 million increase in FY2021 budgeted revenue, as compared to the original FY2020 budget, is largely related to increases in federal funding for the Regional Planning Commission Local Workforce Innovation Area (WIOA), state funding for the Board of Health administered contact tracing grant and the Highway IDOT REBUILD grant.

**Property Taxes ▲ 1.2%**

Property taxes are the County’s most stable revenue source and support numerous county operations with the largest portions of the levy going to the General Corporate, Mental Health and Developmental Care funds. PTELL allows for annual inflationary increases which are limited by the lesser of 5% or the Consumer Price Index (CPI). The CPI used to compute the 2020 extensions (for taxes payable in 2021) is 2.3%, which is the highest rate since 2011. The proposed FY2021 property tax levy, \$36.8 million, represents a 4.4% increase over the FY2020 extension, a projected increase of \$1.5 million.

Under PTELL, the former Nursing Home operating levy is reallocated to the General Corporate levy in FY2021 for outstanding amounts owed by the Home, and to eliminate from the balance sheet the \$1 million loan from the General Fund to the Home. Upon loan forgiveness, the \$1 million will be recorded as a transfer to the Home in the FY2021 budget. An increase in the County’s insurance costs effective January 1, 2021, required reallocation of a portion of the General Fund levy to the Liability levy.

This revenue category is also comprised of real estate taxes, mobile home taxes, back taxes, payment in lieu of taxes, and delinquent taxes interest. The following chart shows the breakdown of the property tax levy by fund.



**Federal, State and Local Shared Revenue ▼-5.5%**

Revenue in this category primarily originates from sales and use tax, income tax, motor fuel tax (MFT) and state reimbursement. Declines in FY2021 revenue are largely attributed to declines in sales and income taxes as a result of the economic impact caused by the pandemic. The collection of County Cannabis sales tax, a new revenue source for the County beginning in July 2020, helps mitigate the anticipated loss of revenue in FY2021.

Level the Playing Field legislation effective January 1, 2021, requires both state and local sales taxes be imposed where a product is delivered, and is anticipated to increase in both state and local revenues. Although the impact is almost impossible to predict, increases in sales tax revenue may result in a reciprocal reduction in Use tax revenue as the legislation changes the application of taxes for remote retailers. The County’s sales and use tax revenues, excluding MFT, are described in the following table with the quarter-cent tax representing the largest source of sales tax revenue. Total budgeted sales and use tax revenues reflect a decrease of -0.5% compared to the original FY2020 budget.

Tax	% of State Shared Revenue	Description
One-cent	4.4%	Collected on general merchandise and qualifying food, drug and medical appliances purchased in the <u>unincorporated area</u> of Champaign County.

<b>Tax</b>	<b>% of State Shared Revenue</b>	<b>Description</b>
<b>Quarter-cent</b>	22.9%	Collected on general merchandise and qualifying food, drug and medical appliances purchased <u>anywhere</u> in Champaign County.
<b>Use</b>	5.3%	Imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and distributed on a per capita basis.
<b>County Cannabis</b>	2.5%	Imposed upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail locations in the County on the gross receipts from these sales (3.75% of the gross receipts in unincorporated areas and 3.00% of the gross receipts in a municipality located in Champaign County).
<b>Public Safety</b>	19.1%	Collected on general merchandise purchased <u>anywhere</u> in Champaign County <b>excluding</b> qualifying food, drug and medical appliances, and titled or registered personal property (i.e. vehicles, boats, trailers, motorcycles).

According to the Illinois Department of Revenue, in FY2019, 60% of Champaign County government’s one-cent sales tax revenues came from its top ten contributors. This revenue stream has displayed extreme fluctuations over the past few years. Because the top-ten taxpayers make up such a large percentage of the total one-cent sales tax revenue, the loss of one top-ten payer can significantly impact this revenue stream. The top-ten contributors for FY2019 are listed below in no order.

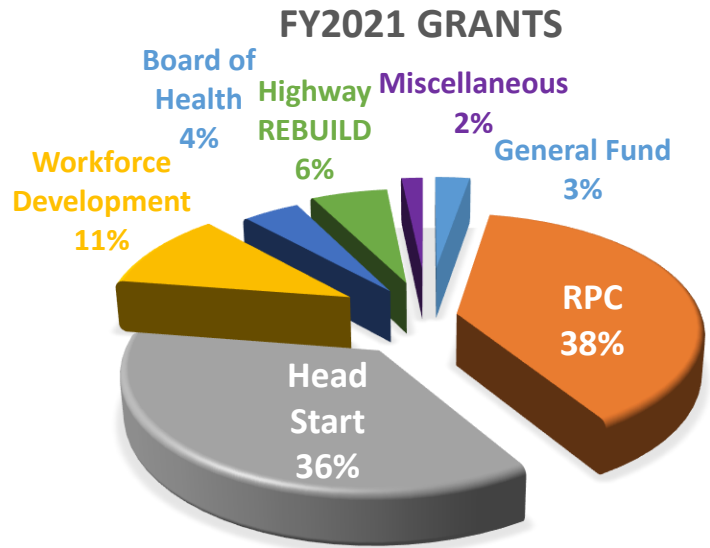
- |                       |                              |
|-----------------------|------------------------------|
| Flightstar Corp.      | Richards Building Supply Co. |
| Illini FS             | Prairie Gardens Inc.         |
| LS Building Products  | Country Arbors Nursery Inc.  |
| Road Ranger LLC       | DCC Propane LLC              |
| Negwer Materials Inc. | CIT Trucks LLC               |

Income Tax is calculated based on population and accounts for 12.2% of total State Shared revenue in FY2021. Income tax projections do not reflect any changes to the unincorporated population based on the outcome of the 2020 census, which is unknown at the time of this writing. The Income tax budget is a 13.5% decline compared to the FY2020 budget as a result of layoffs, furloughs, and job losses caused by the pandemic. Beginning in July 2020, the General Assembly discontinued the 5% reduction to Local Government Distributive Fund (LGDF) revenue. Legislators initially imposed a “one-time” 10% cut in July 2017; however, rather than letting the cut expire in July 2018 as planned, the state reduced it to 5%. This cut resulted in the loss of \$690,000 in County revenue between July 2017 and June 2020.

To offset operating expenses for the Probation and Court Services Department, the Illinois Supreme Court, through the Administrative Office of the Illinois Courts (AOIC), provides reimbursement for a portion of personnel costs. An increase in state reimbursement is the result of AOIC converting three subsidy positions to grant-in-aid positions.

**Grants ▲22.3%**

The County’s federal and state grant revenue predominantly supports the Champaign County Head Start, Workforce Development and Regional Planning Commission (RPC). In FY2021, federal and state grants account for 85% of the overall RPC budget and include 147 grants in eight program areas with new or increased grant funding in FY2021 of \$3.4 million.



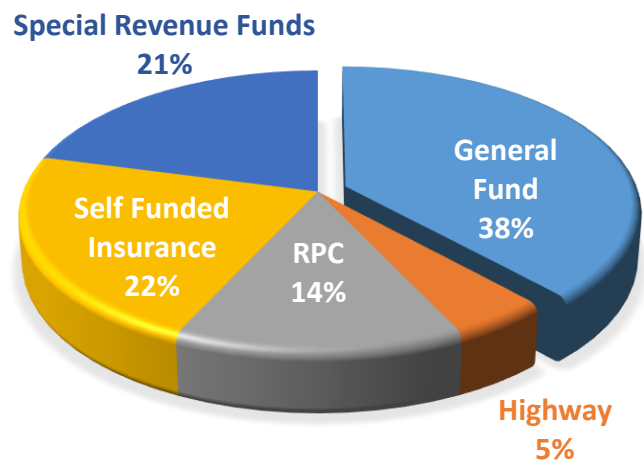
**Licenses and Permits ▲0.1%**

The majority of license and permit revenue is in the General Fund with 72% of revenue associated with revenue stamp fees which are budgeted at \$1.5 million FY2021. Two-thirds of this fee revenue must be submitted to the state.

**Fees and Fines ▼-6.7%**

This revenue stream reflects a decline in FY2021 predominantly due to the end, or reduction, of several one-time RPC technical services contracts. Additionally, the original FY2020 budget included \$500,000 for potential revenue receipt for Medicaid patient backpay for services previously provided by the Champaign County Nursing Home. The FY2021 budget includes no revenue for this purpose. The largest source of fees and fines revenue comes from the General Fund and includes court fees and fines, recording fees, and County and Circuit Clerk fees.

**FY2021 FEES & FINES REVENUE**



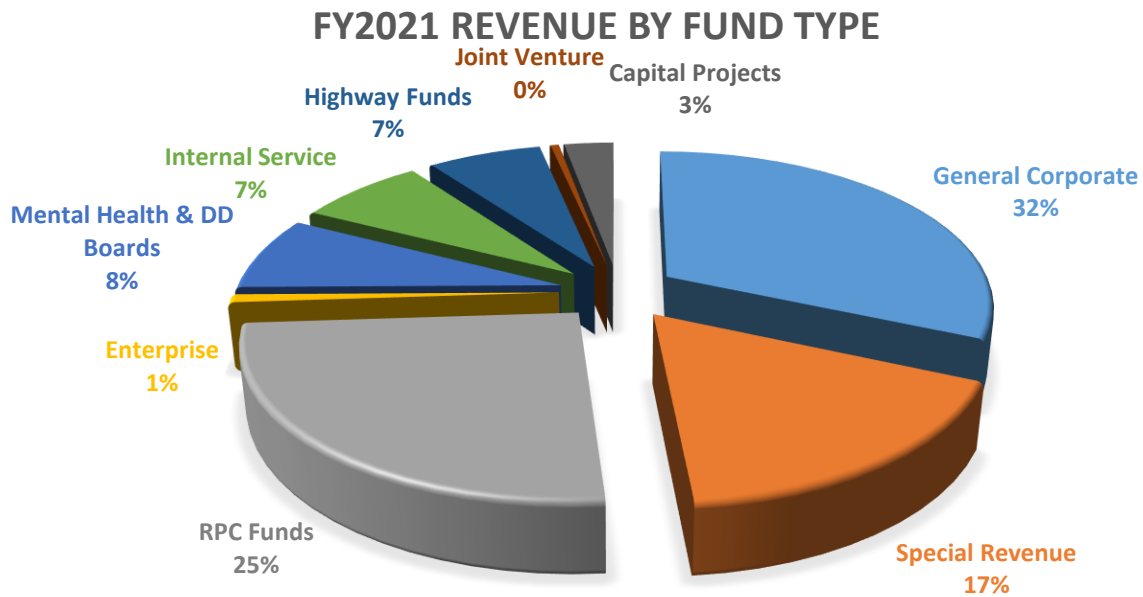
**Miscellaneous Revenue ▲5.4%**

Revenue increases as a result of budgeting for the receipt of insurance reimbursement due to significant hail damages incurred to roofs and HVAC systems. Reimbursement will be received in both 2020 and 2021, with \$3.4 million in repairs appropriated in FY2021.

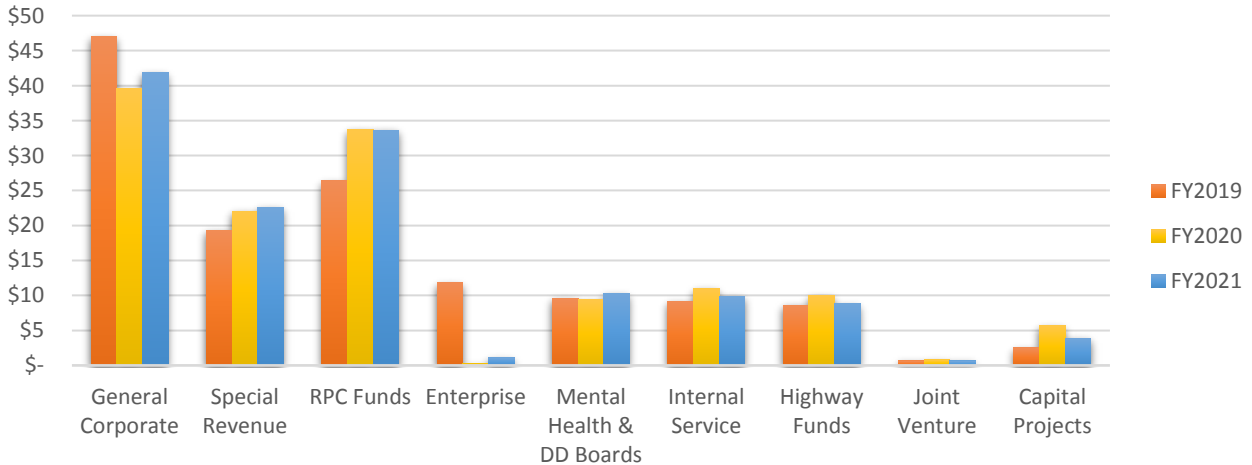
**Interfund Revenue ▼-13.2%**

In FY2020, the County reallocated the former Nursing Home operating levy under PTELL to the liability levy and budgeted for a subsequent \$1.3 million transfer to the self-funded insurance fund for outstanding amounts owed by the Home for its insurance and liability obligations. The

FY2021 budget does not include a transfer, as the former Nursing Home operating levy was reallocated under PTELL to the General Fund for obligations owed to that fund including forgiveness of a \$1 million loan.



### Revenue by Fund Type by Fiscal Year (in Millions)

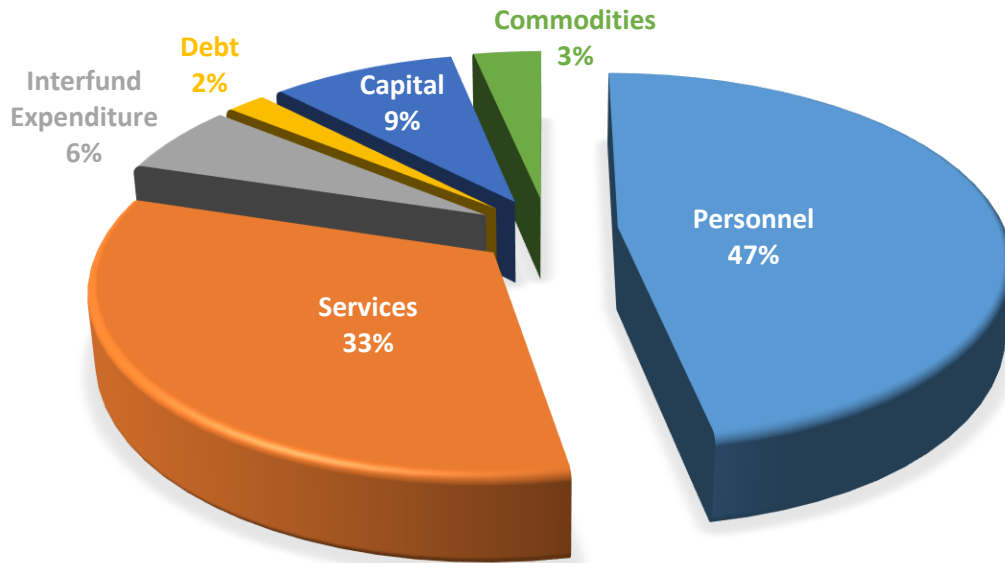


The FY2019 increase in General Fund revenue occurred due to transfers from the Nursing Home fund to redeem the 2015 bonds, and to reimburse the General Fund for the \$1.98 million that was transferred to the Home in 2018 for payment of outstanding accounts payable obligations. Program expansion within RPC funds is demonstrated by increased revenues in fiscal years 2020 and 2021. The decrease in Enterprise fund revenue results from the sale of the Nursing Home in 2019. The Nursing Home fund is the County’s only enterprise fund. The Capital Projects revenue increase in FY2020 is due to the receipt of insurance reimbursement for hail damages sustained to County roofs and HVAC systems.

**FY2021 Total Budgeted Expenditure \$136,939,369**

A 5.6% increase compared to the original FY2020 Budget.

Includes \$8.3 million in Interfund Transfers.



**Personnel ▲ 1.4%**

Personnel costs represent the largest expenditure for Champaign County and include salaries and wages, worker’s compensation insurance expenses, health and life insurance benefits, social security expenses and IMRF pension benefits. In FY2021 the personnel expenditure budget increases \$900,000 compared to the original FY2020 budget. Expenditure growth is the result of employee wage increases and health insurance premium increases, partially offset by a lower IMRF rate and one less working day in FY2021.

Salaries and wages represent 63% of total FY2021 personnel expenditures with the county’s portion of health and life insurance expenditures totaling 20% of the personnel budget. The remaining 17% is for FICA and IMRF benefits, workers compensation and unemployment insurance costs. The FY2021 budget reflects a net increase of 4.3 full-time equivalents due to grant initiatives within RPC departments and the addition of a structural engineer position in the Highway fund. The County renewed its health insurance plan with BlueCross BlueShield in FY2021 at a premium increase of 6.9%.

**Services ▲ 8.5%**

Services make up the second largest percentage of the County’s expenditures and in FY2021 reflect an increase of \$3.5 million. The largest budgeted service expenditure, \$11.2 million, is for contributions and grants. In total, the FY2021 budget reflects an increase of \$960,000 in contributions and grants largely due to expanded Workforce Development programs and the capacity to provide additional funding to agencies as a result of increases in the Mental Health and Development Disability property tax levies.



Other significant increases in the services expenditure category are summarized below:

- Computer and Information Technology services, which includes SaaS fees and implementation appropriation for replacement of the County's legacy financial system with an Enterprise Resource Planning (ERP) system.
- Professional services in the Board of Health's budget for an increase in its contract with the Champaign Urbana Public Health District for contract tracing services funded through an Illinois Department of Public Health grant.

**Commodities ▼-1.5%**

The decrease in commodities is attributed to reduced expenditure budgets for equipment less than \$5,000 across multiple county departments.

**Capital ▲41.9%**

Forty-nine percent of the County's capital expenditures are for equipment, bridges, culverts and road improvements in the Highway funds, with increased appropriation in FY2021 due to receipt of the Highway IDOT REBUILD grant. Most of the remaining capital appropriation is related to facility improvement funding within the Capital Asset Replacement Fund for projects scheduled in the County's Capital Facilities Plan, including appropriating insurance reimbursement received for hail damage repairs to roofs and HVAC systems planned in 2021.

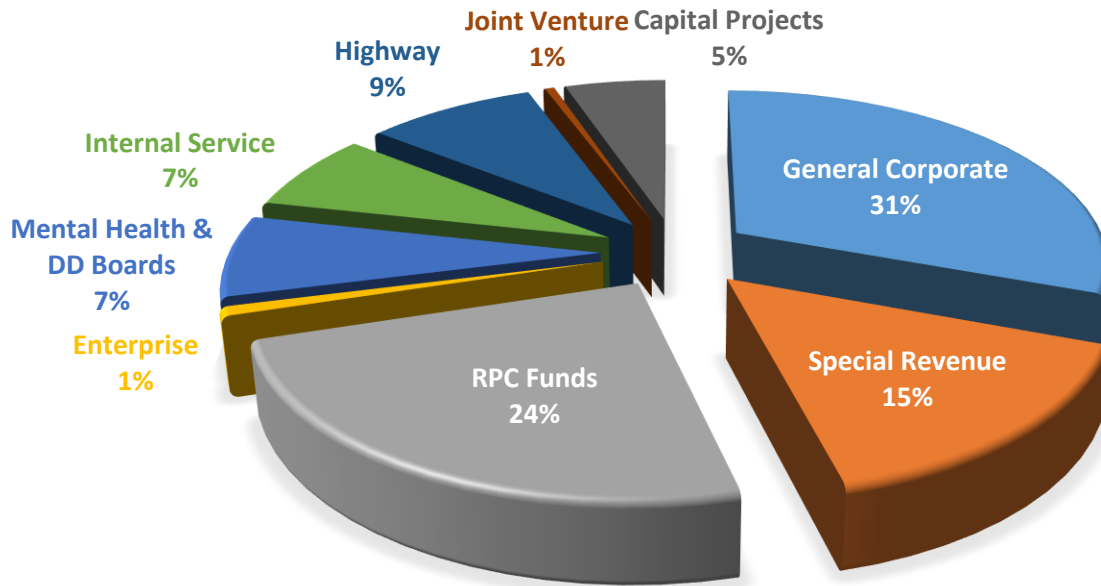
**Interfund Expenditure ▼-7.5%**

Fluctuations within the interfund expenditures lines net -\$670,000, with both increases and decreases reflected within the lines based on operational needs. For FY2021, interfund transfers include a budgeted transfer to the Nursing Home Fund from the General Fund to remove the \$1 million loan from the balance sheet.

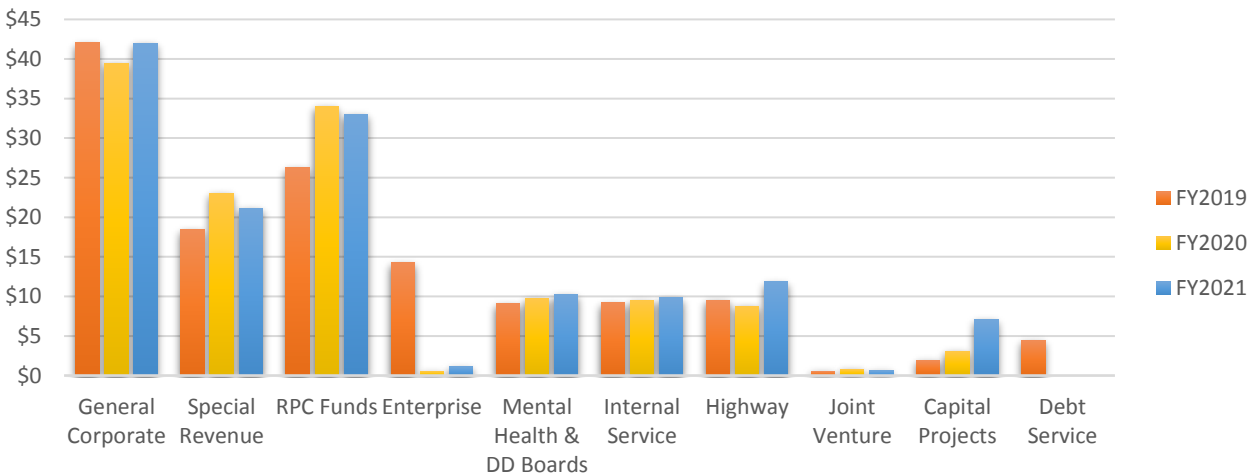
**Debt ▼-0.1%**

The FY2021 budget includes debt service appropriation for the County's debt certificate budgeted in the General Fund and three Public Safety Sales Tax Issues.

## FY2021 EXPENDITURE BY FUND TYPE



## Expenditure by Fund Type by Fiscal Year (in Millions)



In FY2020, General Fund departments were asked to restrict spending due to the impact of the COVID-19 pandemic on County revenue streams. The increase in Special Revenue funds in FY2020 is predominantly due to appropriating fund balance reserves for planned projects or purchases. Program expansion within RPC funds is demonstrated by increased expenditures in both fiscal years 2020 and 2021. The decrease in Enterprise fund expenditures is the result of the sale of the Nursing Home. Highway expenditures increase in FY2021 as REBUILD grant funds are appropriated to be utilized. Capital Projects expenditures increase in FY2021 for repairs due to hail damages sustained to County roofs and HVAC systems. Although there is debt service appropriation within the General Fund and Public Safety Sales Tax Fund, there is no appropriation in the Debt Service Fund in fiscal years 2020 and 2021 due to the defeasance of the Nursing Home bonds in 2019.