

TORT IMMUNITY TAX

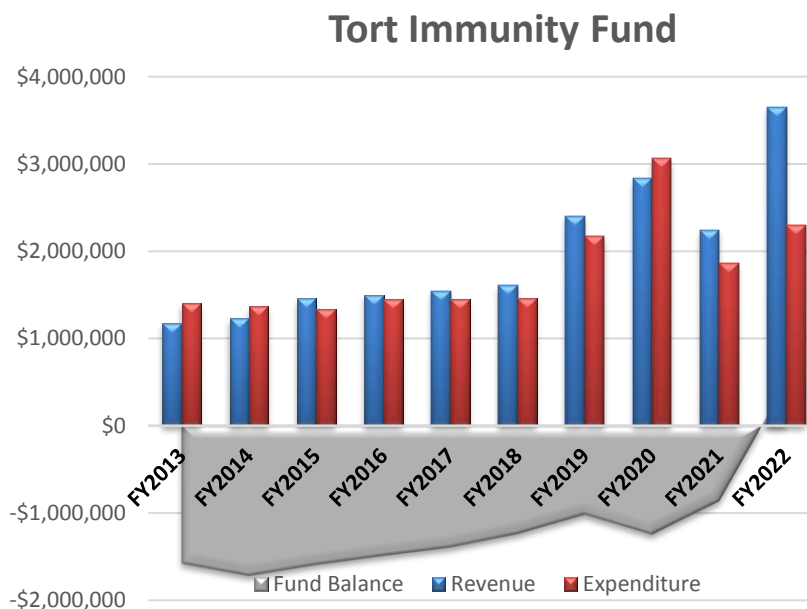
Fund 076-075

The Tort Immunity Tax Fund is established pursuant to 745 ILCS 10/9-107 to provide an extraordinary tax for funding expenses relating to tort liability, insurance, and risk management programs. The property tax-based revenue fund is the source of funding for the General Corporate Fund’s share of payment of premiums and claims to the Self-Funded Insurance Fund. The claims payments for property and liability are determined based on the most recent actuarial study recommendations, and Worker’s Compensation claims payments are determined based on Worker’s Compensation rates calculated on wages for categories of employment.

BUDGET HIGHLIGHTS

Because property tax is the only revenue stream for this fund, the tax caps applied by the Property Tax Extension Limitation Law (PTELL) did not allow the revenue to keep pace with the annual required contributions from fiscal years 2008 through 2014. In fiscal years 2015 through 2019, the property tax levy for Tort Immunity has had the capacity to match, or exceed, budgeted expenditures to help improve the negative fund balance. In FY2020, the Sixth Judicial Circuit Court ruled regarding the Carle Foundation property tax exemption case for parcels in its main campus for tax years 2005-2011, and of the total \$1.48 million ruling, \$106,657 was paid to the hospital from Tort Immunity thereby increasing the negative fund balance.

In FY2022, the former Nursing Home operating levy is reallocated under PTELL to Tort Immunity to go towards the Nursing Home obligations owed to the Self-Funded Insurance fund. As of August 2021, the Nursing Home fund owed the Self-Funded Insurance fund a total of \$1.3 million for Worker’s Compensation costs, property insurance premium payments, claims, outside attorney fees and Interfund liability billings. This total is expected to rise as outstanding claims against the Home are settled. To rectify the negative balance in the Tort Immunity Fund, a transfer to the Self-funded Insurance Fund is not budgeted although the Home will be given credit through the reallocation of the former Nursing Home operating levy.



FINANCIAL

Fund 076 Dept 075			2020 Actual	2021 Original	2021 Projected	2022 Budget
311	16	CURR PROP TX-LIABILTY INS	\$2,829,039	\$2,237,867	\$2,237,867	\$3,641,809
313	16	RE BACKTAX-LIABILITY INS	\$0	\$1,000	\$0	\$0
314	10	MOBILE HOME TAX	\$2,222	\$1,500	\$2,000	\$2,000
315	10	PAYMENT IN LIEU OF TAXES	\$0	\$1,100	\$3,000	\$1,200
		PROPERTY TAXES	\$2,831,261	\$2,241,467	\$2,242,867	\$3,645,009
361	10	INVESTMENT INTEREST	\$50	\$0	\$5	\$0
		MISCELLANEOUS	\$50	\$0	\$5	\$0
381	15	WORKER'S COMP REIMB	\$726	\$500	\$0	\$0
381	17	UNEMPLOYMENT INS REIMB	\$630	\$700	\$0	\$0
		INTERFUND REVENUE	\$1,356	\$1,200	\$0	\$0
REVENUE TOTALS			\$2,832,667	\$2,242,667	\$2,242,872	\$3,645,009
513	4	WORKERS' COMPENSATION INS	\$950,821	\$950,000	\$900,000	\$975,000
513	5	UNEMPLOYMENT INSURANCE	\$103,803	\$120,000	\$110,000	\$125,000
		PERSONNEL	\$1,054,624	\$1,070,000	\$1,010,000	\$1,100,000
533	20	INSURANCE	\$699,820	\$1,172,667	\$850,000	\$1,200,000
		SERVICES	\$699,820	\$1,172,667	\$850,000	\$1,200,000
571	19	TO SELF-FUNDED INS FND476	\$1,305,099	\$0	\$0	\$0
		INTERFUND EXPENDITURE	\$1,305,099	\$0	\$0	\$0
582	9	INTEREST ON TAX CASE	\$823	\$0	\$0	\$0
		DEBT	\$823	\$0	\$0	\$0
EXPENDITURE TOTALS			\$3,060,366	\$2,242,667	\$1,860,000	\$2,300,000

FUND BALANCE

FY2020 Actual	FY2021 Projected	FY2022 Budgeted
(\$1,247,082)	(\$864,210)	\$480,799

The fund balance goal is \$500,000 to maintain cash flow and to provide funding for emergency claim payments. The negative fund balance in fiscal years 2020 and 2021 was caused by an inability to increase the property tax revenue to match the required expenditure over time. Rectification of the negative fund balance is budgeted by the end of FY2022 as explained previously.

SELF-FUNDED INSURANCE

Fund 476-000

The fund accounts for risk financing activities. Revenue comes from the Tort Immunity Fund to cover costs relevant to the County’s General Corporate Fund departments; and from billings to various County Special Revenue Funds to cover their representative share of cost. The Self-Funded Insurance Fund provides financing for the County’s auto liability and property, general liability, unemployment, and worker’s compensation claims payments, and for stop-loss insurance premiums for auto, liability, property, unemployment, and workers compensation.

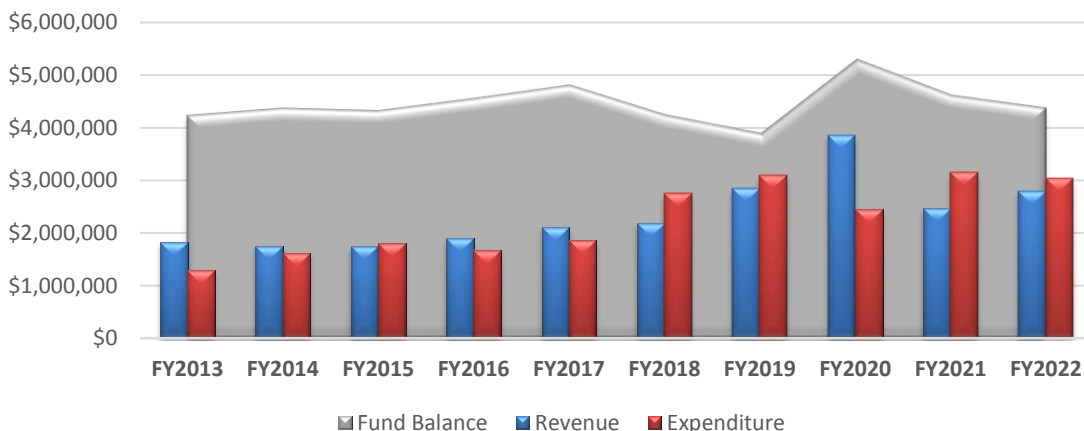
In FY1986, the county established a self-funded worker’s compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY1992. In 1993, the County created a separate internal service fund – the Self-Funded Insurance Fund and moved self-funded worker’s compensation to that fund. The County also began self-funding liability and auto insurance in 1994 through the Self-Funded Insurance Fund. The billings to various funds for the self-funded portion of worker’s compensation, general liability and auto liability are based upon projections provided through an actuarial study documenting the County’s Loss Reserve and Funding Analysis.

BUDGET HIGHLIGHTS

In FY2018 and FY2019, there was a drop in the fund balance due to expenditures exceeding revenues because of settling Nursing Home claims, and the Home’s inability to reimburse this fund for self-funded and direct insurance costs. Historically, this fund has experienced revenue in excess of, or equal to, expenditures due to actual claims paid being lower than budget.

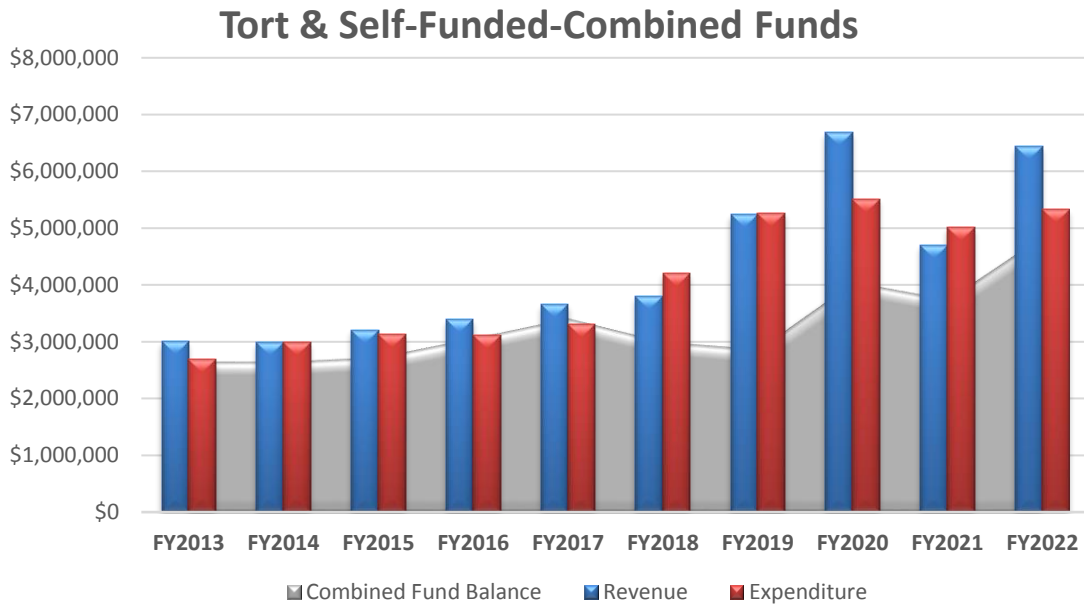
In FY2021 and FY2022 expenditures are expected to exceed revenues as the remaining outstanding cases against the Home are settled. As of August 2021, the Nursing Home fund owed the Self-Funded Insurance fund a total of \$1.3 million for Worker’s Compensation costs, property insurance premium payments, claims, outside attorney fees and Interfund liability billings. This number will increase with the settlement of outstanding claims against the Home. In FY2020, the former Nursing Home operating levy was reallocated towards the Home’s obligations to the Self-Funded Insurance fund. In FY2022 the liability levy includes reallocation of former levy for outstanding amounts owed by the Home. To rectify the negative balance in the Tort Immunity Fund, a transfer to the Self-funded Insurance Fund is not budgeted although the Home will be given credit for its obligations through the reallocation of the former levy.

Self-Funded Insurance



Self-Funded Insurance is in a combined fund with Tort Immunity, which has carried a fund balance deficit for many years (see the Tort Immunity Fund Budget Document 076-075). With the levy reallocation as previously described, the Tort Immunity Fund is expected to have a positive fund balance for the first time since at least 2007. The following chart depicts the combined revenues and expenditures for the Tort Immunity Fund and Self-Funded Insurance Fund, exhibiting the actual fund balance available for Self-Funded operations.

With the Tort Immunity fund balance in a positive position and the Self-Funded Insurance fund balance more than the actuarial central estimate of unpaid claim liability, administration recommends future billings to County funds be discounted to provide some financial relief with consideration given to preservation of the actuarial recommended fund balance.



FINANCIAL

Fund 476 Summary			2020 Actual	2021 Original	2021 Projected	2022 Budget
341	8	PROPERTY/LIAB INS BILLING	\$1,139,218	\$1,691,402	\$1,338,166	\$1,584,242
341	9	WORKERS COMP INS BILLINGS	\$1,191,059	\$947,407	\$920,190	\$953,395
		FEES AND FINES	\$2,330,277	\$2,638,809	\$2,258,356	\$2,537,637
361	10	INVESTMENT INTEREST	\$7,685	\$10,000	\$1,600	\$1,600
369	80	INSURANCE CLAIMS REIMB	\$4,610	\$0	\$0	\$0
369	90	OTHER MISC. REVENUE	\$10,549	\$0	\$2,544	\$0
		MISCELLANEOUS	\$22,844	\$10,000	\$4,144	\$1,600
371	76	FROM TORT IMMUNITY FND076	\$1,305,099	\$0	\$0	\$0
381	17	UNEMPLOYMENT INS REIMB	\$200,527	\$250,000	\$201,000	\$250,000
		INTERFUND REVENUE	\$1,505,626	\$250,000	\$201,000	\$250,000
		REVENUE TOTALS	\$3,858,747	\$2,898,809	\$2,463,500	\$2,789,237

Fund 476 Summary			2020	2021	2021	2022
			Actual	Original	Projected	Budget
513	4	WORKERS' COMPENSATION INS	\$190,897	\$225,000	\$200,000	\$225,000
513	14	WKRS COMP SELF-FUND CLAIM	\$464,148	\$702,092	\$702,000	\$714,667
		PERSONNEL	\$655,045	\$927,092	\$902,000	\$939,667
522	1	STATIONERY & PRINTING	\$0	\$0	\$107	\$0
		COMMODITIES	\$0	\$0	\$107	\$0
533	1	AUDIT & ACCOUNTING SERVCS	\$0	\$14,000	\$13,750	\$0
533	3	ATTORNEY/LEGAL SERVICES	\$191,689	\$232,104	\$250,000	\$259,631
533	20	INSURANCE	\$838,267	\$1,100,000	\$1,000,000	\$1,200,000
533	26	PROPERTY LOSS/DMG CLAIMS	\$45,973	\$40,000	\$40,000	\$40,000
534	80	AUTO DAMAGE/LIAB CLAIMS	\$238,860	\$55,640	\$95,640	\$72,747
534	81	GENERAL LIABILITY CLAIMS	\$466,176	\$500,000	\$825,000	\$500,000
		SERVICES	\$1,780,965	\$1,941,744	\$2,224,390	\$2,072,378
571	80	TO GENERAL CORP FUND 080	\$19,683	\$19,973	\$19,973	\$20,592
		INTERFUND EXPENDITURE	\$19,683	\$19,973	\$19,973	\$20,592
EXPENDITURE TOTALS			\$2,455,693	\$2,888,809	\$3,146,470	\$3,032,637

FUND BALANCE

FY2020 Actual	FY2021 Projected	FY2022 Budgeted
\$5,292,370	\$4,609,400	\$4,366,000

Per the County's Financial Policies, the County will strive to maintain, at a minimum, the actuary recommended fund balance. Per the County's current actuarial study, the discounted actuarial central estimate of unpaid claim liability is \$3 million for the period ending December 31, 2022. The decrease in fund balance in FY21 is attributed to the settlement of three large claims against the Champaign County Nursing Home.

PROPERTY LIABILITY INSURANCE

Fund 476-118

The Property Liability Insurance budget receives revenues and appropriates expenditures for the County's property and liability self-funded claims, and for stop-loss insurance premiums.

FINANCIAL

Fund 476 Dept 118			2020 Actual	2021 Original	2021 Projected	2022 Budget
341	8	PROPERTY/LIAB INS BILLING FEES AND FINES	\$1,139,218 \$1,139,218	\$1,691,402 \$1,691,402	\$1,338,166 \$1,338,166	\$1,584,242 \$1,584,242
369	80	INSURANCE CLAIMS REIMB	\$4,610	\$0	\$0	\$0
369	90	OTHER MISC. REVENUE MISCELLANEOUS	\$10,549 \$15,159	\$0 \$0	\$2,544 \$2,544	\$0 \$0
371	76	FROM TORT IMMUNITY FND076	\$1,305,099	\$0	\$0	\$0
381	17	UNEMPLOYMENT INS REIMB INTERFUND REVENUE	\$200,527 \$1,505,626	\$250,000 \$250,000	\$201,000 \$201,000	\$250,000 \$250,000
REVENUE TOTALS			\$2,660,003	\$1,941,402	\$1,541,710	\$1,834,242
533	1	AUDIT & ACCOUNTING SERVCS	\$0	\$7,000	\$6,875	\$0
533	3	ATTORNEY/LEGAL SERVICES	\$191,689	\$232,104	\$250,000	\$259,631
533	20	INSURANCE	\$838,267	\$1,100,000	\$1,000,000	\$1,200,000
533	26	PROPERTY LOSS/DMG CLAIMS	\$45,973	\$40,000	\$40,000	\$40,000
534	80	AUTO DAMAGE/LIAB CLAIMS	\$238,860	\$55,640	\$95,640	\$72,747
534	81	GENERAL LIABILITY CLAIMS SERVICES	\$466,176 \$1,780,965	\$500,000 \$1,934,744	\$825,000 \$2,217,515	\$500,000 \$2,072,378
571	80	TO GENERAL CORP FUND 080 INTERFUND EXPENDITURE	\$6,561 \$6,561	\$6,658 \$6,658	\$6,658 \$6,658	\$6,864 \$6,864
EXPENDITURE TOTALS			\$1,787,526	\$1,941,402	\$2,224,173	\$2,079,242

EMERGENCY ED RELIEF - CARES

Fund 476-891

FINANCIAL

Fund 476 Dept 119			2020	2021	2021	2022
			Actual	Original	Projected	Budget
341	9	WORKERS COMP INS BILLINGS FEES AND FINES	\$1,191,059 \$1,191,059	\$947,407 \$947,407	\$920,190 \$920,190	\$953,395 \$953,395
361	10	INVESTMENT INTEREST MISCELLANEOUS	\$7,685 \$7,685	\$10,000 \$10,000	\$1,600 \$1,600	\$1,600 \$1,600
REVENUE TOTALS			\$1,198,744	\$957,407	\$921,790	\$954,995
513	4	WORKERS' COMPENSATION INS	\$190,897	\$225,000	\$200,000	\$225,000
513	14	WKRS COMP SELF-FUND CLAIM PERSONNEL	\$464,148 \$655,045	\$702,092 \$927,092	\$702,000 \$902,000	\$714,667 \$939,667
522	1	STATIONERY & PRINTING COMMODITIES	\$0 \$0	\$0 \$0	\$107 \$107	\$0 \$0
533	1	AUDIT & ACCOUNTING SERVCS SERVICES	\$0 \$0	\$7,000 \$7,000	\$6,875 \$6,875	\$0 \$0
571	80	TO GENERAL CORP FUND 080 INTERFUND EXPENDITURE	\$13,122 \$13,122	\$13,315 \$13,315	\$13,315 \$13,315	\$13,728 \$13,728
EXPENDITURE TOTALS			\$668,167	\$947,407	\$922,297	\$953,395