



FINANCIAL FORECAST  
CHAMPAIGN COUNTY, IL

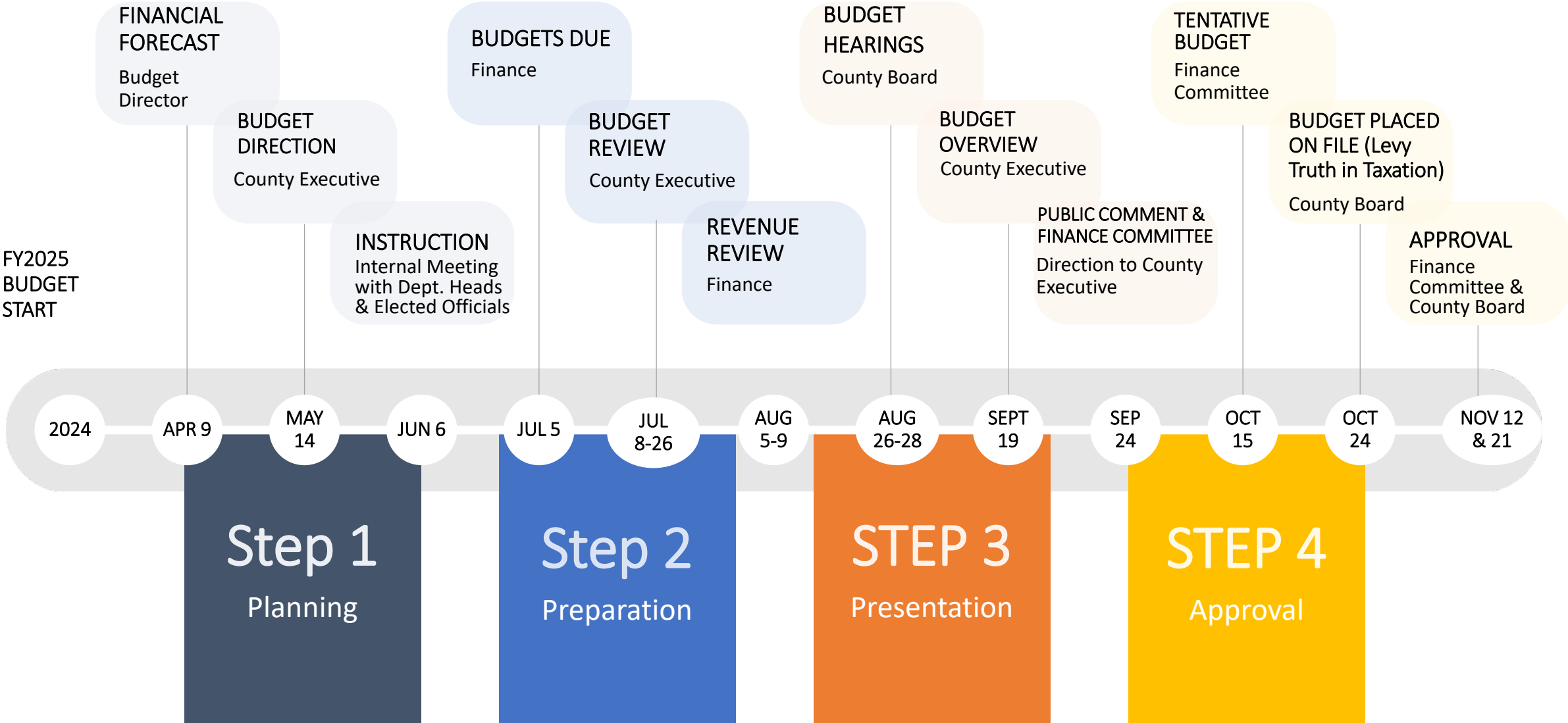
**FY2025**

**FY2024-FY2029**



# FY2025 BUDGET PROCESS

Champaign County



The forecast provides  
a framework for  
financial planning

FY2023  
General  
Fund  
(Unaudited)

<b>REVENUE</b>	<b>\$47,604,526</b>
<b>EXPENDITURE</b>	<b><u>\$46,332,489</u></b>
<b>DIFFERENCE</b>	<b>\$1,272,037</b>
<b>Projected Fund Balance</b>	<b>\$15,137,019</b>
<b>Fund Balance as a % of Expenditures</b>	<b>*32.7%</b>

\* Champaign County's Financial Policies recommend a General Fund reserve balance of at least two months or 16.7% of operating expenditures for cash flow purposes.

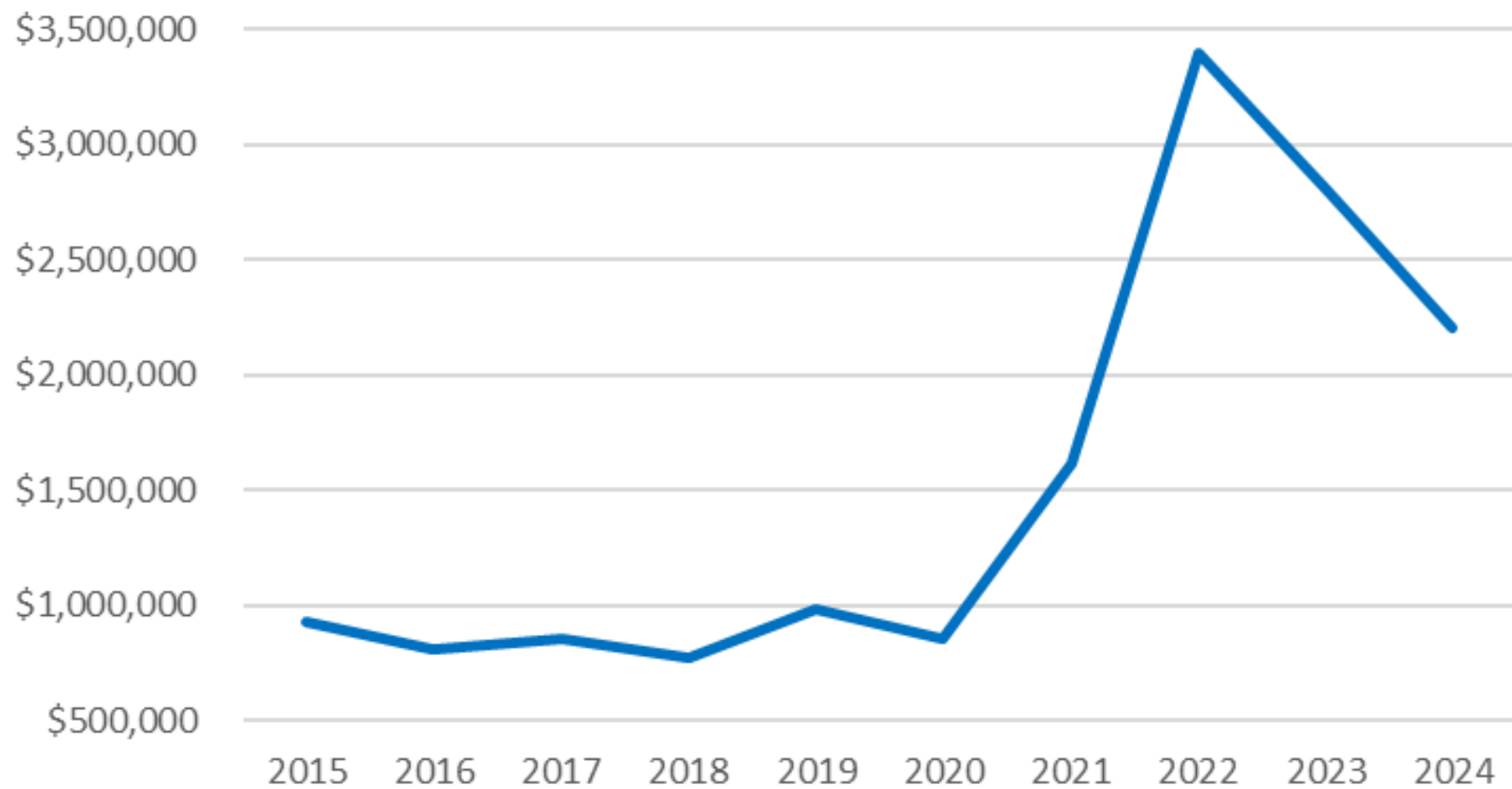
# Challenges

- Recruiting, Retention, and Retirements
- Funding New Positions in Operating Funds
- Technology Investment

# Unknowns

- Economic Uncertainty
- Legislative and Administrative Changes
  - Veterans Assistance Commission
  - Personal Property Replacement Tax
  - Admin Fees
  - Criminal Justice Reform
- Health Insurance Costs
- Hospital Property Tax Liability
- PPRT

## Personal Property Replacement Taxes (General Fund)

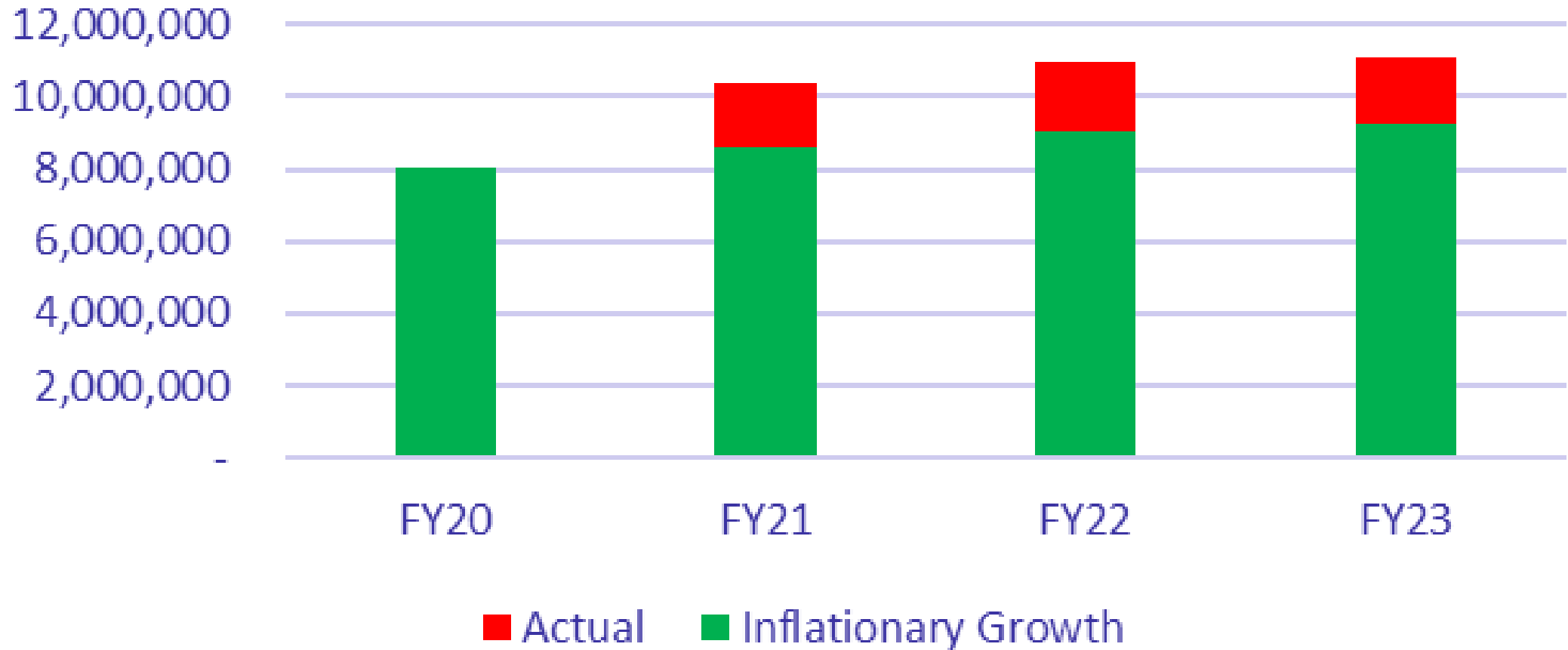


# Economic Environment

## Will there be a recession or slowdown?

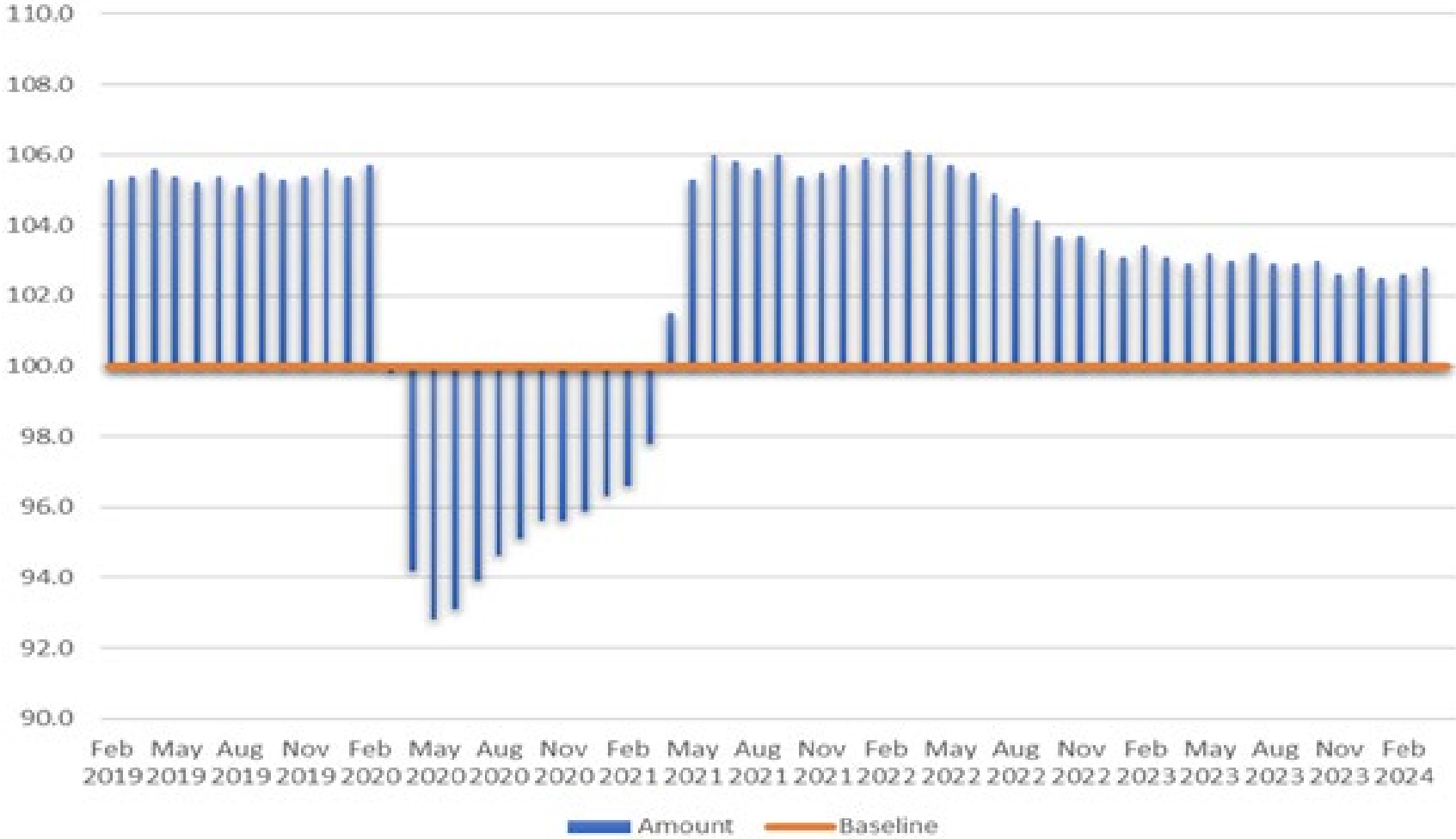
- Property Tax and Sales Tax growth
- Inflation cooling
- Interest rates rising
- Unemployment rates up slightly

# County Sales Tax vs Inflationary Growth

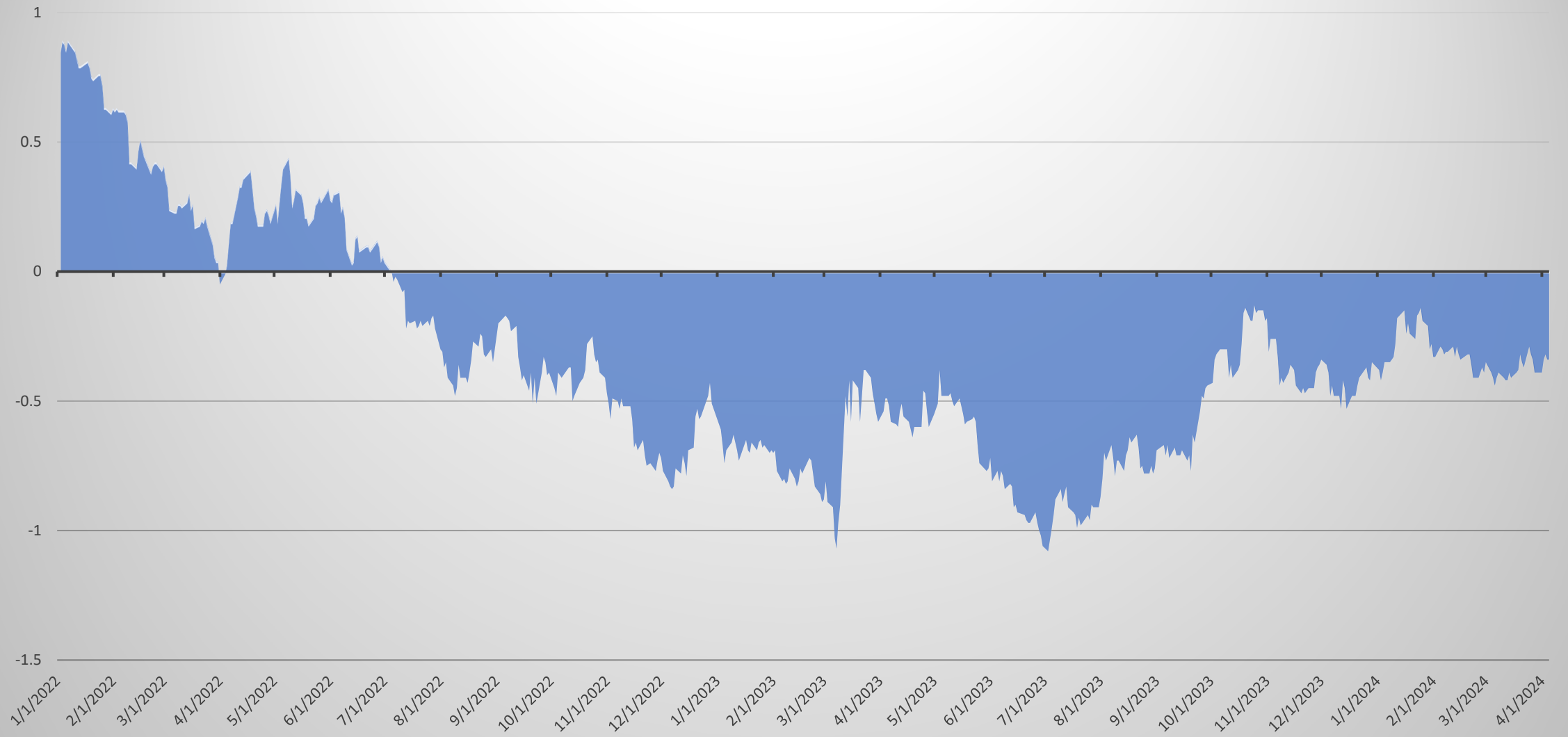




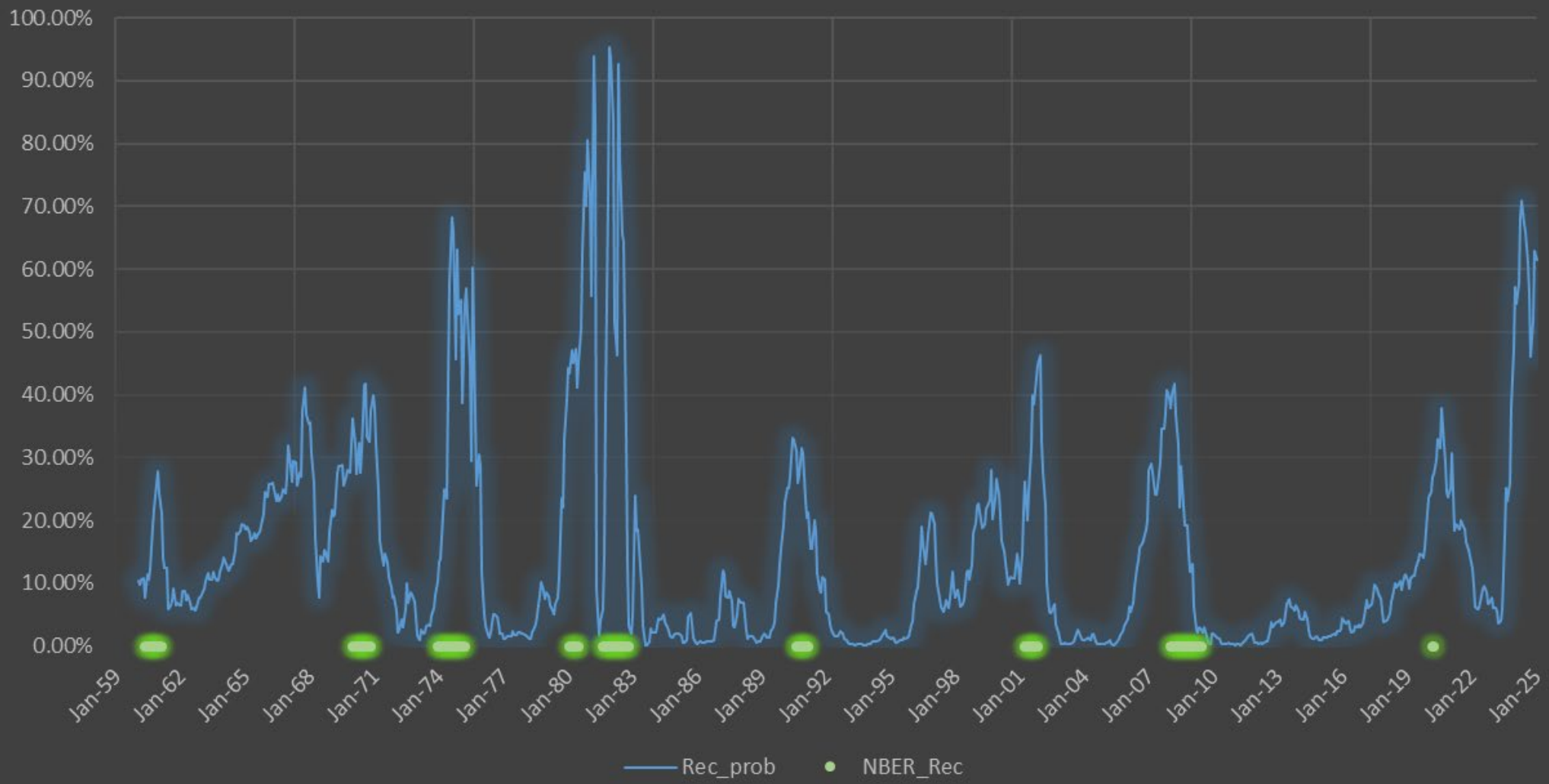
# U of I Flash Index Economic Growth - March 2024



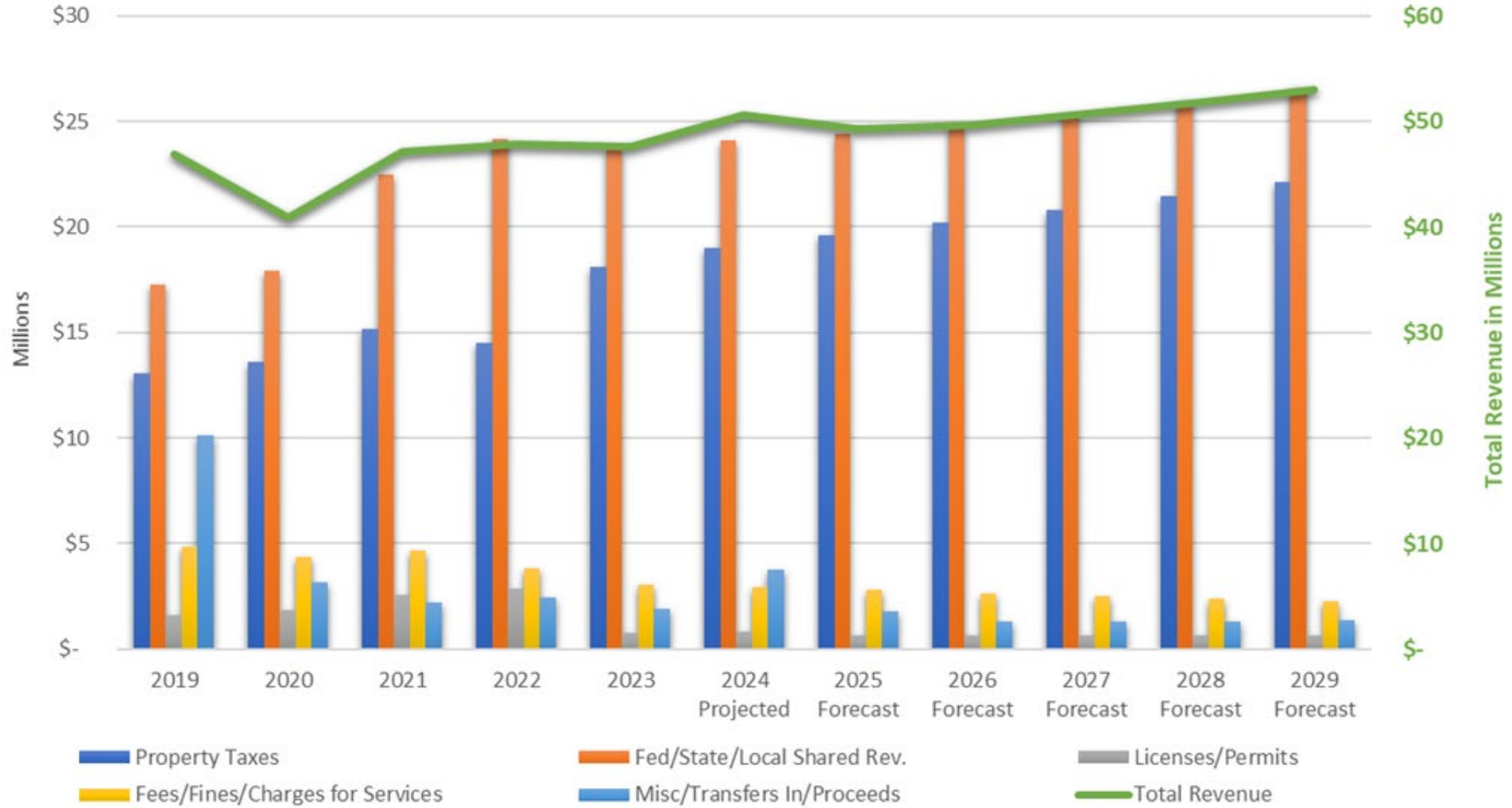
# Yield Curve (10-year vs 2-year)



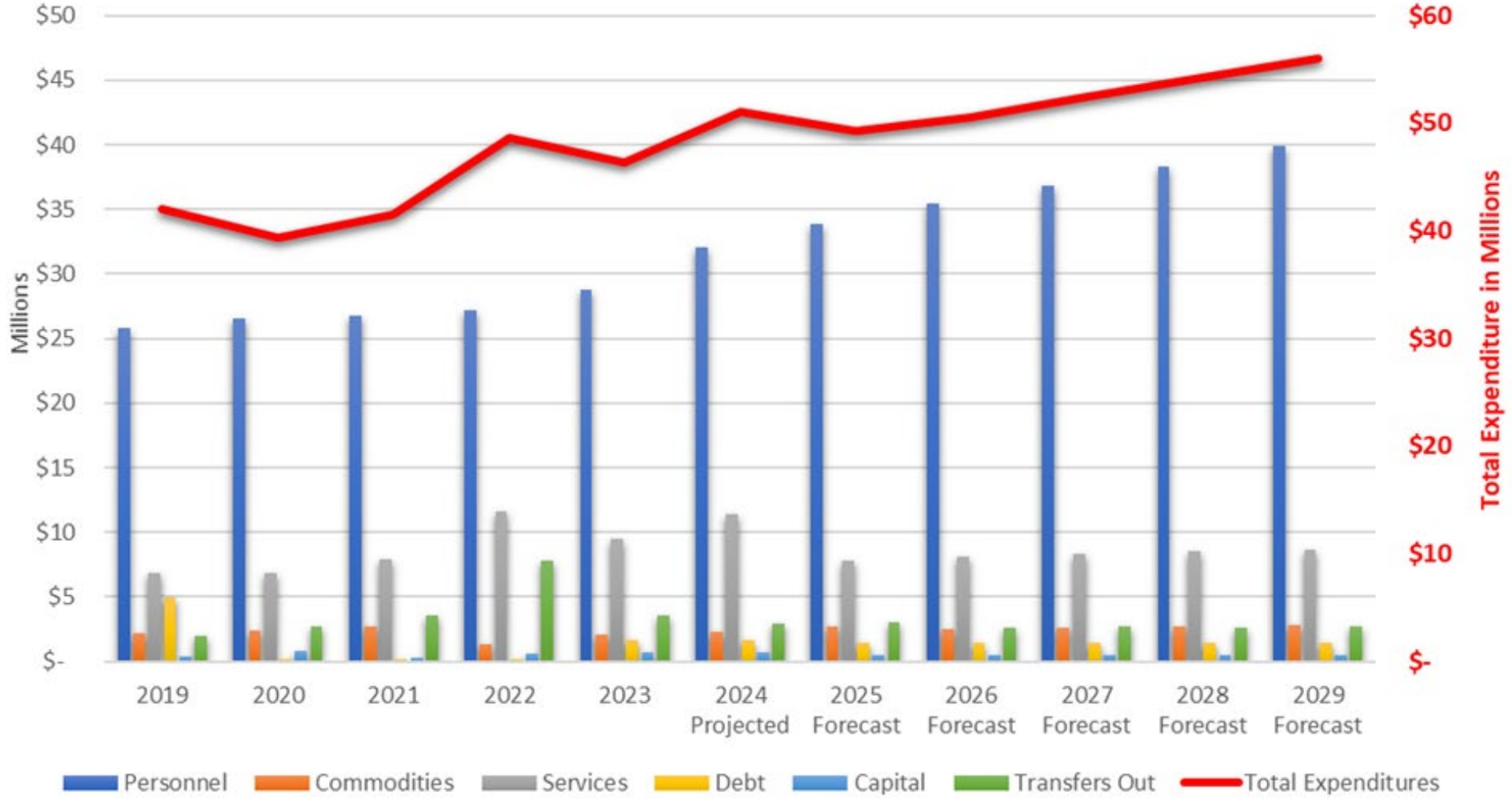
# Recession Probability - Federal Reserve New York



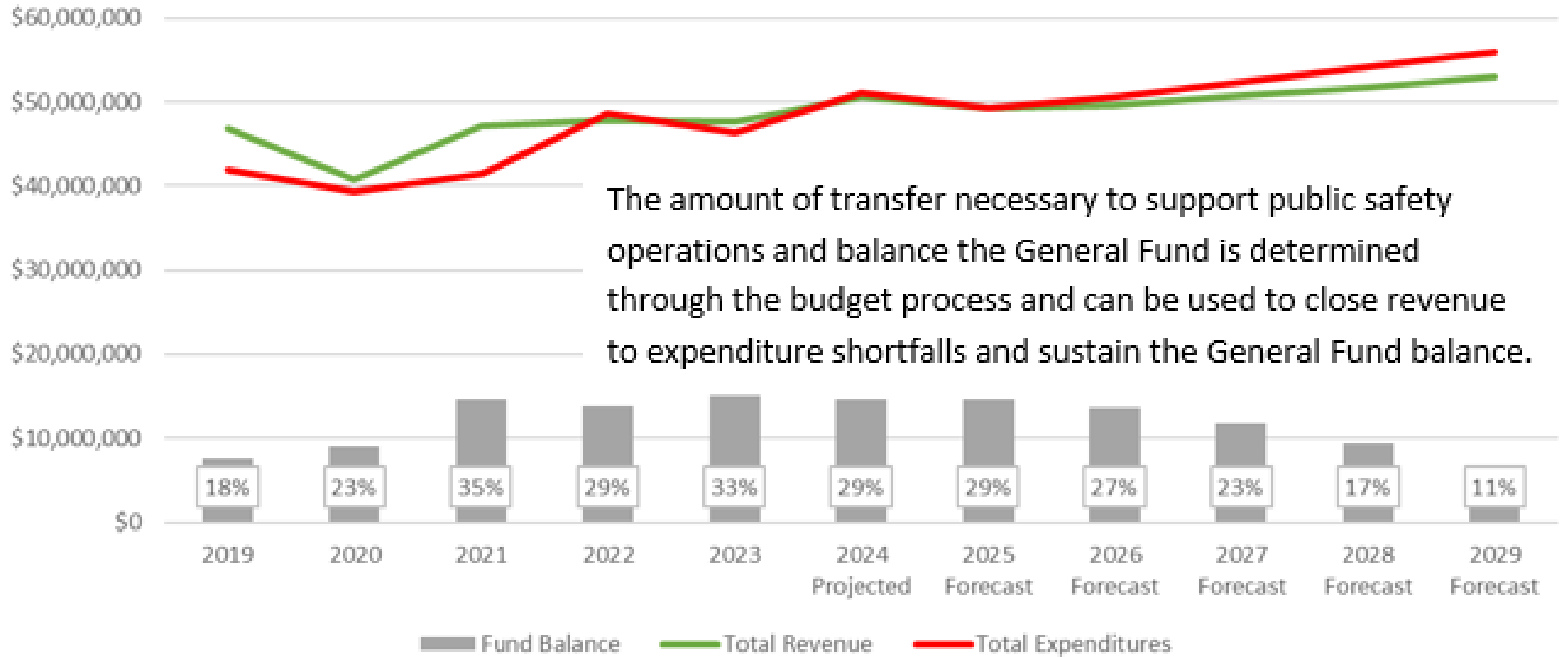
# General Fund Revenue



# General Fund Expenditure

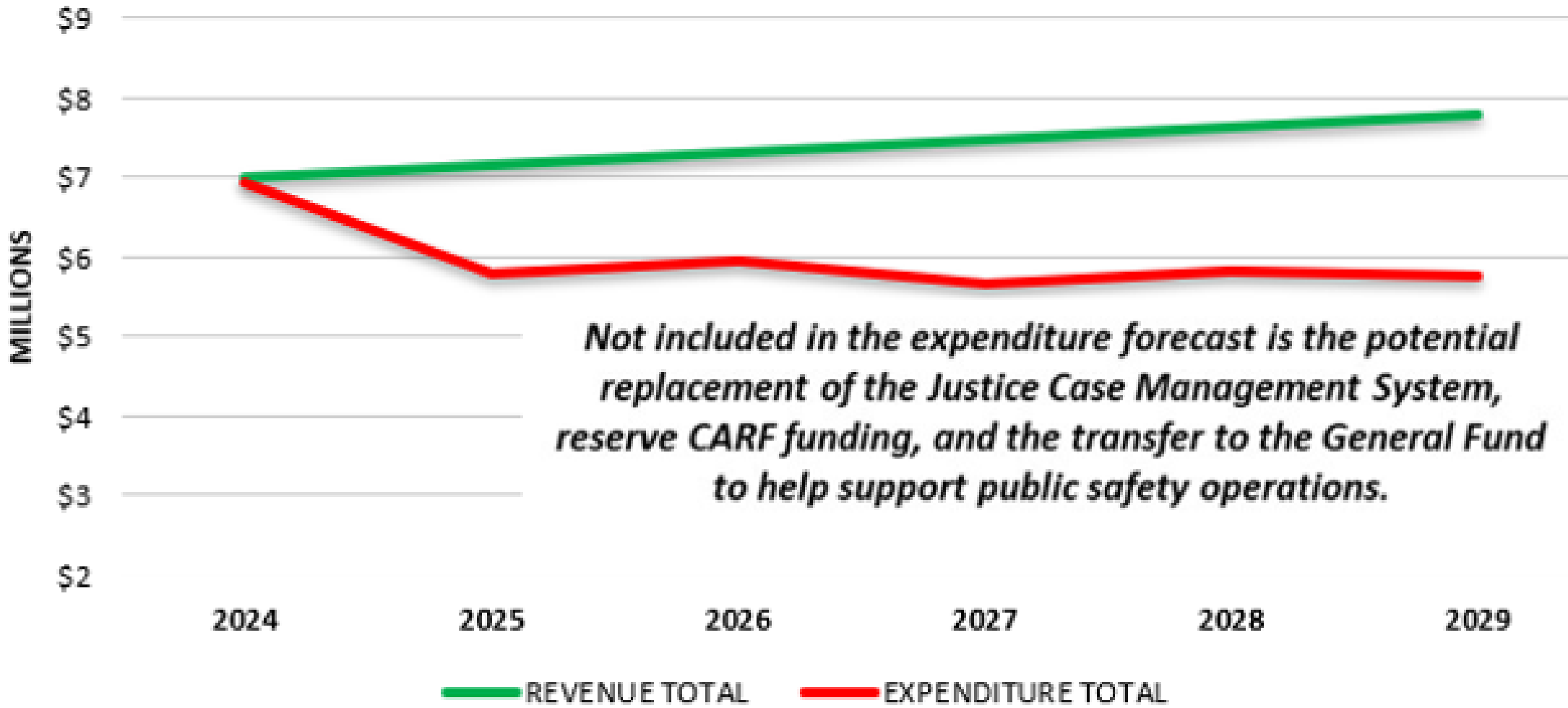


### General Fund Revenue/Expenditure Trend and Fund Balance Projection



- **The minimum recommended General Fund balance is 16.7%, although with the recent economic uncertainty and potential liability regarding outstanding hospital property tax exemption cases, maintaining a higher fund balance is judicious.**

# Public Safety Sales Tax





# Capital Asset Replacement Fund (CARF)

- Established to implement long-term planning
- Primary source of funds are from transfers from General Fund and Public Safety Sales Tax Fund
- Due to lack of funding, unable to build a reserve in the Fund
- ARPA has eased CARF by paying for certain software costs, but these will go back to CARF in FY2025
  - Roughly \$200,000 per year



# American Rescue Plan Act Fund (ARPA)

	2021 Actuals	2022 Actuals	2023 Actuals (Unaudited)	2024 Projected	2024 Actuals	2025 Projected	2026 Projected	Projected Totals
<b>INCOME</b>								
Dept of Treasury	\$20,364,815	\$20,364,815						\$40,729,630
Investment Interest	\$10,963	\$206,995	\$348,551		\$4,667			\$571,176
<b>TOTAL INCOME</b>	<b>\$20,375,778</b>	<b>\$20,571,810</b>	<b>\$348,551</b>	<b>\$0</b>	<b>\$4,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,300,806</b>
<b>EXPENSES</b>								
<i>Administration Subtotal</i>	\$33,609	\$116,986	\$128,496	\$130,124	\$1,400	\$113,428	\$116,831	\$674,496
<i>Affordable Housing Subtotal</i>	\$0	\$150,000	\$135,000	\$1,570,000	\$0	\$0	\$0	\$1,855,000
<i>Broadband Projects Subtotal</i>	\$0	\$154,228	\$4,993	\$4,304,722	\$0	\$4,136,058	\$1,400,000	\$10,000,000
<i>Community Violence Intervention Subtotal</i>	\$0	\$185,769	\$1,595,238	\$2,172,427	\$53,903	\$106,720	\$0	\$4,060,160
<i>County Department Projects Subtotal</i>	\$0	\$3,940,300	\$1,062,760	\$8,491,844	\$2,765	\$0	\$0	\$13,494,904
<i>Early Learning Assistance Subtotal</i>	\$0	\$25	\$2,000,025	\$0	\$0	\$0	\$0	\$2,000,050
<i>Household Assistance Subtotal</i>	\$0	\$438,000	\$0	\$0	\$0	\$0	\$0	\$438,000
<i>Mental Health Services Subtotal</i>	\$373,276	\$219,621	\$30,000	\$90,000	\$0	\$0	\$0	\$712,897
<i>Non-Profit Assistance Subtotal</i>	\$0	\$83,333	\$254,700	\$311,967	\$99,735	\$0	\$0	\$650,000
<i>Small Business Assistance Subtotal</i>	\$0	\$81,400	\$416,157	\$502,443	\$18,358	\$0	\$0	\$1,000,000
<i>Water Infrastructure Projects Subtotal</i>	\$0	\$1,039,378	\$1,330,554	\$1,130,068	\$96,654	\$2,000,000	\$0	\$5,500,000
<b>TOTAL EXPENSES</b>	<b>\$406,885</b>	<b>\$6,409,040</b>	<b>\$6,957,922</b>	<b>\$18,703,595</b>	<b>\$272,814</b>	<b>\$6,356,206</b>	<b>\$1,516,831</b>	<b>\$40,385,507</b>

	<b>2024 Projected</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>
General Fund	(493,769.68)	(91,510.05)	(991,666.10)	(1,742,618.24)	(2,424,230.94)	(3,085,312.76)
Public Safety	55,505.78	1,360,416.50	1,364,994.33	1,795,248.36	1,803,352.76	2,022,226.96
Total Surplus/(Deficit)	(438,263.90)	1,268,906.44	373,328.22	52,630.13	(620,878.18)	(1,063,085.81)

**There are County needs and/or desires that are not yet addressed in the forecasts summarized below.**

**An incomplete list includes:**

- **Increased funding for Veteran’s Assistance Commission**
- **Reserve CARF funding for future fiscal years**
- **Funding for new position requests**
- **Possible increase in juror pay**
- **Justice Case Management System Replacement**
- **Hospital Property Tax Liability**
- **Funding for services for the Sheriff’s Department**
- **Employee Compensation Study findings and Employee Family Health Care costs**
- **Software costs no longer covered by ARPA funds**
- **Revenue reductions caused by a potential recession**

## Recession/Slowdown Scenarios

<b>Forecast</b>						
	<b>2024 Projected</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>
General Fund	(493,769.68)	(91,510.05)	(991,666.10)	(1,742,618.24)	(2,424,230.94)	(3,085,312.76)
Public Safety	55,505.78	1,360,416.50	1,364,994.33	1,795,248.36	1,803,352.76	2,022,226.96
Total Surplus/(Deficit)	(438,263.90)	1,268,906.44	373,328.22	52,630.13	(620,878.18)	(1,063,085.81)
<b>5% Sales Tax Reduction in FY25 (~\$9.0 million swing over 5 years)</b>						
	<b>2024 Projected</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>
General Fund	(493,769.68)	(1,336,917.23)	(2,268,208.46)	(3,051,074.15)	(3,765,398.25)	(4,460,009.26)
Public Safety	55,505.78	868,649.00	886,750.43	1,306,243.98	1,303,345.78	1,510,969.82
Total Surplus/(Deficit)	(438,263.90)	(468,268.23)	(1,381,458.03)	(1,744,830.17)	(2,462,052.47)	(2,949,039.44)
<b>Sales Tax Flat in FY25 and slowed in FY26 (~\$4.3 million swing over 5 years)</b>						
	<b>2024 Projected</b>	<b>2025 Forecast</b>	<b>2026 Forecast</b>	<b>2027 Forecast</b>	<b>2028 Forecast</b>	<b>2029 Forecast</b>
General Fund	(493,769.68)	(506,645.78)	(1,666,261.66)	(2,434,078.68)	(3,132,977.89)	(3,811,778.39)
Public Safety	55,505.78	1,207,799.00	1,131,786.31	1,561,032.54	1,563,867.08	1,777,352.85
Total Surplus/(Deficit)	(438,263.90)	701,153.22	(534,475.35)	(873,046.14)	(1,569,110.82)	(2,034,425.54)

The County has consistently demonstrated sound fiscal management by balancing its budgets and improving its fund balances, placing itself in a solid financial position to head into any recession that might come to fruition.

The actual work to ensure fiscal responsibility occurs during each fiscal year budget process and includes collaboration between elected officials, department heads, outside entities, staff, and the County Board.

# FY2025 BUDGET PROCESS

Champaign County

