

TORT IMMUNITY TAX

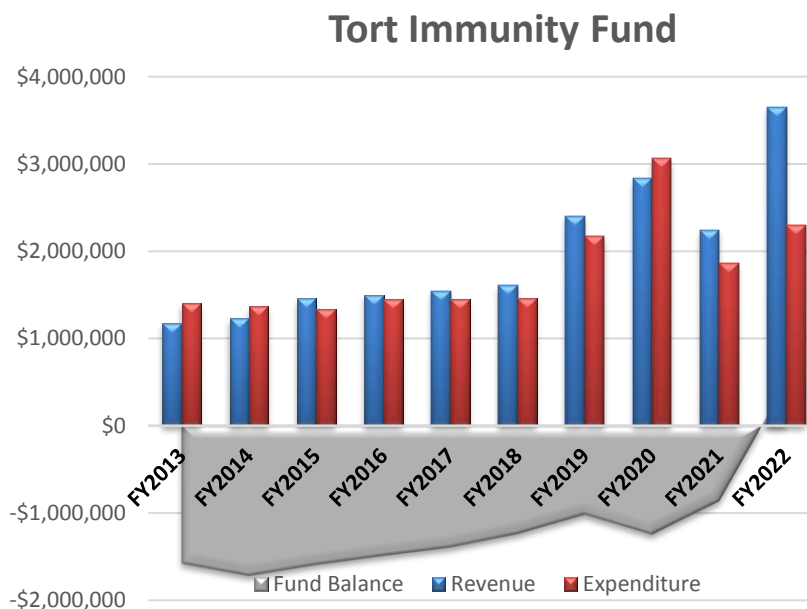
Fund 076-075

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.