

Governor's Allocation Plan

**State of Illinois
Fiscal Year 2010**



What Caused Current Budget Crisis?

- Historic recession caused substantial drop in FY09 revenues
- Result:
 - Estimated \$3.9 billion backlog in unpaid bills at end of FY09
 - FY10 revenues inadequate to meet state's responsibilities



Governor Quinn's Original Budget Proposal, GA Response

- Governor Quinn's March 18 budget proposal included modest revenue increase, and
 - Funded vital services
 - Trimmed more than \$1 billion in spending
- General Assembly rejected Governor's budget plan
 - Passed budget bills on May 31 leaving substantial spending shortfall



Governor's Revised Budget Includes Additional \$1 Billion in Cuts

• State Operations <i>(includes layoffs, 12 furlough days)</i>	\$185 million
• Medicaid	\$140 million
• Grants	\$250 million
• Education	\$175 million
• Corrections	\$125 million
• Additional Reserves	\$100 million
• Other State offices, departments and agencies	\$25 million
Total:	\$1 billion



July 15 Budget

- After Governor's veto of 'partial' budget bills, GA passed current plan
 - Borrows \$3.4 billion to make FY10 pension payments
 - Appropriates lump sums instead of specific line items for grants and programs
 - Includes \$3.4 billion in unallocated funds



Fiscal Year 2010 Budget Deeply Underfunded

- Governor's Revised Budget
 - **\$29.5 billion**
- Governor's spending plan after \$1 billion in cuts and pension adjustments
 - **\$27.5 billion**
- Total spending authority in July 15 budget plan
 - **\$26.1 billion**

\$1.4 billion in Unmet Needs

- Does not include funds to pay down an estimated \$3.9 billion backlog in unpaid FY09 bills
- Long payment cycle harms private agencies, small businesses



\$3.4 Billion to be Allocated by the Governor

- \$2.2 billion designated for human services
- \$1.2 billion undesignated



Governor's Allocation Principles

- Provide court-ordered services
- Preserve programs required by federal government
- Maximize state programs reimbursed or matched by federal funds
- To extent possible, provide programs required by state statute
- Support programs that meet basic health, life and safety needs
- Reduce demands on higher-cost programs by investing in less costly prevention and intervention services



Governor's Allocation of \$2.2 Billion for Human Services

- \$1.4 billion for Department of Human Services includes developmental disabilities grants, addiction treatment programs and mental health programs
- \$342 million for Department on Aging Community Care Program
- \$272 million for Department of Children and Family Services
- \$27 million for community adult education/GED services
- \$18 million for RTA fare subsidies for seniors and persons with disabilities



Allocation of Undesignated \$1.2 Billion

- **\$1 billion for Healthcare and Family Services includes**
 - \$300 million for Medicaid
 - \$700 million for group health
- **\$150 million for State Board of Education includes**
 - \$85 million for early childhood education
 - \$11 million for bilingual programs
- **\$40 million for Department of Public Health includes**
 - \$17 million for HIV/AIDS programs
 - \$9 million for breast/cervical cancer screening programs
- **\$13 million for Amtrak**



After \$3.4 Billion Allocation, Significant Shortfalls Remain in Vital Programs

Medicaid	(\$600 million)
Group health coverage for state employees, retirees and dependents	(\$600 million)
Pre K-12 education	(\$145 million)
College scholarships	(\$225 million)
Contingency reserve funds	+\$180 million
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Unmet Needs	\$1.4 billion



New revenues must be found
to restore funding for vital
Fiscal Year 2010 programs and
meet future obligations.

For more information regarding the Governor's Allocation Plan, visit
www.budget.illinois.gov