

CENTER FOR TAX AND BUDGET ACCOUNTABILITY

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Mission Statement The Center for Tax and Budget Accountability is a bi-partisan 501(c)(3) non-profit research and advocacy think tank that promotes fair, efficient and progressive tax, spending and economic policies.

FY05 Budget Proposal: Impact on Environmental Policy and Programs

FY05 Budget Proposal

- \$44B operating budget, representing an increase of 7% over FY04 budget (\$41.1B)
- New revenue/savings:
 - ⇒ Natural revenue growth;
 - ⇒ Staff reductions;
 - ⇒ 4% across-the-board agency cuts (excluding education, some human services, the General Assembly and constitutional officers);
 - ⇒ Increased fees;
 - ⇒ Agency consolidations;
 - ⇒ Corporate loophole closures;
 - ⇒ Fund chargebacks;
 - ⇒ nursing home rate hike;
 - ⇒ reamortized ERI pension contribution;
 - ⇒ 2.5% agency reserve.
- Budget includes \$260M in fund sweeps
- \$70M in fund sweeps will impact environmental programs

Environmental Program Appropriations:

Enacted Appropriations (\$000's)

Agency	FY03	FY04	FY05 rec. (Feb.)	% change 03-05
Dept. of Natural Resources	230,414	210,652	190,068	- 18%
General Funds	127,164	107,414	96,428	- 24%
Other State Funds	93,550	94,413	85,506	
Federal Funds	9,700	8,825	8,134	
Environmental Protection Agency	1,181,786	1,133,441	1,092,243	- 8%
General Funds	28,526	4,249	2,946	- 90%
Other State Funds	1,096,704	1,071,912	1,028,446	
Federal Funds	56,556	57,279	60,851	
General Funds Total	155,690 (\$22.335B) .6%		99,374 (\$23.956B) .4%	- 36%

BACKGROUND

The FY05 Budget Proposal recommends reductions in FY05 appropriations to a number of environmental programs and authorizes the transfer of revenues from specific dedicated state funds that support environmental programs to the Budget Stabilization Fund in an attempt to address the deficit in the General Revenue Fund. While the Governor's FY05 Budget Proposal recommended zeroing out funding to the state's Open Space Land Acquisition and Development Program ("OSLAD") and Natural Areas Acquisition Fund ("NAAF") we've gotten word that full funding will be restored.

The FY05 Budget would authorize \$70 million in transfers from dedicated state funds that support environmental and energy efficiency programs to the General Revenue Fund. Revenue appropriated to these funds is derived from dedicated sources, such as fees and surcharges, and is intended to be used for specific purposes. Programs affected by the proposed fund transfers range from combating mosquitoes carrying the West Nile virus to supporting recycling and waste reduction efforts. The Environmental Law & Policy Center has suggested that the proposed dedicated fund transfers will hinder the state's ability to preserve and protect the environment and encourage better use of energy resources.

FY05 Budget - Proposed Dedicated Fund Transfers

Fund	Purpose of Fund	Fund Balance as of 7/15/04*	Proposed Special Fund Transfers to General Funds
Natural Areas Acquisition Fund	See above.	\$12,910,251.44	\$3,400,000
State Parks Fund	To maintain and preserve Illinois parks	\$3,454,476	\$2,817,000
Drycleaner Environmental Response Trust Fund	To provide funds to operators of retail dry cleaning facilities to pay for the cleanup of spills and/or leaks from their dry cleaning machines and solvent storage units	\$6,378,001	\$5,457,000
Renewable Energy Resource Trust Fund	Funds to foster the development and use of renewable energy resources used for power and heat, such as solar thermal panels, photovoltaic panels, small wind turbines, dedicated crops grown for energy production, hydropower and organic waste biomass.	\$3,539,972	\$9,510,000
Energy Efficiency Trust Fund	Funds to support energy efficiency efforts for low-income households, such as replacing energy inefficient windows, replacing energy inefficient appliances, replace energy inefficient lighting, insulating dwellings and buildings, using market incentives to encourage energy efficiency and other projects which will increase energy efficiency in homes and rental properties.	\$5,833,133	\$3,040,000
Conservation 2000 Fund	Funds to support a six year initiative designed to take a broad-based, long-term ecosystem approach to conserving, restoring, and managing Illinois' natural lands, soils, and water resources while providing additional high-quality opportunities for outdoor recreation.	\$7,296,939	\$7,439,000

Illinois Forestry Development Fund	Funds the Forestry Development Council responsible for determining the magnitude, nature, extent and ownership of Illinois' forest resources; funds the Cost Share Program which reimburses eligible landowners for a portion of the costs associated with forest management and tree planting plans, and reforestation; funds for other state forestry programs.	\$1,648,091	\$1,257,000
Parks and Conservation Fund	Funds conservation with and preservation of parks throughout Illinois.	\$10,048,517,517	\$8,813,000
Hazardous Waste Fund	Funds to provide a cradle-to-grave management scheme for hazardous wastes to ensure that these wastes are not mismanaged in a manner that will impact human health or the environment.	\$20,547,248	\$1,500,000
Solid Waste Management Fund	Funds to support recycling and waste reduction programs throughout the state.	\$9,687,100	\$9,084,000
Used Tire Management Fund	Funds to reduce the hazards associated with the enormous piles of used tires scattered throughout the state. Provides additional resources to combat mosquitoes carrying West Nile Virus.	\$2,327,592	\$3,278,000
Brownfield Redevelopment Fund	Funds to provide grants to assist and support efforts by municipalities to develop and sustain programs that categorize and assess brown fields sites for cleanup. Does not fund actual cleanup activities.	\$11,431,399	\$5,100,000
Radiation Protection Fund	Funds programs that support effective regulation of radiation sources for the protection of human health, welfare and safety;	\$2,698,974	\$750,000
Community Water Supply and Laboratory Fund	Funds for technical information and counseling on water chemistry issues, as well as water testing services and analysis of major contaminants in the drinking water. Provides municipalities with assistance in locating new water bearing deposits.	\$1,986,411	\$1,876,000
Leads Maintenance Fund	Funds regulation of hazardous lead-based paint, including licensing lead paint inspectors, lead risk assessors, lead abatement contractors, lead supervisors and lead workers.	\$2,698,973	\$2,000,000
Low-Level Radioactive Waste Facility Development and Operation Fund	Funds program for development and operations of low-level radioactive waste disposal facilities.	\$2,793,208	\$2,202,000
Low-Level Radioactive Waste Facility Closure, Post-Closure and Compensation Fund	Funds the safe closure and post-closure of low-level radioactive waste disposal facilities.	\$6,078,959	\$6,000,000
TOTAL		\$98,343,107	\$70,123,000

*Source: Illinois Comptroller.