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FACT SHEET

ILLINOIS STATE DEFICIT PROBLEMS

Below is a short walk-down of the FY2010 and FY2011 budget pictures—with a focus on the hole that will exist next year, based on the debt and one-time, nonrecurring revenue being used for FY2010. Note further that Illinois' FY2009 budget was just north of \$29 billion, so the starting point of \$26.08 billion for FY2010 is already over \$3 billion—or 10 percent—less than FY2009.

Illinois' State FY2010 Budget Breakdown	
APPROPRIATIONS	\$26.08 B*
ONE-TIME, NONRECURRING REVENUES	
Debt Proceeds from issuance of five-year Pension Notes	\$3.466 B
Federal Stimulus	\$1.843 B
Fund Sweeps	\$.356 B
Debt Restructuring	\$.600 B
TOTAL NONRECURRING REVENUE	\$6.265 B**
<p>* Note: The FY2010 budget figure does NOT include at least \$3.2 B in past due, unpaid bills carried forward from FY2009—and there is NO revenue source to pay this amount.</p> <p>**Note: That means over 21% of the FY2010 budget is covered with one-time, nonrecurring revenues not available in FY2011.</p>	

Illinois' FY2011 Starting Budget Shortfall—Minimum	
Replacement of one-time FY2010 revenues and debt	\$6.265 B
First installment of five-year Debt Service on Pension Notes	\$.800 B
Carry Forward of Operating Deficits from FY2009/2010	\$4.0 B
Increase in required pension contribution under the Pension Ramp*	1.2 B
TOTAL MINIMUM FY2011 STARTING DEFICIT	\$12.265 B
<p>* In 1995, Illinois passed a pension ramp bill requiring significant, annual increases in the state's contribution to its public employee retirement systems, to make up for a decades long practice of failing to make the full, employer contribution into the system. That is why the pension contribution escalates by \$1.2 billion next year. It is also why Illinois has an unfunded liability in excess of \$74 billion today.</p>	

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