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ANALYSIS OF GOVERNOR QUINN'S GENERAL FUND BUDGET PROPOSAL FOR FISCAL YEAR 2011

March 2010





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Founded in 2000, the Center for Tax and Budget Accountability is a non-profit, bi-partisan research and advocacy think tank committed to ensuring that tax, spending and economic policies are fair and just, and promote opportunities for everyone, regardless of economic or social status.

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1. INTRODUCTION

On March 10, 2010, Governor Quinn unveiled his General Fund Budget Proposal for the state's upcoming Fiscal Year 2011, which begins on July 1, 2010, and will run through June 30, 2011. The proposal calls for \$24.5 billion in total spending—the vast majority of which (over 90 percent) goes to just four services: education, healthcare, human services and public safety. As proposed, the FY2011 General Fund is characterized primarily by two features: (i) spending cuts, with approximately \$1.8 billion cut from FY2010 funding levels; and (ii) borrowing, with over \$10 billion (\$4.7 billion in direct borrowing from banks and approximately \$5.7 billion in indirect borrowing from service providers in the form of payment deferrals) in debt being used to fund \$24.5 billion in appropriations.

While a difficult budget year could reasonably have been anticipated, given that both the national and state economies are just emerging from the worst recession in decades, blaming the recession for the state's financial woes, as reflected in the significant cuts and borrowing included in the FY2011 General Fund budget proposal, misses the real, primary cause of Illinois' deteriorating fiscal condition. For although the recession certainly worsened the state's fiscal problems, the data clearly demonstrate it did not cause them. In fact, back in FY2008, which was the last General Fund budget prepared before the recession started, Illinois had a \$3.5 billion deficit in its General Fund.¹ The state's continued inability to fund public services without relying on significant borrowing and irresponsible fiscal practices like underfunding its pensions and deferring payments owed to health and human service providers is the natural consequence of a flawed revenue system that historically grows at a rate insufficient to continue providing the same level of services from one fiscal year to the next, adjusting solely for inflation and population growth. As long as this "structural deficit" remains unaddressed, Illinois state government will continue to rely on significant amounts of debt, one-time revenue sources and irresponsible fiscal practices to fund services.

2. FY 2011 GENERAL FUND BUDGET PROPOSAL HIGHLIGHTS

- Public service expenditures in FY2011 will be cut in nominal dollars by \$1.8 billion from FY2010 levels, with the primary focus of the cuts falling on K-12 public education, which will be cut by \$1.227 billion from FY2010 levels. That represents a year-to-year reduction of almost 17 percent in funding for education.
- If implemented, the \$1.227 billion cut in K-12 funding would be the largest year-to-year reduction in education funding in the history of Illinois.
- Under the FY2011 proposal, Illinois will incur \$4.7 billion in short-term bank debt to pay for public services covered by the General Fund, which is the state's basic operating fund. That means almost 20 percent (19.18%) of Illinois' operating expenditures on the four core public services of education, healthcare, human services and public safety, will be covered by the proceeds of one-time bank debt that has to be repaid, not recurring revenue.
- Of even more concern, approximately \$5.7 billion appropriated in the FY2011 General Fund budget proposal **HAS NO REVENUE SOURCE TO COVER THE SPENDING**. This means Illinois state government will require schools, human service and healthcare providers to deliver \$5.7 billion of public services in FY2011, that will not be paid for until FY2012.
- In effect, then, to pay for its \$24.5 billion in FY2011 General Fund appropriations, the state would have to borrow \$5.7 billion from service providers in FY2011, in addition to the \$4.7 billion in bank debt it will incur. **IN OTHER WORDS, FULLY 42 PERCENT OF THE STATE'S BASIC OPERATING FUND IN FY2011 WILL BE COVERED BY ONE-TIME DEBT—NOT RECURRING REVENUE.**

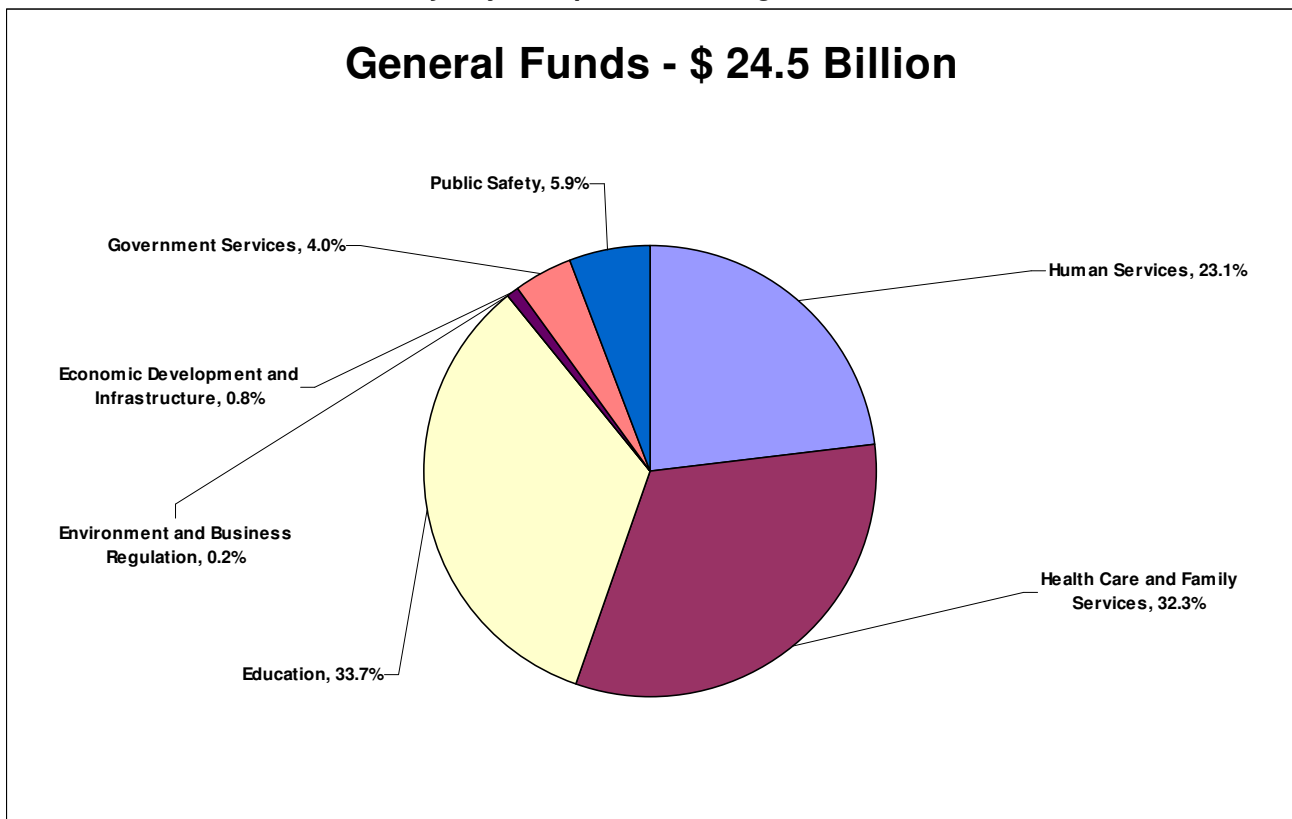
3. FY2011 GENERAL FUND SPENDING PROPOSAL

A. Overview

The state of Illinois has two different budgets, the General Fund budget and the larger, All Funds budget. The All Funds budget includes the General Fund, plus numerous smaller funds over which the state has little to no discretion to determine what does and does not get funded. Non-discretionary spending items in the All Funds budget include everything from bond proceeds that are targeted to specific infrastructure improvements, to restricted federal transfers and dedicated state funds like the road fund and motor fuel tax fund, and other special state funds that support state services such as medical assistance, children's services, environmental cleanup, financial regulation, and health insurance.

The General Fund, on the other hand, is the budget over which the Governor and General Assembly have the most direction. It is also the budget which covers spending on the core services state government provides. In fact, as Figure 1 shows, over \$9 out of \$10 appropriated to be spent in the Governor's FY2011 General Fund budget proposal, go to education, healthcare, human services and public safety.

Figure 1
Fiscal Year 2011 General Fund Appropriations
by Major Purpose Percentage of Total



When preparing the state's FY2011 General Fund budget proposal, Governor Quinn was confronted with fiscal challenges greater than those faced by any of his predecessors in office. Consider that in FY2010, Illinois' total General Fund budget for public services was about \$26 billion (with an additional \$3.587 billion targeted to pension payments). If Quinn just wanted to maintain spending at that level in FY2011, he was facing a revenue shortfall in excess of \$13 billion (a walk-down of that shortfall is shown in Figures 4 and 5 below).

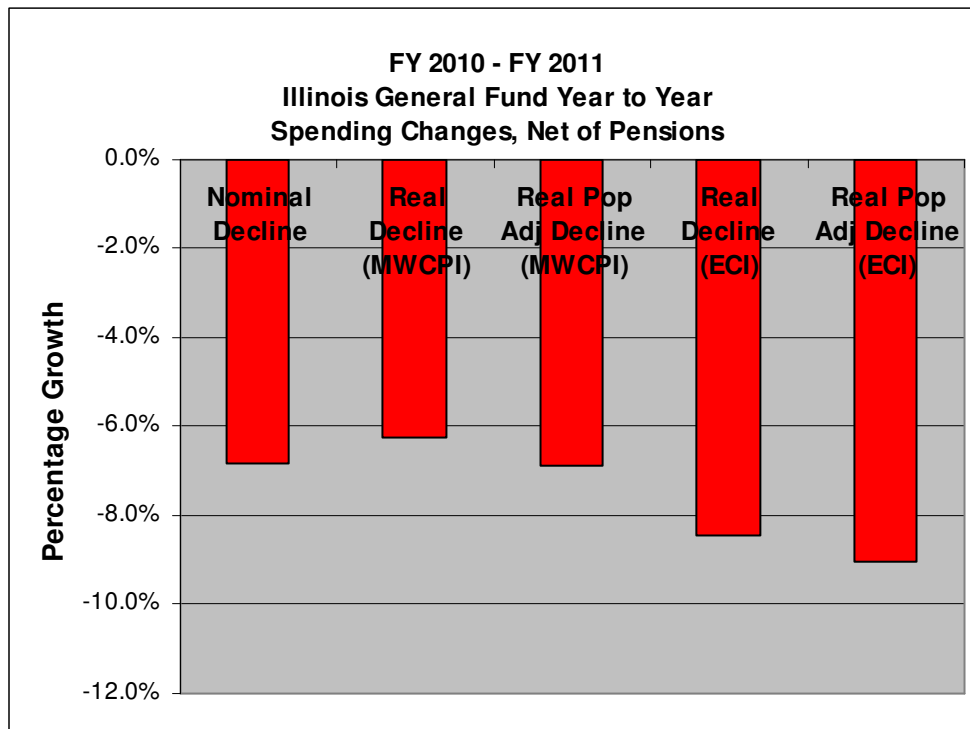
Without gaining passage of a significant revenue enhancement from the General Assembly, something the Governor fought for last year, he was left with the undesirable options of slashing spending on key public services, and/or borrowing to maintain services. As Figure 2 demonstrates, the Governor was compelled to include significant year-to-year spending cuts in his FY2011 budget proposal.

Figure 2
FY2010-FY2011 Change in General Fund Spending, Excluding Pension Payments, Adjusted for Inflation and Population Growth

Category	FY 2010 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth ⁴	Adjusted for ECI and Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change
General Fund Including Pensions	\$29,775			\$29,174	(\$600)	-2.0%				
Pensions ¹	\$3,466			\$4,666	\$1,200	34.6%				
General Fund Excluding Pensions and Saved Funds	\$26,309	\$26,312	\$26,945	\$24,508	(\$1,800)	-6.8%	(\$1,804)	-6.9%	(\$2,436)	-9.0%

Notes: 1) FY 2011 "off budget" pension payments are estimated to be \$ 1,200 plus \$ 3,466 million borrowed in FY 2010.

Figure 3



FISCAL NOTE: WHY ADJUST FOR INFLATION AND POPULATION GROWTH?

The answer is simple. It's the only way to determine whether spending on public services and/or revenue growth is increasing in real terms, is just keeping pace with cost increases generated by the economy over time, or is falling behind cost increases generated by the economy. The most common inflation metric is the "Consumer Price Index" or "CPI". The CPI is the rate of inflation based on the change in the cost of all goods and services that collectively constitute the U.S. consumer economy. However, public services, whether education, police protection, healthcare or human service related, are labor intensive endeavors, with labor costs generally comprising over 80% of total cost. Hence, the CPI is not the best inflationary metric to use for determining the increased costs of public services annually. The preferred inflation metric is the "Employment Cost Index" or "ECI", which is tied directly to changes in labor market costs. As for population growth, simply put, it costs more money to provide the same level of services to more people.

B. Identifying All the Debt in the FY2011 Budget Proposal

Figures 4 and 5 provide a short walk-down of how the state started the FY2011 budget cycle with a \$13 billion-plus revenue shortfall to overcome.

Figure 4 Illinois' State FY2010	
APPROPRIATIONS	\$26.08 B*
ONE-TIME, NONRECURRING REVENUES	
Debt Proceeds from issuance of five-year Pension Notes	\$3.466 B
Federal Stimulus	\$1.966 B
Fund Sweeps	\$.352 B
Debt Restructuring	\$.475 B
TOTAL NONRECURRING REVENUE	\$6.259 B**
* Note: The FY2010 budget figure does NOT include at least \$4.0 B in past due, unpaid bills carried forward from FY2009. The Appropriation figure also does not include the \$3.466 B in Pension Note proceeds used to fund state pensions though pension payments have historically been included in General Fund appropriations.	
**Note: That means over 21% of the \$29.55 B FY2010 budget (\$26.08 B plus \$3.466 B in Pension Fund payments) was covered with one-time, nonrecurring revenues not available in FY2011.	

Figure 5 Illinois' FY2011 Starting	
Replacement of one-time FY2010 revenues and debt	\$6.259 B
First repayment installment of five-year debt service on the FY2010 Pension Notes	\$.800 B
Carry Forward of Operating Deficits from FY2009/2010*	\$4.0 B
Estimated revenue shortfall in FY2010	\$1.1 B
Increase in required pension contribution under the Pension Ramp**	\$1.2 B
TOTAL MINIMUM FY2011 STARTING DEFICIT	\$13.359 B
* <i>The Illinois State Comptroller's Quarterly</i> of January 2010 estimated that the state will have a backlog of \$8.75 B in unpaid bills by the start of FY2011, and \$5.1 B as of December 2010. However, many of these bills are presumably for items that are covered in FY2010 budget appropriations. We estimate that a \$4.0 B backlog of unpaid bills not covered by FY2010 appropriations will be carried in FY2011.	
** Note: 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 in FY2011. It is also the main reason why Illinois has an unfunded liability in excess of \$74 billion today.	

Figure 6 illustrates that, without new revenue, the state will have to defer into FY2012, at least \$5.723 billion in payments owed to providers for services delivered in FY2011. That means the state is effectively borrowing the \$5.723 billion in deferred payments from providers over the course of FY2011.

**Figure 6
Isolating Additional Borrowing Against Service
Providers in the FY2011 General Fund Budget Proposal**

Starting Revenue Shortfall	\$ 13.259 B
FY2011 General Fund Total Appropriations	<u>\$ 24.508 B</u>
TOTAL FY2011 Revenue Needed	\$ 37.867 B
Estimated FY2011 General Fund Revenue	\$ 21.412 B
Estimated FY2011 Federal Transfers (including Stimulus)	\$ 6.032 B
"Strategic" Debt to Cover FY2011 Services	<u>\$ 4.7 B</u>
TOTAL ALL Revenue and Bank Debt to Cover FY2011 Revenue Needs	\$ 32.144 B
Revenue Shortfall that is Effective Borrowing from Providers, in the form of Deferring Payments owed for FY2011 Services into FY2012	\$ 5.723 B

C. Long-term Trend of Spending Cuts.

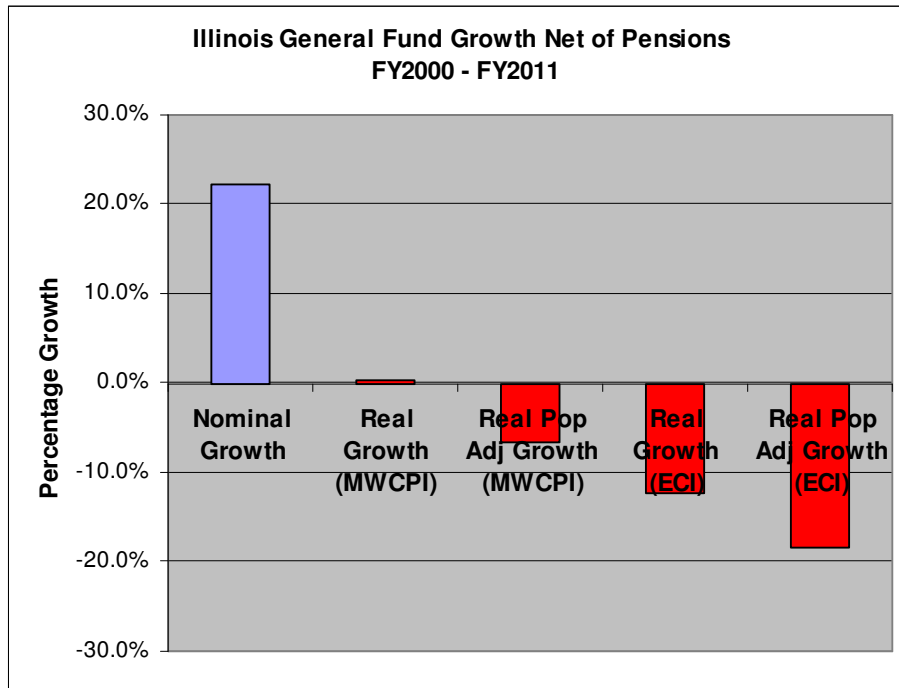
The roughly \$1.8 billion cut from FY2010 spending levels included in the FY2011 budget proposal is nothing new. In fact, as Figure 7 shows, in FY2011, after adjusting for inflation and population growth, state General Fund spending is in real terms anywhere from \$1.761 billion to \$5.619 billion less than it was at the beginning of this decade, in FY2000.

Figure 7

General Fund Spending Excluding Pension and Reimbursement Adjusted for Inflation and Population Growth FY2000 - FY 2011											
Category	FY 2000 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000	% Change	Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change	
General Fund Including Pensions	\$21,294	NA	NA	\$29,174	\$7,880		NA		NA		
Pension¹	\$1,230			\$4,666							
General Fund Excluding Pension	\$20,064	\$26,270	\$30,028	\$24,508	\$4,444	22.2%	(\$1,761)	-6.7%	(\$5,519)	-18.4%	

Notes: 1) Line item pension appropriation in FY 2000 Budget.

Figure 8



The long-term decline in state General Fund spending is not due solely to the cuts implemented this year, as demonstrated by Figure 9, which tracks real changes in spending for the FY2000 - FY2010 cycle.

Figure 9
FY2000 - FY2010 General Fund Spending (excluding Pensions)
Changes, Adjusted for Inflation and Population Growth

Category	FY2000 Actual	Adjusted for MW CPI and Population Growth ⁴	Adjusted for ECI Population Growth	FY2010 Enacted	Diff FY2000 Adj - FY 2010 MW CPI and Pop Growth	Diff FY2000 Adj - FY2010 ECI and Pop Growth
General Fund Including Pensions	\$21,294	NA	NA	\$29,551	NA	NA
Pension	\$1,230	NA	NA	\$3,587	NA	NA
General Fund Excluding Pensions	\$20,064	\$26,608	\$28,053	\$25,964	(\$644)	(\$2,089)
K-12	\$5,543	\$7,351	\$7,751	\$7,308	(\$43)	(\$443)
Higher Ed	\$2,379	\$3,155	\$3,326	\$2,001	(\$1,153)	(\$1,325)
Health Care¹	\$5,022	\$6,660	\$7,022	\$7,896	\$1,236	\$874
Human Services²	\$4,599	\$6,099	\$6,430	\$5,446	(\$653)	(\$984)

Notes:
 1) DPH and HFS (Public Aid in 2000)
 2) Aging, DCFS and DHS
 3) Employment Cost Index of total compensation for all civilian employees. Index value for FY 2000 has been approximated by ECI for 2001Q1
 4) IL DCEO population projections.

The state's continued disinvestment in the core public service areas of education, human services and public safety appears hard to justify from the standpoint of meeting the needs of the state's population.

That is because, despite being 14th in per-capita income among the states, Illinois was ranked 43rd in state General Fund spending relative to GDP in FY2008, and has cut spending by just over \$3 billion in nominal, non-inflation adjusted dollars since then.²

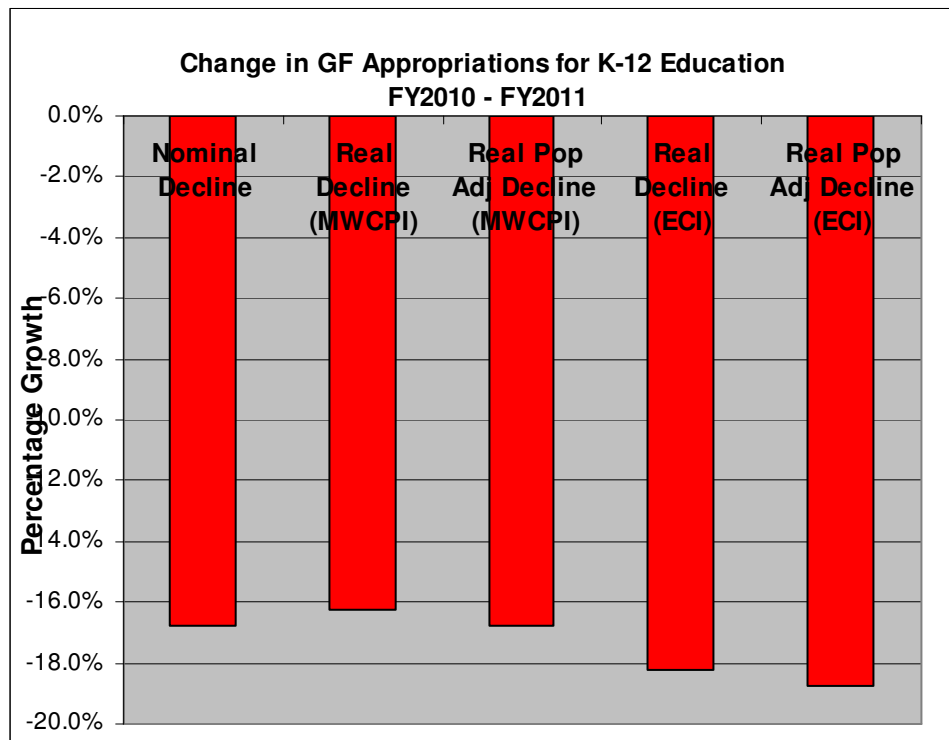
D. Spending by Major Category

(i) **Education.** Primary education funding bears the brunt of the cuts implemented in the FY2011 budget proposal, as shown in Figures 10 and 11.

Figure 10

K -12 Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2010 - FY 2011										
Category	FY 2010 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change
Sum of: Education, Health Care, Human Services, and Public Safety	\$23,404	\$23,407	\$23,970	\$22,336	(\$1,069)	-4.6%	(\$1,069)	-4.6%	(\$1,634)	-6.8%
K-12	\$7,308	\$7,309	\$7,485	\$6,081	(\$1,227)	-16.8%	(\$1,227)	-16.8%	(\$1,404)	-18.8%
% Share of Total	31.2%	31.2%	31.2%	27.2%						

Figure 11



In fact, contrary to popular opinion, after adjusting for inflation and population growth, overall state spending on K-12 education in Fiscal Year 2011 will be anywhere from \$261 million to \$1.168 billion less than in FY2000. This means Illinois has reduced its commitment to primary education over the last decade.

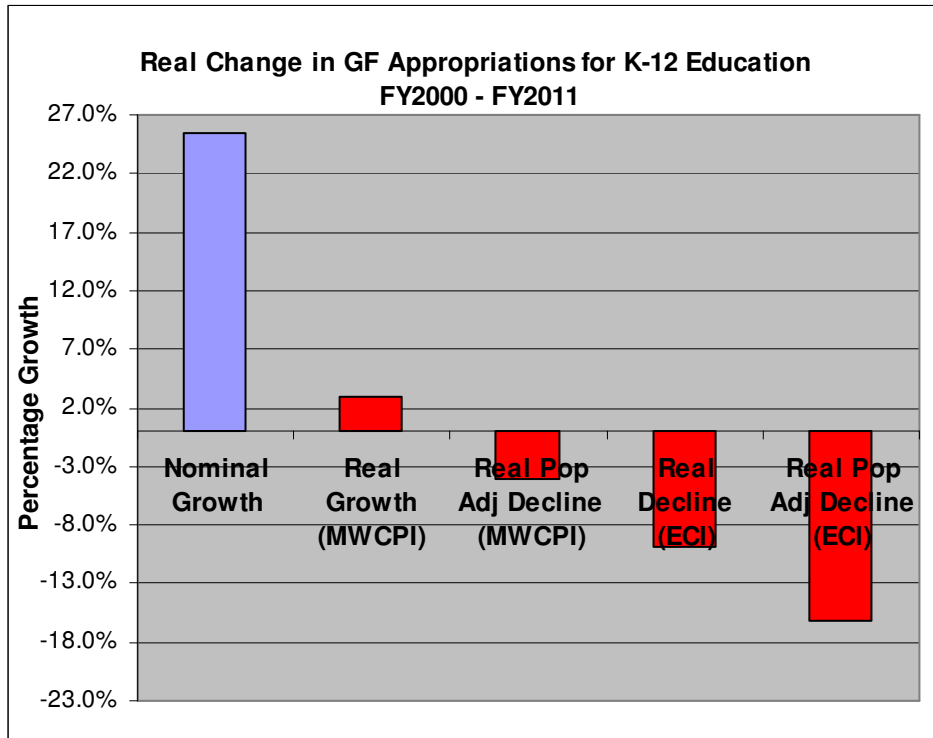
Figure 12
K- 12 Changes in General Fund Spending
Adjusted for Inflation and Population Growth
FY2000 - FY 2011

Category	FY 2000 Appropriation	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000	% Change	Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change
Sum of: Education, Health Care, Human Services, and Public Safety	\$17,970	\$24,443	\$27,940	\$22,336	\$3,824	21.3%	(\$1,950)	-8.0%	(\$5,447)	-19.5%
K-12	\$4,844	\$6,342	\$7,250	\$6,081	\$1,237	25.5%	(\$261)	-4.1%	(\$1,168)	-16.1%
Education's % Share of Total G.F.	27.0%	25.9%	25.9%	27.2%						

Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI. FY2000 data are from COGFA FY2002 Budget Summary. FY2000 K-12 is net of Teacher's Retirement Fund payments that were included in Figure 9.

Given that Illinois already ranks 46th in the nation in the portion of per-capita education funding covered by state, rather than local, revenue³ a cut of this magnitude may finally push Illinois down to dead last in the country in the portion of state revenue used to fund schools.

Figure 13



Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

Higher education funding is also cut in the FY2011 budget proposal, being scheduled to receive \$103 million less in funding from FY2010 levels in nominal, non-inflation adjusted dollars.

Figure 14

Higher Education Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2010 - FY 2011											
Category	FY 2010 Appropriation	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change	
Sum of: Education, Health Care, Human Services, and Public Safety	\$23,304	\$23,307	\$23,868	\$22,336	(\$969)	-4.2%	(\$972)	-4.2%	(\$1,532)	-6.4%	
Higher Ed	\$2,220	\$2,220	\$2,274	\$2,117	(\$103)	-4.6%	(\$103)	-4.6%	(\$156)	-6.9%	
Higher Ed % Share of Total G.F.	9.5%	9.5%	9.5%	9.5%							

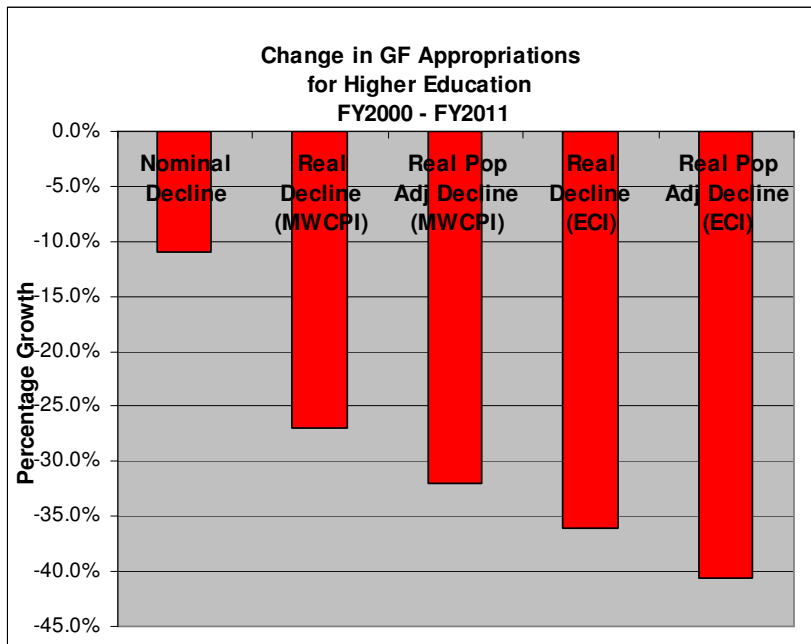
Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

This year-to-year decrease reinforces the long-term trend of implementing significant cuts to higher education funding, as indicated in Figures 15 and 16.

Figure 15

Higher Education Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2000 - FY 2011											
Category	FY 2000 Appropriation	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000	% Change	Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change	
Sum of: Education, Health Care, Human Services, and Public Safety	\$17,970	\$23,528	\$26,894	\$22,336	\$4,366	24.3%	(\$1,192)	-5.1%	(\$4,558)	-16.9%	
Higher Ed	\$2,379	\$3,115	\$3,560	\$2,117	(\$262)	-11.0%	(\$998)	-32.0%	(\$1,443)	-40.5%	
Higher Ed % Share of Total G.F.	13.2%	13.2%	13.2%	9.5%							

Figure 16



(ii) **Healthcare.** One significant year-to-year increase in the FY2011 General Fund spending proposal is the \$504 million growth in healthcare spending, shown in Figure 17.

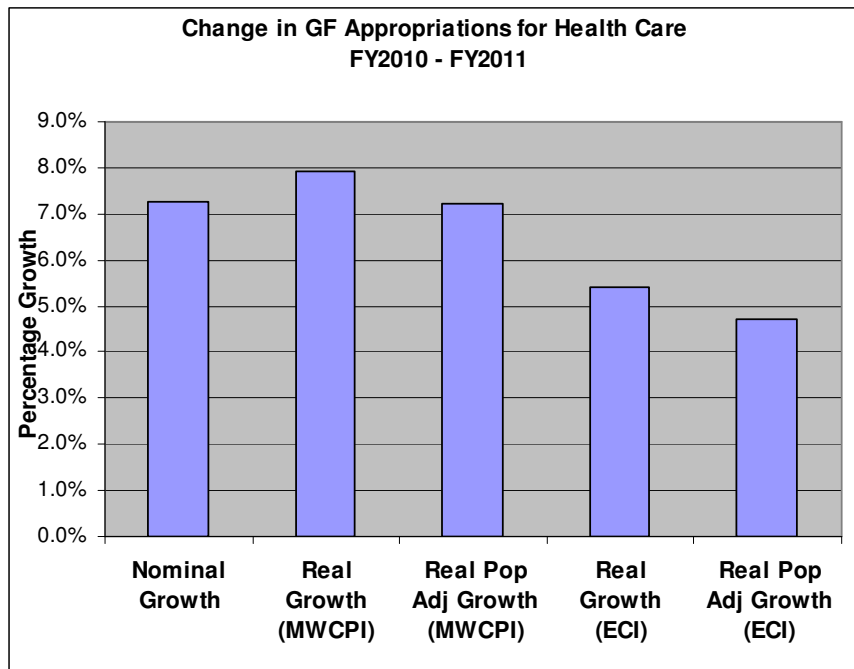
Figure 17

Category	FY 2010 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change
Sum of: Education, Health Care, Human Services, and Public Safety	\$23,304	\$23,307	\$23,868	\$22,336	(\$969)	-4.2%	(\$972)	-4.2%	(\$1,532)	-6.4%
Health Care ¹	\$6,952	\$6,953	\$7,120	\$7,456	\$504	7.2%	\$503	7.2%	\$336	4.7%
Healthcare % Share of Total G.F.	29.8%	29.8%	29.8%	33.4%						

Notes: 1) DPH and HFS (Public Aid in 2000)

Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

Figure 18



This continues a long-term trend of real growth in healthcare spending. While overall General Fund spending on healthcare has increased in Illinois over the last decade, a significant portion of that increase has come from sources other than state-own source tax revenues.

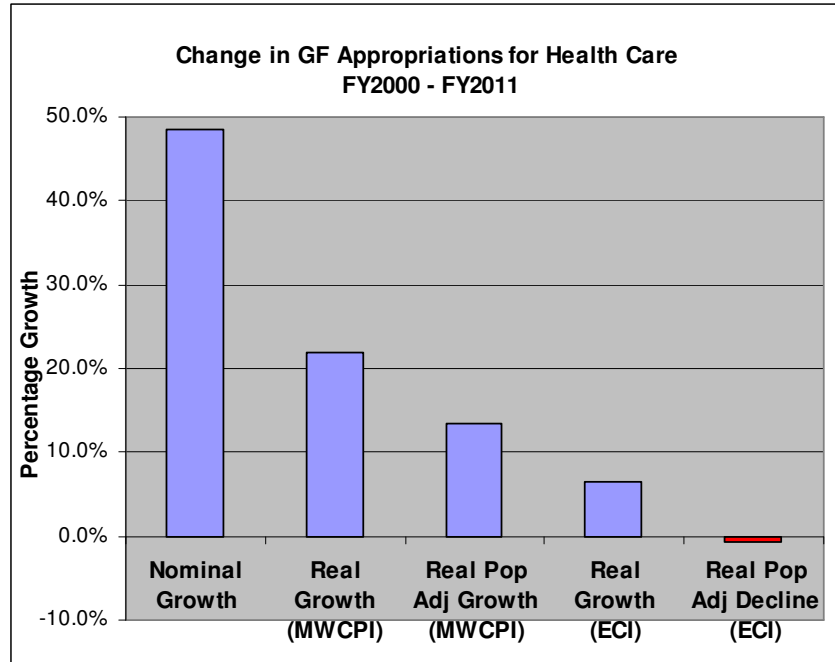
Figure 19

Category	FY 2000 Appropriation	Adjusted for MWCPI and Population Growth ⁴	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000	% Change	Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change
Sum of: Education, Health Care, Human Services, and Public Safety	\$17,970	\$24,443	\$27,940	\$22,336	\$4,366	24.3%	(\$2,108)	-8.6%	(\$5,604)	-20.1%
Health Care ¹	\$5,022	\$6,575	\$7,516	\$7,456	\$2,434	48.5%	\$880	13.4%	(\$60)	-0.8%
Healthcare % Share of Total G.F.	27.9%	26.9%	26.9%	33.4%						

Notes: 1) DPH and HFS (Public Aid in 2000)

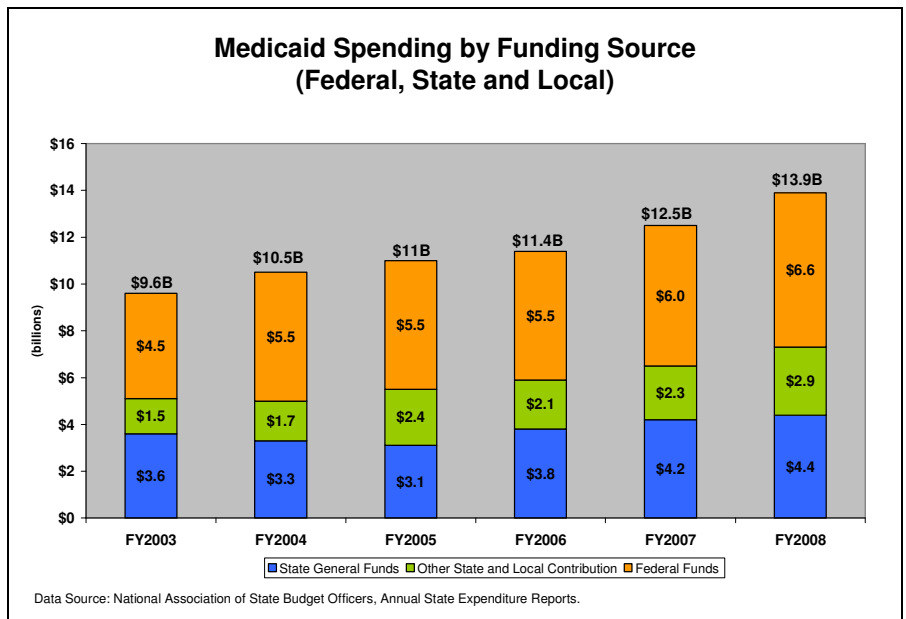
Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

Figure 20



Essentially, Illinois has been able to use provider assessments and inter-government transfers with public healthcare systems like Cook County's, to generate significant federal matching dollars under the Medicaid reimbursement program, as shown in Figure 21.

Figure 21



Note that, while overall Medicaid spending in Illinois increased by \$4.3 billion or 45% in nominal dollars over this period, expenditure of state General Fund tax revenue (exclusive of Inter Governmental transfers and provider assessments) increased by just \$800 million or 22% over this period.

Moreover, the Mid-West CPI over this period was 16.2%, while population growth was 3.25%, which would suggest state-own source spending would have to increase by 19.45% over this period just to account for inflation and population growth. Hence, the vast majority of the 22% increase in state General Fund tax revenue expenditures on Medicaid over this period would have happened with little to no programmatic increases.

This in turn has provided an economic stimulus to the state, by leveraging billions in federal reimbursement payments to support the state's healthcare providers.

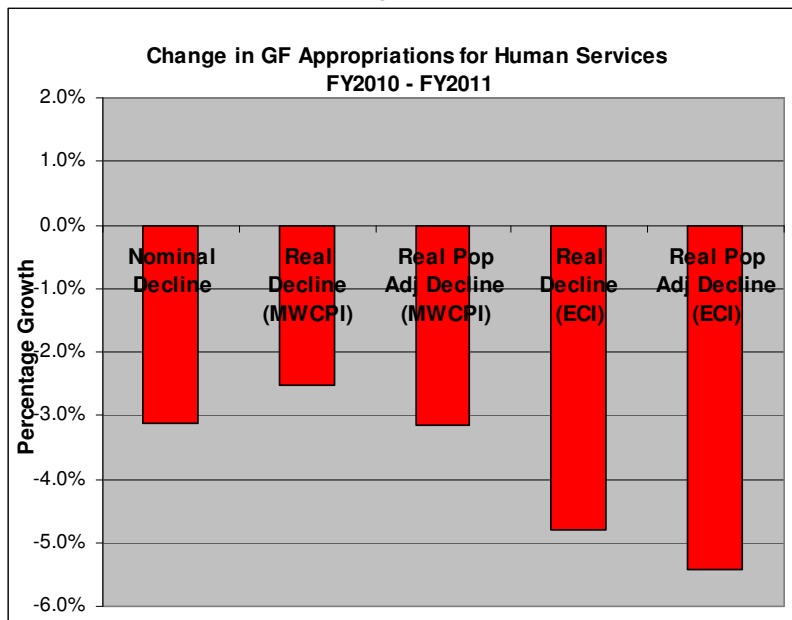
(iii) Human Services. The Human Services sector includes a number of program areas covering everything from mental health, developmental disabilities and substance abuse, to child care and caring for home-bound seniors or abused and neglected children. Human Services are funded in the state's General Fund budget primarily through the Departments of Aging, Children and Family Services and Human Services. In the FY2011 budget proposal, this broad array of human services will be cut collectively by \$178 million in nominal, non-inflation adjusted dollars, as shown in Figures 22 and 23.

Figure 22

Human Services Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2010 - FY 2011											
Category	FY 2010 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change	
General Fund Excluding Pensions and Saved Funds	\$23,304	\$23,307	\$23,868	\$22,336	(\$1,800)	-6.8%	(\$1,804)	-6.9%	(\$2,436)	-9.0%	
Human Services ¹	\$5,673	\$5,674	\$5,810	\$5,495	(\$178)	-3.1%	(\$179)	-3.1%	(\$315)	-5.4%	
Human Services % Share of Total G.F.	24.3%	24.3%	24.3%	24.6%							
Notes: 1) DPH and HFS (Public Aid in 2000)											

Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

Figure 23



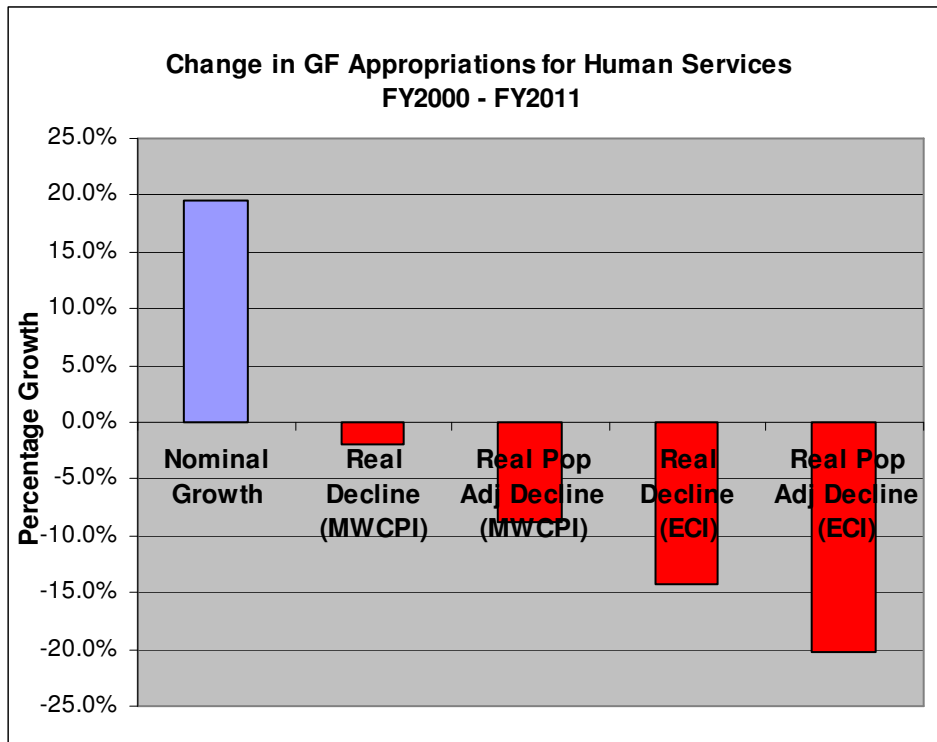
This continues the long-term trend of cutting human services illustrated in Figures 24 and 25, and more thoroughly documented in CTBA's "Special Report: Illinois State Funding for Human Services In Context," issued in February of 2010 and available online at www.ctbaonline.org.

Figure 24

Human Services Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2000 - FY 2011										
Category	FY 2000 Appropriation	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000		Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change
Sum of Ed, HC, HS, PS	\$17,970	\$23,528	\$26,894	\$22,336	\$3,824	20.5%	(\$1,950)	-8.0%	(\$5,447)	-19.5%
Human Services ¹	\$4,599	\$6,021	\$6,883	\$5,495	\$896	19.5%	(\$526)	-8.7%	(\$1,388)	-20.2%
Human Services % Share of Total G.F.	25.6%	25.6%	25.6%	24.6%						
Notes: 1) DPH and HFS (Public Aid in 2000)										

Source: CTBA calculations from Executive budget for Fiscal Year 2011, Chapter 2-8, Operating Appropriations by Agency, Tables I-A and I-B, Chap. 2-24 and Bureau of Labor Statistics MWCPI and ECI.

Figure 25



(iv) **Public Safety.** Spending on public safety is scheduled to increase modestly in FY2011, as indicated in Figure 26.

Figure 26

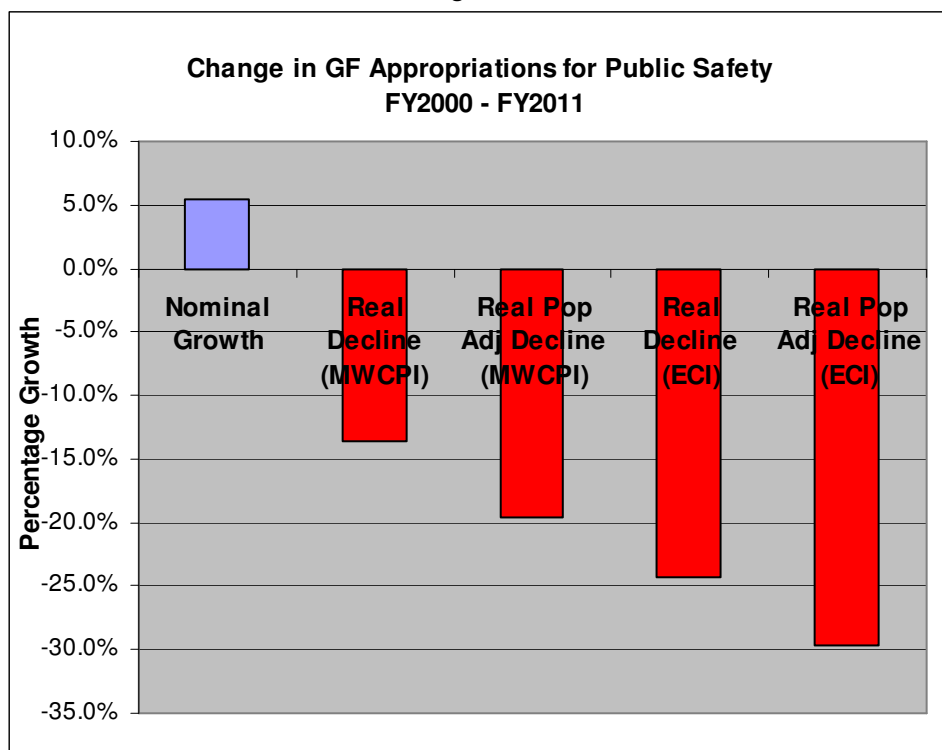
Public Safety Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2010 - FY 2011											
Category	FY 2010 Appropriation plus Supplementals	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2010	% Change	Diff FY 2011 - FY 2010 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2010 Adj ECI and Pop Growth	% Change	
Sum of Education, Health Care, Human Services and Public Safety	\$23,304	\$23,307	\$23,868	\$22,336	(\$969)	-4.2%	(\$972)	-4.2%	(\$1,532)	-6.4%	
Public Safety ¹	\$1,151	\$1,151	\$1,179	\$1,187	\$35	3.1%	\$35	3.1%	\$7	0.6%	
% Share of Total	4.9%	4.9%	4.9%	5.3%							
Notes: 1) Department of Corrections											

The year-to-year increase for public safety funding in the FY2011 budget proposal reverses a decade long trend of cuts to this sector, as indicated in Figures 27 and 28.

Figure 27

Public Safety Changes in General Fund Spending Adjusted for Inflation and Population Growth FY2000 - FY 2011										
Category	FY 2000 Appropriation	Adjusted for MWCPI and Population Growth	Adjusted for ECI Population Growth	FY2011 Proposed	Diff FY 2011 - FY 2000	% Change	Diff FY 2011 - FY 2000 Adj MW CPI and Pop Growth	% Change	Diff FY 2011 - FY 2000 Adj ECI and Pop Growth	% Change
Sum of Education, Health Care, Human Services and Public Safety	\$17,970	\$23,528	\$26,894	\$22,336	\$3,824	20.5%	(\$1,950)	-8.0%	(\$5,447)	-19.5%
Public Safety ¹	\$1,126	\$1,474	\$1,685	\$1,187	\$61	5.4%	(\$288)	-19.5%	(\$499)	-29.6%
Public Safety's % Share of Total G.F.	6.3%	6.3%	6.3%	5.3%						
Notes: 1) Department of Corrections										

Figure 28



ENDNOTES

¹ Debt and one-time revenues of \$2,193 million plus deferred pension payments of \$1,348 million, see CTBA "Analysis of the Fiscal Year 2008 Illinois General Fund Budget Proposal," May 2007.

² 2008 Census Survey of annual state spending and population data and 2008 BEA State GDP, and 2009 BEA state per-capita personal income data.

³ 2006-2007 Census of State and Local Government Financing by Level of Government and population data.