Fiscal Year 2012 Budget

Governor Pat Quinn, State of Illinois

February 16, 2011

ILLINOIS WORKING

Stabilizing Our Budget

Creating Jobs for Today & Tomorrow

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PROGRESS & ACHIEVEMENTS

THE PLAN ONE YEAR AGO

PROGRESS & ACHIEVEMENTS

Jobs growth

- Capital program
- Unemployment decrease of 1.7% in 2010
- Employment increase of 46,300 jobs in 2010

Long-term cost savings

- Medicaid reform
- Pension reform

Federal assistance

- Enhanced Medicaid match
- Education funding

Enhanced revenues

- Individual and corporate income tax increases

Budget stability

- Achieved only through continued reform and spending restraint

GOVERNOR'S PRIORITIES

Jobs

- Continue creating jobs with companies like Ford, Navistar, Mitsubishi, Chrysler and Boeing

Paying the bills

- Return to normal payment cycle to keep vendors stable and people working

Education improvement and funding

- Raise achievement levels to develop students who are college- and career-ready

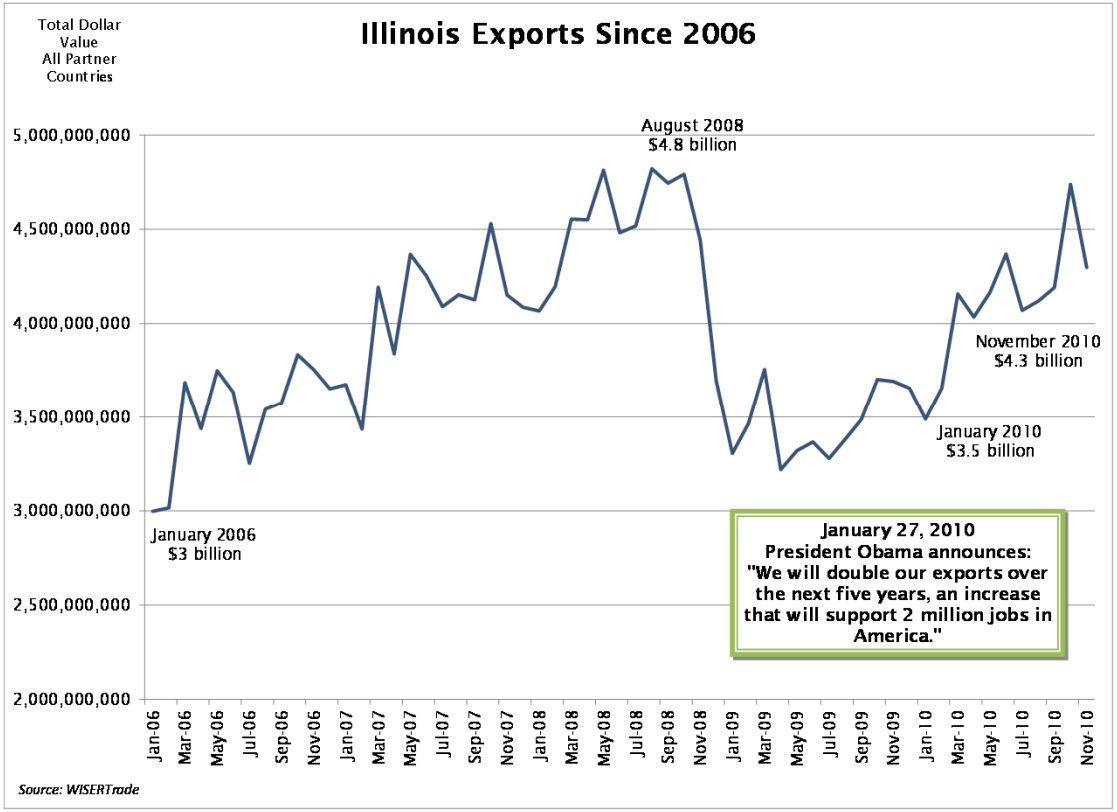
GOVERNOR'S PRIORITIES

Global competitiveness

- Strengthen our position as the largest inland exporter

Ongoing capital investment

- Address deferred maintenance & IT modernization while creating jobs



GOVERNOR'S PRIORITIES

Healthcare costs

- Control costs amid growing demand

Rebalancing the social safety net

- Provide coordinated care while restraining costs

Unfunded pension liability

- Work for additional reforms

Implementing budget reforms

- Get results while living within available revenues and spending caps

THE KEYS OF BUDGET STABILITY

ECONOMIC GROWTH

PAYING BILLS ON TIME

SPENDING REFORM

BUDGETING FOR OUTCOMES

THE KEYS OF BUDGET STABILITY

Budgeting for Outcomes

- New approach to budgeting
- Budgeting based on results, not prior funding
- Four steps of Budgeting for Outcomes
  1. Establish goals
  2. Allocate resources
  3. Monitor performance
  4. Evaluate outcomes

THE KEYS OF BUDGET STABILITY

Performance Metrics

- Essential to budget reform
- Provide benchmarks that allow us to measure progress toward achieving statewide goals

- Agencies will develop more dynamic metrics as Budgeting for Outcomes is implemented

OUTCOME #1: EDUCATION

Providing a quality education and opportunities for growth

- Invest in early childhood education
  - Begin at birth to provide the foundation that children need to learn

- Support programs that assure well-trained, highly qualified teachers and principals
- Expand MAP grant support for community college students
- Focus funding on classrooms, not administration

OUTCOME #1: EDUCATION

Keeps

- Early Childhood Education (ISBE)
- MAP, Focus on Community College Students (IBHE)
- General State Aid (ISBE)

Cuts

- Reduce State Support for Regular School Transportation (ISBE) ***-$95M***
- Eliminate State Subsidies for Regional Office of Education (ISBE) ***-$14M***
- Reduce Administrative Costs by Consolidating School Districts (ISBE)—*Savings to be realized in future years*

Reflects General Revenue Funds only

OUTCOME #2: ECONOMIC DEVELOPMENT

Growing the jobs of today while working to create the global industries of tomorrow

- Attract and retain Illinois employers
- Invest in job training to improve workforce skills
- Strengthen international commerce

OUTCOME #2: ECONOMIC DEVELOPMENT

Keeps

- Support Entrepreneurship and Innovation
- International Trade Office Reorganization (DCEO)
- Job Training Programs (DCEO)

Cuts

- Reduce Administrative Subsidies for Soil and Water Conservation Districts (Agriculture) *-$600k*
- Do Not Fund National High School Rodeo Finals (Agriculture) *-$300k*

Reflects General Revenue Funds only

OUTCOME #3: PUBLIC SAFETY & REGULATION

Protecting businesses and residents from crime, catastrophe and wrongdoing

- Operate enhanced Nursing Home Identified Offender Program
- Rebid medical services for inmate population
- Train new prison guards
  - Reduce overtime and achieve savings
  - Improve safety by increasing inmate to staff ratio

OUTCOME #3: PUBLIC SAFETY & REGULATION

Keeps

- Operation Ceasefire (DOC)
- Nursing Home Identified Offender Investigations (ISP)
- Lincoln's ChalleNGe (DMA)
- Boot Camps (DOC)

Cuts

- Eliminate Franklin County Methamphetamine Project (DOC) *-$1.5M*
- Do Not Fund New State Police Officer Training (ISP) ***-$10M***
- Eliminate Administrative Contract for Shared Services (DOC) ***-$1M***

Reflects General Revenue Funds only

OUTCOME #4: HUMAN SERVICES

Protecting our children, veterans, poor, disabled, elderly and sick

- Increase long-term care consumers served in community settings
- Provide more comprehensive surveying at nursing homes
- Federal match for children at 200-300% of federal poverty level—awaiting federal approval
- Fill LaSalle Veterans Home
  - Open new wing and fully staff

OUTCOME #4: HUMAN SERVICES

Unified budgeting

- Appropriations for long-term care services will be jointly managed by DHS, DHFS and Aging
- Assure tax dollars are spent efficiently to meet the long-term care needs of older adults and people with disabilities

OUTCOME #4: HUMAN SERVICES

Keeps

- Support Childcare, Home Services Programs and Community Care (DHS/Aging)
- Elder Abuse and Neglect Investigation Program (Aging)
- Differential Response Program (DCFS)
- Aftercare (DJJ)

Cuts

- Eliminate Illinois Cares Rx (HFS) ***-$107M***
- Reduce Medicaid Rates (HFS) ***-$552M***
- Eliminate Circuit Breaker (Aging) ***-$24M***
- Do Not Fund New Field Office Staff for Caseload Administration (DHS) ***-$53M***

Reflects General Revenue Funds only

OUTCOME #5: QUALITY OF LIFE

Maintaining our cultural and natural resources

- Increase tourism at state historic sites and museums
- Expand seasonal staffing at state parks to reduce overtime

OUTCOME #5: QUALITY OF LIFE

Keeps

- Arts in Education (ARTS)
- Seasonal Staffing at Parks (DNR)

Cuts

- Do Not Fund Conservation Police Class (DNR) ***-$2M***
- Do Not Fund Wildlife Prairie State Park Operations (DNR) ***-$750K***

Reflects General Revenue Funds only

OUTCOME #6: GOVERNMENT SERVICES

Making government more efficient and effective

- Implement Budgeting for Outcomes
- Streamline employee group insurance operations
- Continue tax enforcement initiatives
- Continue to cut costs in state operations

OUTCOME #6: GOVERNMENT SERVICES

Keeps

- Expand Upward Mobility (CMS)
- Increase Hardship Refunds (DOR)

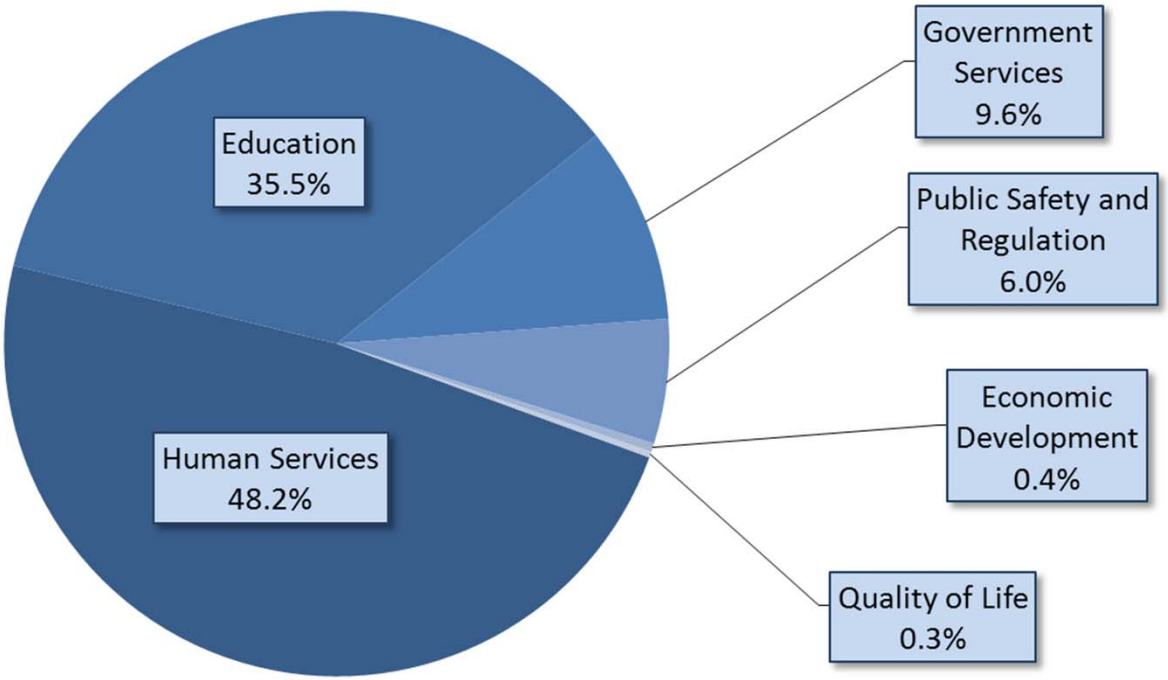
Cuts

- Reduce Operations Expenditures through Fleet Modernization (CMS)
- Reduce Leased Office Space (CMS)

Reflects General Revenue Funds only

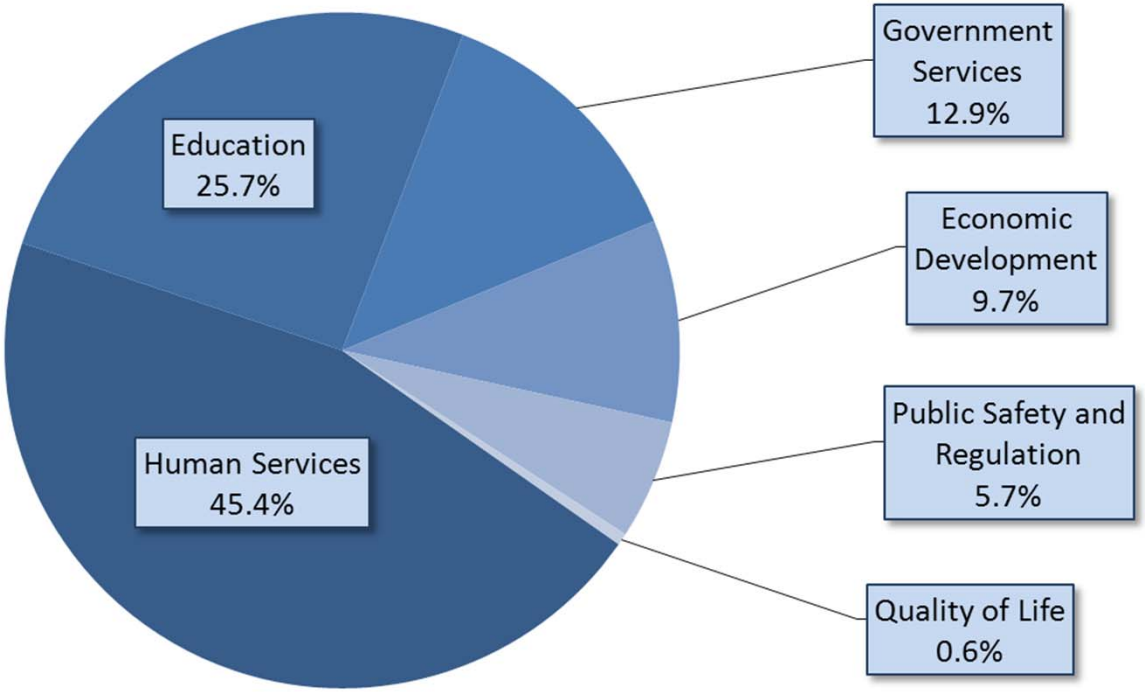
THE INTRODUCED BUDGET

FY12 General Funds Operating Appropriations by Outcome—$26.9



THE INTRODUCED BUDGET

FY12 All Funds Operating Appropriations by Outcome—$52.7



THE INTRODUCED BUDGET

FY12 Total General Funds Resources	**$35,382,000,000**
FY12 Total General Funds Expenditures	**$35,382,000,000**
FY12 Spending Cap*	**$36,818,000,000**
Room Under Spending Cap	**$1,436,000,000**

*Spending cap includes all appropriated funds