



## Illinois Human Services Commission

The Illinois fiscal situation is at a crossroads. If legislators do not take action and maintain current revenues, a "default budget" will go into effect that will implement deep, indiscriminate, and cascading program cuts across all state agencies, including health and human services, criminal and juvenile justice, public health, aging and disability services, employment services and education. These cuts will hit our communities just as the state is working to recover from unprecedented recession. As the Human Services Commission we believe that the "default budget" is not good for the Illinois economy and will have a devastating impact on already overburdened state systems.

The Governor's "recommended budget" would maintain the current level of revenue and allow the state to provide the services that Illinois residents' value. This is a critical opportunity to end the recent cycle of crisis budgets and short-term solutions and to put Illinois on a sustainable path for growth.

**Q.** Haven't we heard this before? It seems like the state budget is in crisis every year.

**A.** The scheduled rollback of current income tax rates on January 1, 2015, will result in a dramatic loss of revenue – close to \$2 billion in FY 2015 and \$4.8 billion in FY 2016.

- This revenue loss represents a bigger financial hit to Illinois than the two worst years of the recession.
- In some instances, deep cuts in state spending will result in subsequent loss of federal matching funds.

**Q.** What will the "default budget" (the Governor's "not recommended" budget) mean for our state's human services infrastructure?

**A.** The FY 2015 "default budget" would cut \$397 million from Department of Human Services (DHS), \$129 million from Department on Aging, and \$87 million from Department of Children & Family Services (DCFS).

- Funding for many DHS programs would be slashed by 24 percent.
- Budget cuts to Healthy Families Illinois and Parents Too Soon could jeopardize federal funding through the Maternal, Infant, and Early Childhood Home Visiting program.
- Inadequate DHS funding for developmental disabilities and mental health services could put the state in violation of several federal court orders requiring the transition of eligible individuals from institutional to community-based care.
- Cuts in DCFS could violate various consent decrees arising from federal class action lawsuits that require the state to maintain acceptable levels of child protection and foster care services.
- Local communities will bear the brunt of this impact as the safety net continues to crumble for children and youth, families, seniors, the disabled, and the ill.

**Q.** Shouldn't the state look at reducing spending first?

**A.** Over the past five years, there has been a cumulative reduction of **\$5.7 billion** in General Funds program spending, according to the Governor's Office of Management and Budget.

- The state's 2012 Medicaid reform legislation reduced annual program costs by more than \$1 billion. The backlog of outstanding Medicaid liabilities, which stood at \$2.1 billion at the end of FY 2012, is expected to be eliminated by the end of FY 2014.
- The Department of Human Services has been continually hit hard by budget cuts over the past five years, including 26 percent from developmental disability grants, 25 percent from community mental health services, and 27 percent from addiction treatment services. General Funds resources for Department of Children & Family Services have been cut by 22 percent since FY 2009.
- Many of the cuts being proposed won't actually save money. For example, if funding is cut for the Community Care Program on July 1, those seniors will instead be placed in nursing homes that cost ~\$3,000 - \$6,000 a month, vs. ~\$860 a month for the community-based program. If funding is cut for Redeploy Illinois, many youth now served in the community for \$6,300 a year will be incarcerated at an annual cost of \$111,000 a year.

For more information about the impact of the 'default budget' on Illinois' programs and services, go to:

<http://www2.illinois.gov/gov/budget/Documents/Budget%20Book/FY%202015%20Budget%20Book/FY%202015%20Illinois%20Operating%20Budget%20Book.pdf>