



STATE OF ILLINOIS
 EXECUTIVE OFFICE OF THE GOVERNOR
 GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
 SPRINGFIELD 62706

BRUCE RAUNER
 GOVERNOR

FISCAL YEAR 2016 FOURTH QUARTER FINANCIAL REVIEW

GENERAL FUNDS QUARTERLY CASH FLOW

The table below sets forth General Funds Cash Flow fourth quarter comparisons between fiscal year 2015 (FY15) and FY16. This table reflects a final FY16 cash balance of \$246 million, and pending vouchers and transfers at the Office of the Comptroller of \$3.444 billion.

GENERAL FUNDS CASH FLOW		
Fourth Quarter Comparison		
(\$ in millions)		
	<u>FY15</u> <u>4th Quarter</u>	<u>FY16</u> <u>4th Quarter</u>
Beginning Backlog at Comptroller	\$ (5,687)	\$ (3,049)
Beginning Cash Balance	\$ 205	\$ 510
Revenues		
Individual Income Tax	\$ 4,230	\$ 3,705
Corporate Income Tax	\$ 911	\$ 671
Sales Tax	\$ 2,053	\$ 2,047
Other Sources/Transfers In	\$ 3,247	\$ 1,305
State Source Revenues	\$ 10,441	\$ 7,727
Budget Stabilization Fund	\$ -	\$ -
Federal Sources	\$ 1,381	\$ 514
Total Revenues	\$ 11,822	\$ 8,241
Expenditures		
Current Year Vouchers	\$ 7,035	\$ 7,635
Prior Year Vouchers	\$ -	\$ -
Subtotal, Vouchers Presented	\$ 7,035	\$ 7,635
Posted Transfers Out	\$ 678	\$ 606
Transfer to GO Bond Debt Service Fd	\$ 563	\$ 536
Transfer to Budget Stabilization Fund	\$ 275	\$ 125
Total Expenditures	\$ 8,550	\$ 8,902
End of Month Cash Balance	\$ 621	\$ 246
End of Month Backlog at Comptroller	\$ (2,830)	\$ (3,444)

SOURCE: Illinois Office of the Comptroller Records.

NOTE: Backlog figures do not include bills held at agencies. For information on bills held at agencies please refer to the Backlog Report at budget.illinois.gov.

General Funds' fourth quarter revenues totaled \$8,241 million, a decrease of \$3,581 million, or 30.3%, below the FY15 fourth quarter level.

FY16 fourth quarter General Funds' expenditures totaled \$8,902 million, an increase of \$351 million, or 4.1%, above the FY15 fourth quarter level.

Note: Tables in this report may not add due to rounding.

August 12, 2016

GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES								
Fourth Quarter and Year-to-Date Review								
(in millions)								
	FY15 4th Quarter	FY16 4th Quarter	Dollar Change	Percent Change	FY15 YTD	FY16 YTD	Dollar Change	Percent Change
Gross Individual Income Tax	4,733	4,135	(598)	(12.6%)	17,682	15,299	(2,383)	(13.5%)
Income Tax Refund Fund	(503)	(430)	73	(14.6%)	(1,768)	(1,493)	275	(15.6%)
Fund for Advancement of Education	(149)	(124)	25	100.0%	(240)	(457)	(217)	100.0%
Commitment to Human Services Fund	(149)	(124)	25	100.0%	(240)	(457)	(217)	100.0%
Net Individual Income Tax	4,230	3,705	(525)	(12.4%)	15,433	12,890	(2,543)	(16.5%)
Gross Corporate Income	1,060	800	(260)	(24.5%)	3,129	2,334	(795)	(25.4%)
Income Tax Refund Fund	(149)	(129)	20	(13.2%)	(438)	(362)	76	(17.3%)
Fund for Advancement of Education	(2)	0	2	100.0%	(2)	(1)	2	100.0%
Commitment to Human Services Fund	(2)	0	2	100.0%	(2)	(1)	2	100.0%
Net Corporate Income Tax	911	671	(240)	(26.4%)	2,686	1,972	(714)	(26.6%)
Sales	2,053	2,047	(6)	(0.3%)	8,030	8,063	33	0.4%
Public Utility	241	218	(24)	(9.8%)	1,006	926	(80)	(8.0%)
Cigarette	90	88	(2)	(1.8%)	353	353	0	0.0%
Inheritance	93	51	(43)	(45.8%)	333	306	(27)	(8.1%)
Liquor	41	42	1	1.9%	167	170	3	1.8%
Insurance	133	149	16	12.0%	353	398	45	12.7%
Corporate Franchise	53	49	(4)	(7.5%)	211	207	(4)	(1.9%)
Investment Income	6	7	1	10.4%	25	24	(1)	(4.0%)
Cook County IGT	94	94	0	0.0%	244	244	0	0.0%
Other Sources	272	244	(28)	(10.2%)	735	574	(161)	(21.9%)
TOTAL STATE REVENUES	1,024	942	(82)	(8.1%)	29,576	26,127	(3,449)	(11.7%)
Federal Revenues	1,381	514	(868)	(62.8%)	3,331	2,665	(666)	(20.0%)
Transfers In:	2,223	363	(1,860)	(83.7%)	2,981	1,581	(1,400)	(47.0%)
Lottery	201	190	(11)	(5.4%)	678	677	(1)	(0.1%)
Gaming/Gaming Taxes	45	40	(5)	(10.7%)	292	277	(15)	(5.1%)
Fund Reallocations	1,284	0	(1,284)	0.0%	1,284	0	(1,284)	0.0%
Other Transfers In	694	133	(561)	(80.8%)	1,181	627	(554)	(46.9%)
TOTAL RECEIPTS	11,822	8,241	(3,581)	(30.3%)	35,888	30,373	(5,515)	(15.4%)

SOURCE: Illinois Office of the Comptroller Records.

NOTE: Excludes Budget Stabilization Fund and Interfund Borrowing transfers into the General Funds.

Income Taxes: Individual Income Tax net receipts through the fourth quarter decreased by \$2,543 million, or 16.5% from the FY15 year-to-date level.

Corporate Income Tax net receipts through the fourth quarter decreased by \$714 million, or 26.6%, from the FY15 level.

Sales Taxes: Sales Tax receipts through the fourth quarter increased by \$33 million, 0.4%, from the FY15 level.

Public Utilities: Public Utility receipts through the fourth quarter decreased by \$80 million, 8.0%, from the FY15 level.

Inheritance: Inheritance receipts through the fourth quarter decreased by \$27 million, 8.1%, from the FY15 level.

All Other Sources: All Other Sources are down \$161 million YTD, 21.9%, from the FY15 level; primarily due to a decrease in court settlement proceeds.

Federal Revenues: FY16 Federal Sources of revenue through the fourth quarter decreased by \$666 million, or 20.0%, compared to the FY15 level.

Transfers-In: Transfers-in decreased by \$1,400 million YTD, or 47.0%, compared to the FY15 level due primarily to \$1,284 million in fund reallocations in FY15.

GENERAL FUNDS REVENUES BUDGETED VERSUS ACTUALS SUMMARY

The table below sets forth General Funds' year-to-date budgeted revenues versus year-to-date actual revenues for FY16. General Funds' revenues (not including Transfers-In) were \$232 million, or 0.9%, above the budgeted level. Federal revenues were \$1,496 million, or 36.0%, below the budgeted level.

GENERAL FUNDS REVENUES				
Year-to-Date Budgeted versus Actual				
(in millions)				
	FY16 YTD Budgeted ¹	FY16 YTD Actual	Dollar Change	Percent Change
Gross Individual Income Tax	14,644	15,300	656	4.5%
Income Tax Refund Fund	(1,428)	(1,494)	(66)	4.6%
Fund for Advancement of Education	(441)	(458)	(17)	4.0%
Commitment to Human Services Fund	(441)	(458)	(17)	4.0%
Net Individual Income Tax	12,335	12,890	555	4.5%
Gross Corporate Income	2,690	2,336	(354)	(13.2%)
Income Tax Refund Fund	(409)	(362)	47	(11.4%)
Fund for Advancement of Education	(3)	(1)	2	(80.4%)
Commitment to Human Services Fund	(3)	(1)	2	(80.4%)
Net Corporate Income Tax	2,275	1,972	(303)	(13.3%)
Sales	8,140	8,063	(77)	(0.9%)
Public Utility	977	926	(51)	(5.2%)
Cigarette	355	353	(2)	(0.6%)
Inheritance	275	306	31	11.3%
Liquor	168	170	2	1.2%
Insurance	355	398	43	12.1%
Corporate Franchise	202	207	5	2.5%
Investment Income	19	24	5	26.3%
Cook County IGT	244	244	0	0.0%
Other Sources	550	574	24	4.4%
TOTAL STATE REVENUES	25,895	26,127	232	0.9%
Federal Revenues	4,161	2,665	(1,496)	(36.0%)
Transfers In:	1,656	1,581	(75)	(4.5%)
Lottery	692	677	(15)	(2.2%)
Gaming/Gaming Taxes	271	277	6	2.2%
Other Transfers In	693	627	(66)	(9.6%)
TOTAL RECEIPTS	31,712	30,373	(1,339)	(4.2%)

SOURCE: Illinois Office of the Comptroller Records and Governor's Office of Management and Budget.

¹February 2016 estimates.

Income Taxes: Individual Income Tax net receipts through the fourth quarter were \$555 million, or 4.5%, higher than the budgeted levels. Corporate Income Tax net receipts through the fourth quarter were \$303 million, or 13.3%, lower than budgeted levels.

Sales Taxes: Sales Tax receipts through the fourth quarter were \$77 million, or 0.9%, lower than budgeted levels.

Public Utilities: Public Utility receipts through the fourth quarter were \$51 million, or 5.2% lower than budgeted levels.

All Other Sources: All Other Sources through the fourth quarter were \$24 million, or 4.4% above budgeted levels.

Federal Revenues: FY16 Federal Sources of revenue through the fourth quarter were \$1,496 million, or 36.0% lower than budgeted revenues, due in part to lower than estimated spending on Medicaid and timing.

Transfers-In: Transfers-in through the fourth quarter were \$75 million, or 4.5% lower than budgeted levels.

GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth General Funds' expenditures through the fourth quarter of FY15 and FY16 from appropriations for those fiscal years. General Funds' expenditures through the end of the fourth quarter totaled \$26,173 million, a decrease of \$3,850 million, or 12.8%, from the FY15 level.

GENERAL FUNDS EXPENDITURES			
Year-to-Date Review			
(in millions)			
Agency	FY15 Expend	FY16 Expend	Change
	YTD¹	YTD⁴	
Constitutional Officers ^{2,3}	\$ 398	\$ 289	\$ (108)
DHFS	\$ 6,471	\$ 5,966	\$ (505)
ISBE	\$ 6,467	\$ 6,438	\$ (29)
DHS	\$ 3,061	\$ 2,955	\$ (106)
Higher Education	\$ 1,937	\$ 618	\$ (1,318)
SERS ³	\$ 1,161	\$ 1,367	\$ 206
TRS	\$ 3,536	\$ 3,863	\$ 327
SURS ³	\$ 1,352	\$ 1,416	\$ 64
Corrections	\$ 1,200	\$ 838	\$ (362)
CMS	\$ 1,604	\$ 27	\$ (1,577)
DCFS	\$ 645	\$ 588	\$ (56)
Aging	\$ 833	\$ 591	\$ (242)
ISP	\$ 237	\$ 218	\$ (18)
Revenue	\$ 91	\$ 73	\$ (18)
DPH	\$ 94	\$ 65	\$ (30)
DNR	\$ 44	\$ 34	\$ (10)
IDOT	\$ 1	\$ -	\$ (1)
DCEO	\$ 20	\$ 8	\$ (12)
All Others ³	\$ 873	\$ 816	\$ (57)
Agency Totals	\$ 30,023	\$ 26,173	\$ (3,850)

Source: IOC Data Warehouse and GOMB.

¹ Represents YTD figures for the same time period last fiscal year.

² Constitutional Officers exclude Auditor General.

³ Includes continuing appropriations.

⁴ Includes spending through appropriations, court orders and consent decrees.

EMPLOYMENT HIGHLIGHTS

The table below sets fourth quarter employment highlights. Nationally, the unemployment rate in June of FY16 was 4.9%, down from 5.3% during the same period last fiscal year. Illinois' unemployment rate of 6.2% in June of FY16 reflected an increase from the state's unemployment rate of 5.8% during the same period last fiscal year. Additionally, total nonfarm employment in Illinois increased, led by increases in Construction, the Educational and Health Services sectors and Leisure and Hospitality Services.

EMPLOYMENT HIGHLIGHTS			
Fourth Quarter Review			
EMPLOYMENT STATISTICS	June FY15	June FY16	Change
Total Nonfarm Employment, Illinois	5,962,300	6,003,600	41,300
Unemployment Rate, Illinois	5.8%	6.2%	0.4
Unemployment Rate, United States	5.3%	4.9%	-0.4
Labor Force Participation Rate, Illinois	64.7%	65.7%	1.0
Labor Force Participation Rate, United States	62.6%	62.7%	0.1

Source: Illinois Department of Employment Security and United States Department of Labor

Fiscal Year 2016 Report on Balanced Budget and Fiscal Notes

99th General Assembly Spring 2015

Balanced Budget Notes

<i>Bill</i>	<i>Description</i>
SB1564	Health Care Right of Conscience

99th General Assembly Spring 2016

Balanced Budget Notes

<i>Bill</i>	<i>Description</i>
HB580	AFSCME Interest Arbitration
HB4217	Universal Child Care Program
HB4954	Criminal Identification Act
HB5671	Medical Assistance Article of the Illinois Public Aid Code
HB5603	Authorized Electronic Monitoring in Long-Term Care Facilities Act
HB5627	State Finance Act.
HB6021	Pen Cd-Survivor Contrib Refund
HB4036	Victims' Economic Security and Safety Act
HB5785	Urban Weatherization Initiative Act
HB1290	Wage Lien Act
HB1380	Illinois Public Labor Relations Act.
HB4240	Sch Cd-Truancy-Parents
HB5918	Sch Cd-Charter Sch-Renew-Fin
HB6136	Sch Cd-At-Risk Student-Council

HB6030	Illinois Pension Code-Dowstate Police/Firefighters
HB5576	Ins Cd-Contraceptive Coverage
HB5576	Ins Cd-Contraceptive Coverage
HB5681	Pen Cd-Chgo Tchr-Health Insur
HB5045	Higher Ed Appropriations
HB5931	Mental Health and Developmental Disabilities Administrative Act and the Illinois Public Aid Code.
SB2059	Higher Ed Appropriations
HB581	Creates the Social Services Contract Notice Act
HB5764	Illinois Act on the Aging
SB2536	Illinois Public Aid Code
SB2196	Higher Ed-In-State Student Aid
HB2736	Chicago School District Article of the School Code
SB250	Election Code
SB250	Election Code
HB1016	Gun Dealer Licensing Act

99th General Assembly Spring 2016

Fiscal Notes

<i>Bill</i>	<i>Description</i>
HB4654	Commemorative Dates Act