



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

BRUCE RAUNER
GOVERNOR

FISCAL YEAR 2017 FOURTH QUARTER FINANCIAL REVIEW

GENERAL FUNDS CASH FLOW

The table below sets forth General Funds Cash Flow fourth quarter and year-to-date comparisons between fiscal year 2016 (FY16) and fiscal year 2017 (FY17). This table reflects a FY17 cash balance of \$1,077 million, of which \$684 million is on deposit in the Education Assistance Fund (EAF), and pending vouchers and transfers at the Office of the Comptroller of \$8,191 million.

GENERAL FUNDS CASH FLOW				
Fourth Quarter and Year-to-Date Review				
(\$ in millions)				
	FY16	FY17	FY16	FY17
	4th Quarter	4th Quarter	Year-to-Date	Year-to-Date
Beginning Backlog at Comptroller	\$ (3,049)	\$ (7,722)	\$ (2,830)	\$ (3,444)
Beginning Cash Balance	\$ 510	\$ 433	\$ 621	\$ 246
Revenues				
Individual Income Tax	\$ 3,704	\$ 3,680	\$ 12,890	\$ 12,737
Corporate Income Tax	\$ 672	\$ 678	\$ 1,972	\$ 1,328
Sales Tax	\$ 2,047	\$ 2,032	\$ 8,063	\$ 8,043
Other Sources/Transfers In	\$ 1,304	\$ 1,379	\$ 4,783	\$ 4,814
State Source Revenues	\$ 7,727	\$ 7,769	\$ 27,708	\$ 26,922
Budget Stabilization Fund	\$ -	\$ -	\$ 125	\$ -
Federal Sources	\$ 514	\$ 818	\$ 2,665	\$ 2,483
Total Revenues	\$ 8,241	\$ 8,587	\$ 30,498	\$ 29,405
Expenditures				
Current Year Vouchers	\$ 7,635	\$ 7,186	\$ 26,172	\$ 28,098
Prior Year Vouchers	\$ -	\$ -	\$ 752	\$ 589
Subtotal, Vouchers Presented	\$ 7,635	\$ 7,186	\$ 26,924	\$ 28,686
Posted Transfers Out	\$ 758	\$ 633	\$ 2,623	\$ 2,426
Transfer to GO Bond Debt Service Fd	\$ 509	\$ 595	\$ 1,953	\$ 2,209
Prior Year Adjustments	\$ (1)	\$ (2)	\$ (12)	\$ (3)
Total Expenditures	\$ 8,901	\$ 8,412	\$ 31,488	\$ 33,320
End of Quarter Cash Balance	\$ 246	\$ 1,077	\$ 246	\$ 1,077
End of Quarter Backlog at Comptroller	\$ (3,444)	\$ (8,191)	\$ (3,444)	\$ (8,191)

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 \$8,587 million, an increase of \$346 million, or 4.2%, over the FY16 fourth quarter level, including an increase of \$304 million, or 59.1%, in Federal Sources due primarily to increases in reimbursable spending on Medicaid.

FY17 fourth quarter General Funds' expenditures totaled \$8,412 million, a decrease of \$489 million, or 5.5%, below the FY16 fourth quarter level.

GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES								
Fourth Quarter and Year-to-Date Review								
(in millions)								
	FY16	FY17	Dollar	Percent	FY16	FY17	Dollar	Percent
	4th Quarter	4th Quarter	Change	Change	YTD	YTD	Change	Change
Gross Individual Income Tax	4,381	4,462	80	1.8%	15,300	15,384	84	0.5%
Income Tax Refund Fund	(430)	(500)	(70)	16.3%	(1,494)	(1,723)	(229)	15.3%
Fund for Advancement of Education	(124)	(141)	(17)	14.1%	(458)	(462)	(4)	0.9%
Commitment to Human Services Fund	(124)	(141)	(17)	14.1%	(458)	(462)	(4)	0.9%
Net Individual Income Tax	3,704	3,680	(24)	(0.7%)	12,890	12,737	(153)	(1.2%)
Gross Corporate Income	801	823	22	2.7%	2,336	1,610	(725)	(31.0%)
Income Tax Refund Fund	(129)	(142)	(12)	9.6%	(362)	(278)	84	(23.1%)
Fund for Advancement of Education	0	(1)	(1)	(2451.4%)	(1)	(2)	(1)	230.9%
Commitment to Human Services Fund	0	(1)	(1)	(2451.4%)	(1)	(2)	(1)	230.9%
Net Corporate Income Tax	672	678	6	0.9%	1,972	1,328	(644)	(32.7%)
Sales	2,047	2,032	(15)	(0.7%)	8,063	8,043	(20)	(0.2%)
Public Utility	217	218	1	0.5%	926	884	(42)	(4.5%)
Cigarette	88	97	9	10.3%	353	353	0	0.0%
Inheritance	51	58	7	13.4%	306	261	(45)	(14.7%)
Liquor	43	41	(2)	(3.7%)	170	171	1	0.6%
Insurance	149	135	(14)	(9.6%)	398	391	(7)	(1.8%)
Corporate Franchise	49	45	(3)	(6.9%)	207	207	0	0.0%
Investment Income	7	11	4	62.8%	24	36	12	50.4%
Cook County IGT	94	94	0	0.0%	244	244	0	0.0%
Other Sources	244	269	25	10.2%	574	725	151	26.3%
TOTAL STATE REVENUES	7,364	7,358	(6)	(0.1%)	26,127	25,380	(747)	(2.9%)
Federal Revenues	514	818	304	59.1%	2,665	2,483	(182)	(6.8%)
Transfers In:	238	412	174	72.8%	1,581	1,542	(39)	(2.5%)
Lottery	190	209	19	10.0%	677	720	43	6.4%
Gaming/Gaming Taxes	40	42	2	4.8%	277	270	(7)	(2.5%)
Other Transfers In	8	161	153	100.0%	627	552	(75)	(12.0%)
TOTAL RECEIPTS	8,116	8,587	471	5.8%	30,373	29,405	(968)	(3.2%)

SOURCE: Illinois Office of the Comptroller Records.

NOTE: Totals may not add due to rounding. Excludes Budget Stabilization Fund transfers into the General Funds.

Income Taxes: Individual Income Tax net receipts through FY17 year-to-date (YTD) decreased by \$153 million, or 1.2% from the FY16 YTD level.

Corporate Income Tax net receipts through FY17 YTD decreased by \$644 million, or 32.7%, from the FY16 YTD level.

Sales Taxes: Sales Tax receipts through FY17 YTD decreased by \$20 million, or 0.2%, from the FY16 YTD level.

Public Utilities: Public Utility receipts through FY17 YTD decreased by \$42 million, or 4.5%, from the FY16 YTD level.

Inheritance: Inheritance receipts through FY17 YTD decreased by \$45 million, or 14.7%, from the FY16 YTD level.

All Other Sources: All Other Sources are up \$151 million YTD, or 26.3%, from the FY16 YTD level.

Federal Revenues: Federal Sources through FY17 YTD decreased by \$182 million, or 6.8%, compared to the FY16 YTD level.

Transfers In: Transfers in decreased by \$39 million YTD, or 2.5%, compared to the FY16 YTD level.

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 FY17. Total Actual State Revenues (not including Transfers In) were \$532 million, or 2.1%, below the budgeted level. Actual Federal revenues were \$679 million, or 21.5%, below the budgeted level due to delays in releasing reimbursable Medicaid vouchers.

GENERAL FUNDS REVENUES				
Year-to-Date Budgeted versus Actual				
(in millions)				
	FY17 YTD Budgeted (February 2017 Estimate)	FY17 YTD Actual	Dollar Change	Percent Change
Gross Individual Income Tax	15,665	15,384	(281)	(1.8%)
Income Tax Refund Fund	(1,754)	(1,723)	31	(1.7%)
Fund for Advancement of Education	(470)	(462)	8	(1.7%)
Commitment to Human Services Fund	(470)	(462)	8	(1.7%)
Net Individual Income Tax	12,971	12,737	(234)	(1.8%)
Gross Corporate Income	1,814	1,610	(204)	(11.2%)
Income Tax Refund Fund	(313)	(278)	35	(11.0%)
Fund for Advancement of Education	(3)	(2)	1	(22.3%)
Commitment to Human Services Fund	(3)	(2)	1	(22.3%)
Net Corporate Income Tax	1,496	1,328	(168)	(11.2%)
Sales	8,155	8,043	(112)	(1.4%)
Public Utility	899	884	(15)	(1.7%)
Cigarette	353	353	0	0.0%
Inheritance	275	261	(14)	(5.0%)
Liquor	171	171	0	0.0%
Insurance	395	391	(4)	(1.0%)
Corporate Franchise	205	207	2	1.0%
Investment Income	26	36	10	38.8%
Cook County IGT	244	244	0	0.0%
Other Sources	723	725	2	0.3%
TOTAL STATE REVENUES	25,912	25,380	(532)	(2.1%)
Federal Revenues	3,162	2,483	(679)	(21.5%)
Transfers In:	1,657	1,542	(115)	(6.9%)
Lottery	720	720	(0)	(0.0%)
Gaming/Gaming Taxes	270	270	0	0.0%
Other Transfers In	667	552	(115)	(17.2%)
TOTAL RECEIPTS	30,731	29,405	(1,326)	(4.3%)

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

Income Taxes: Individual Income Tax net receipts through the fourth quarter were \$234 million lower than the budgeted levels. Corporate Income Tax net receipts through the fourth quarter were \$168 million, or 11.2%, lower than budgeted levels.

Sales Taxes: Sales Tax receipts through the fourth quarter were \$112 million, or 1.4%, lower than budgeted levels.

Public Utilities: Public Utility receipts through the fourth quarter were \$15 million, or 1.7%, lower than budgeted levels.

Other Sources: Other Sources through the fourth quarter were \$2 million, or 0.3%, higher than budgeted levels.

Federal Revenues: FY17 Federal sources of revenue through the fourth quarter were \$679 million, or 21.5%, lower than budgeted revenues.

Transfers In: Transfers in through the fourth quarter were \$115 million, or 6.9%, lower than budgeted levels, due to lower than expected transfers from the Capital Projects Fund.

GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth FY16 and FY17 fourth quarter and year-to-date General Funds spending from appropriations for those fiscal years. General Funds expenditures for the fourth quarter of FY17 totaled \$7,186 million, a decrease of \$449 million, or 5.9%, from the FY16 level.

GENERAL FUNDS EXPENDITURES				
Fourth Quarter and Year-to-Date Review				
(in millions)				
Agency	FY16 Expend 4th Quarter	FY17 Expend 4th Quarter	FY16 Expend YTD¹	FY17 Expend YTD
Constitutional Officers ^{2,3}	\$ 75	\$ 75	\$ 289	\$ 318
DHFS	\$ 2,205	\$ 2,330	\$ 5,966	\$ 6,563
ISBE	\$ 1,573	\$ 1,701	\$ 6,438	\$ 7,106
DHS	\$ 688	\$ 690	\$ 2,955	\$ 2,946
Higher Education	\$ 600	\$ 6	\$ 618	\$ 717
SERS ³	\$ 332	\$ 327	\$ 1,367	\$ 1,309
TRS ³	\$ 966	\$ 1,016	\$ 3,863	\$ 4,106
SURS ³	\$ 365	\$ 170	\$ 1,416	\$ 1,506
Corrections	\$ 219	\$ 250	\$ 838	\$ 994
CMS	\$ 15	\$ 1	\$ 27	\$ 174
DCFS	\$ 105	\$ 170	\$ 588	\$ 638
Aging	\$ 160	\$ 140	\$ 591	\$ 494
ISP	\$ 61	\$ 59	\$ 218	\$ 214
Revenue	\$ 19	\$ 18	\$ 73	\$ 77
DPH	\$ 32	\$ 15	\$ 65	\$ 65
DNR	\$ 10	\$ 9	\$ 34	\$ 35
DCEO	\$ 2	\$ 2	\$ 8	\$ 7
All Others ³	\$ 207	\$ 209	\$ 816	\$ 828
Agency Totals	\$ 7,635	\$ 7,186	\$ 26,172	\$ 28,098

Source: IOC Data Warehouse and GOMB. Totals may not add due to rounding.

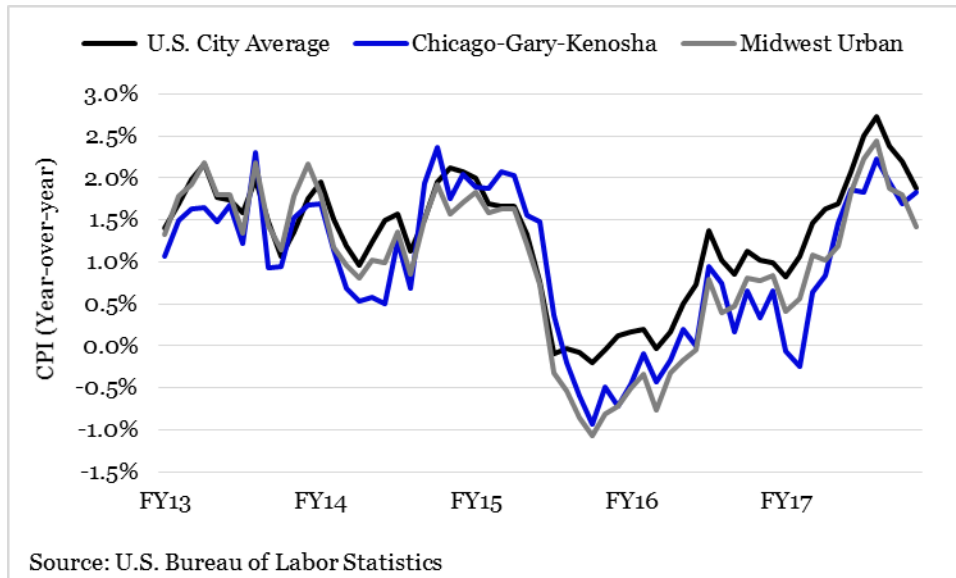
¹ Represents YTD figures for the same time period last fiscal year.

² Constitutional Officers exclude Auditor General.

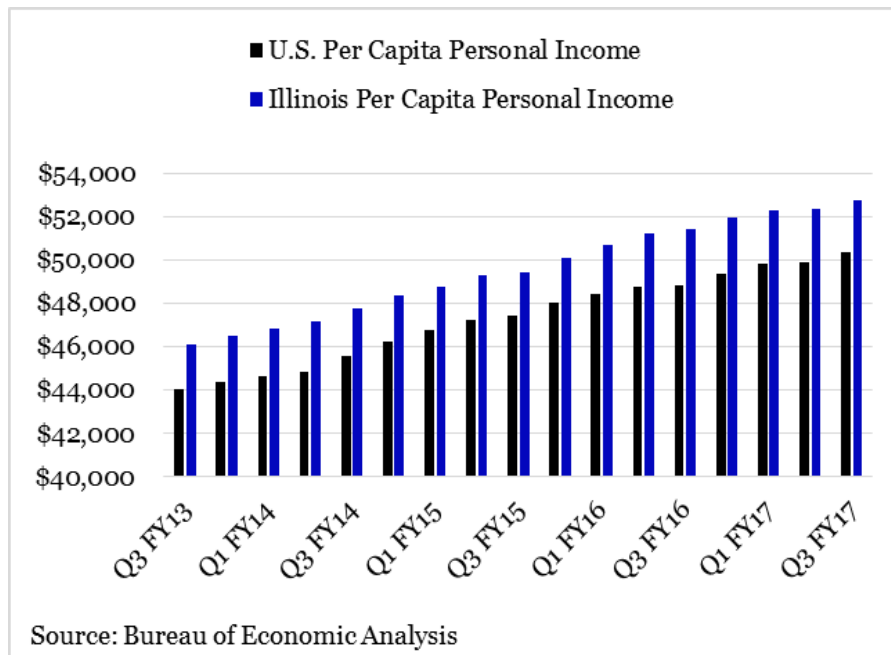
³ Includes continuing appropriations.

KEY ECONOMIC INDICATORS

The graph below shows the Consumer Price Index (CPI) for All Urban Consumers, all items, in the U.S., Chicago metropolitan area, and Midwest from July FY13 to May FY17. In May FY17, the CPI for U.S. city average increased 1.9% year-over-year. The CPI for Chicago metropolitan area increased 1.8% year-over-year. In May FY17, the CPI for Midwest region increased 1.4%.



The graph below compares the per capita personal income between U.S. and Illinois from the third quarter of FY13 to the third quarter of FY17. The U.S. per capita personal income increased \$436 or 0.9% from \$49,901 in the second quarter of FY17 to \$50,337 in the third quarter. Year-over-year, U.S. per capita personal income increased \$1,478 or 3.0%. In Illinois, per capita personal income increased \$361 or 0.7% from \$52,384 in the second quarter of FY17 to \$52,745 in the third quarter. Year-over-year, Illinois per capita personal income increased \$1,310 or 2.5%.



EMPLOYMENT HIGHLIGHTS

The table below shows recent Illinois and National employment highlights. Nationally, the unemployment rate in June of FY17 was 4.4%, down from 4.9% during the same period last fiscal year. Illinois' unemployment rate of 4.7% in June of FY17 reflected a decrease of 1.2% from the state's unemployment rate of 5.9% during the same period last fiscal year. Additionally, total nonfarm employment in Illinois increased 54,100 year-over-year in June, led by increases in Information, Manufacturing, Educational and Health, and Other Services.

EMPLOYMENT HIGHLIGHTS			
State and National Review			
EMPLOYMENT STATISTICS	<u>April FY16</u>	<u>April FY17</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	6,007,200	6,029,200	22,000
Unemployment Rate, Illinois	6.0%	4.7%	(1.3)
Unemployment Rate, United States	5.0%	4.4%	(0.6)
Labor Force Participation Rate, Illinois	65.3%	64.8%	(0.5)
Labor Force Participation Rate, United States	62.8%	62.9%	0.1
EMPLOYMENT STATISTICS	<u>May FY16</u>	<u>May FY17</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	5,996,900	6,040,500	43,600
Unemployment Rate, Illinois	5.9%	4.6%	(1.3)
Unemployment Rate, United States	4.7%	4.3%	(0.4)
Labor Force Participation Rate, Illinois	65.2%	64.6%	(0.6)
Labor Force Participation Rate, United States	62.6%	62.7%	0.1
EMPLOYMENT STATISTICS	<u>June FY16</u>	<u>June FY17</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	5,995,000	6,049,100	54,100
Unemployment Rate, Illinois	5.9%	4.7%	(1.2)
Unemployment Rate, United States	4.9%	4.4%	(0.5)
Labor Force Participation Rate, Illinois	65.1%	64.4%	(0.7)
Labor Force Participation Rate, United States	62.7%	62.8%	0.1
Source: Illinois Department of Employment Security and United States Department of Labor			

ILLINOIS REAL ESTATE

According to Illinois REALTORS, median home prices in Illinois rose 8.3 percent in May year-over-year, and statewide home sales increased 3.8 percent for the same period. Statewide home sales (including single-family homes and condominiums) in May FY17 totaled 17,077 homes sold, up 3.8 percent from 16,450 year-over-year. The statewide median price in May FY17 was \$209,000, up 8.3 percent compared to May FY16, when the median price was \$193,000. The time it took to sell a home in May averaged 52 days, down from 59 days year-over-year. In May FY17, available housing inventory totaled 56,535 homes for sale, a 14.9 percent decline from May FY16 when there were 66,424 homes on the market.

Fiscal Year 2017 Report on Balanced Budget and Fiscal Notes

99th General Assembly Veto Fall 2016

Balanced Budget Notes

<i>Bill</i>	<i>Description</i>
SB2814	Retail Choice-Gas
SB2814	Retail Choice-Gas
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100th General Assembly Spring 2017

Balanced Budget Notes

<i>Bill</i>	<i>Description</i>
HB40	State Employee Group Insurance
HB2462	Equal Pay Act-Wage History
HB2721	Insurance-PANDAS/PANS
HB3735	CD Corr-Aggravating Factors
HB1785	Birth Certificate-Sex Designation
HB3750	Fishing and Hunting License-Police
HB3222	JCAR-Rule Review
HB3393	Income Tax-Investment Management
HB2493	Prevailing Wage Responsible Bidder
HB2495	Prevailing Wage Bona Fide Labor Org
HB3044	Prevailing Wage County Schedules
HB2622	Insurance Code-Employers Insurance Code
HB198	Amends Illinois Income Tax Act
SB19	Personnel Code
SB14	Pension Code-Chicago Muni and Labor

HB230	Higher Ed-Uniform Admission
HB2771	Healthy Workplace Act
HB2525	Unemployment Insurance-Worker Comp Rates
HB302	Life Insurance-Unclaimed Benefits
HB688	Pension Code-Downstate Fire-Transfer
HB40	Abortion-Various
HB160	Keep Illinois Business Act
SB1720	Anti-Wage Theft-State Contract
SB1905	Collective Bargaining Freedom
SB1807	Muni-Construction and Demo Debris
SB1719	Income Tax-Investment Management
HB160	Revenue
HB2703	Intergovernmental Cooperation Act
SB1351	Student Loan Servicing Rights Act
SB81	Minimum Wage-Employee
HB160	Keep Illinois Business Act
SB1451	Small Wireless Facilities
SB1904	Prevailing Wage-County Schedules
HB3052	Amends School Code
HB3052	Amends School Code
HB3052	Amends School Code
HB3052	Amends School Code

100th General Assembly Spring 2017

Fiscal Notes

<i>Bill</i>	<i>Description</i>
HB503	Obama's Birthday
HB3871	State Gov-Priority of Payments