STATE OF ILLINOIS
EXECUTIVE OFFICE OF THE GOVERNOR
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
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Illinois Economic and Fiscal Policy Report

The Governor's Office of Management and Budget (GOMB) is required, pursuant to 20 ILCS 3005/7.3, to annually submit an Economic and Fiscal Policy Report to the General Assembly outlining the long-term economic and fiscal policy objectives of the state, the economic and fiscal policy intentions for the upcoming fiscal year, and the economic and fiscal policy intentions for the subsequent four fiscal years. It must also include fiscal and policy options that GOMB intends to pursue to remedy any applicable budgetary shortfalls in the current year or the five following fiscal years.

This report provides information on national economic conditions, Illinois' economic conditions and forecast, a review of the Governor's fiscal year 2017 proposal and the enacted "bridge" funding plan, five-year budgetary forecast, and policy objectives and intentions. An attachment also provides a five-year projection of revenues, expenditures, any deficits or surpluses, and other liabilities through fiscal year 2022. An agency categorization key is also provided for the expenditure categories.

ECONOMIC REVIEW

National Economic Conditions

As the United States moves through its eighth year of economic expansion, the national economy continues to expand at a moderate pace. After growing at a rate of 2.6 percent in calendar year 2015, the U.S. economy, as measured by growth in real Gross Domestic Product (GDP), grew at a rate of 1.4 percent in the second calendar quarter of 2016 after expanding at 0.8 percent in the first quarter.[1]

Slower economic growth in recent quarters appears to be a result of a broader economic softening appearing in several sectors of the national economy. Growth in consumer spending has slowed by 0.7 percent over the last year, from 3.4 percent in the second quarter of calendar year 2015 to just 2.7 percent in the second quarter of calendar year 2016. The deceleration in consumption is mainly attributable to slowing of sales in motor vehicles and parts, gasoline and energy, clothing and footwear, transportation services, recreational services, food services and accommodations. The financial services and insurance sector declined 0.4 percent in the second quarter of calendar year 2016 after growing 0.6 percent in the same quarter one year ago.[2] Business investment spending has contracted for the past three consecutive quarters. In addition, the second calendar quarter of 2016 saw investment declines of 2.1% in nonresidential structures, 2.9% in equipment and 7.7% in residences.[3]

With a backdrop of uncertainty, the economic outlook and revenue forecasts discussed within this report blend two economic forecasts provided by IHS Markit (IHS), a national economic forecasting firm. The first scenario is its baseline forecast, which anticipates continued moderate economic expansion. The second forecast, a more pessimistic one, estimates that there is a 20% probability that the U.S. will suffer a two-quarter recession in the first half of fiscal year 2018.

According to IHS, the estimated baseline economic forecast assumes U.S. employment grows at a slow rate of approximately 170,000 jobs per month in the near future. Increasing employment along with rising real disposable income and housing prices are forecasted to drive gains in real consumer spending nationwide. The negative impact of inventory changes is expected to subside in fiscal year 2017 and remain neutral through 2018. These factors combine to foster an average economic growth rate of 2.4 percent for fiscal years 2017 and 2018.[4]

The pessimistic forecast assumes various impacts including a national two-quarter recession in the beginning of fiscal year 2018. The basis for this forecast is the potential impact of a weakening European economy, rising core inflation and oil prices causing the Federal Open Markets Committee (FOMC) to more aggressively increase interest rates, and a potential stock market correction.[5] Economists at the Illinois Department of Revenue (DOR) are using a blended scenario of IHS's baseline and pessimistic scenarios for forecasting in Illinois as there are real risks to the economy posed by slumping investment, international uncertainty and over valuation of equity markets. At this point in time, anticipating slower rates of economic growth, and by extension revenue growth, is a prudent course.

The U.S. Census Bureau reports tax revenue growth slowing in calendar year 2016 compared with the average rate of growth in the prior four calendar quarters. The national average growth rate of sales, personal income tax, corporate income tax and property tax was 1.6 percent in the first quarter of calendar year 2016 compared with an average growth rate of 4.5 percent in the prior four quarters. Corporate income tax was particularly dismal, declining by an average rate of 4.5 percent in the first quarter of calendar year 2016 after sluggish growth of 0.1 percent of the prior four calendar quarters.[6]

Looking beyond the next year, some economists expect that a slower rate of productivity (output per worker per unit of time) will slow the national economic growth trends. High rates of productivity, like those experienced between 1995 and the mid 2000's, tend to follow big technological innovations. The productivity gains during this time were very high as the economy made huge gains from information technology innovations. Historically, productivity fades until the next big innovation. Recently, productivity has returned to the 1973 – 1995 pace.

Furthermore, according to U.S. Census Bureau projections, the national working age population is expected to grow at just 0.5 percent per year compared with rates of 1 to 3 percent for much of the 20th Century. Educational attainment for young people has plateaued, meaning there are no productivity gains from a net improvement in labor quality. Slow productivity and little labor quality improvement are expected to suppress wage growth and by extension result in slower tax revenue growth over the forecast period.[7]

Illinois' Economic Conditions and Forecast

As has been the case for many years now, Illinois' economic growth continues to lag the nation, a condition that is expected to continue throughout the five-year forecast horizon, absent reforms. The U.S. experienced a 1.7% growth in total nonfarm employment from August 2015 to August 2016[8] while Illinois' total nonfarm employment grew by 0.7%.[9] During this same period, certain higher paying jobs have been lost in Illinois, including 12,700 in manufacturing, 4,000 in information and 300 in mining jobs. The relatively lower paying job sector of leisure and hospitality added 21,600 jobs over the past year.[10]

It is expected that the slowing national economic growth rate will translate into slower growth in Illinois as well. There is no evidence to suggest that the slowing rate of national economic growth will close the gap between Illinois' slower economic growth and the national rate. Barring significant budget and policy changes, Illinois' rate of economic growth is expected to continue to lag the national rate of economic growth over the next five years. The table below summarizes the five year forecast in Illinois for several key state economic variables in both the baseline and recession risk scenarios. Slower job growth in Illinois will mean slower growth in wages and slower consumption growth. This translates to slower growth in the long run for both income and sales tax revenue collected by the state.

U.S. and Illinois Economic Forecast: Baseline vs. Pessimistic

	Fiscal Year Growth Rate											
Variables	2017 (p)	2017 (b)	2018 (p)	2018 (b)	2019 (p)	2019 (b)	2020 (p)	2020 (b)	2021 (p)	2021 (b)	2022 (p)	2022(b)
U.S. Real Gross Domestic Product	1.0%	2.1%	-0.3%	2.4%	1.9%	2.3%	2.9%	2.2%	2.4%	2.2%	2.2%	2.4%
Illinois Real Gross Domestic Product	0.3%	1.3%	-1.0%	1.6%	1.5%	1.7%	2.4%	1.7%	1.8%	1.7%	1.7%	1.9%
Illinois Non-Farm Employment	0.5%	0.9%	-0.9%	0.7%	0.6%	0.6%	1.1%	0.6%	1.0%	0.5%	1.0%	0.7%
Illinois Wages Disbursements	4.3%	4.2%	3.7%	4.7%	3.8%	4.5%	5.5%	4.5%	5.3%	4.4%	4.7%	4.5%
Domestic U.S. Corporate Profits	0.6%	6.4%	-3.1%	6.5%	21.5%	3.9%	12.7%	0.8%	2.5%	2.9%	0.8%	4.6%
Illinois Retail Sales	1.8%	2.4%	-1.0%	2.2%	1.5%	2.4%	1.8%	1.8%	1.7%	1.8%	1.9%	1.4%

Source: (p/pessimistic) IHS's Pessimistic Scenario (recession 20 percent probability) and (b/baseline) IHS's Baseline Scenario.

The impact of the national and state economy on Illinois' budget cannot be understated. With an understanding of the economic challenges facing Illinois and an awareness of the national economic climate, the Governor has proposed budgets to improve Illinois' finances while pursuing reforms to become more competitive for job growth.

The following summary outlines the Governor's fiscal year 2017 proposal and provides a review of the enacted "bridge" funding plan for the current fiscal year.

Governor's Fiscal Year 2017 Budget Proposal and a Review of the "Bridge" Funding Plan

Governor's Fiscal Year 2017 General Funds Budget Proposal. On February 17, 2016, Governor Rauner proposed his fiscal year 2017 budget. Total General Funds operating revenues and transfers in from other state funds were estimated to total $32,818 million for fiscal year 2017. The estimate assumed the continued diversion of income tax revenues to the Fund for the Advancement of Education and the Commitment to Human Services Fund as provided under current law and the receipt of non-recurring revenues from the divestiture of the Thompson Center State Office Building in Chicago into the General

Revenue Fund. Proposed transfers in for fiscal year 2017 included a one-time use of the Budget Stabilization Fund balance.

The Governor's proposal estimated that if General Funds spending was left on "auto-pilot" in fiscal year 2017 (i.e., with no changes in law or other spending controls), General Funds expenditures and transfers out would total $38,969 million, an amount $6,626 million above estimated fiscal year 2017 maintenance budget revenues.

The Governor's recommended budget proposal included changes from the estimated maintenance budget. The proposed fiscal year 2017 budget included increasing General State Aid for school districts, continuing the State's commitment to early childhood education and providing additional resources to the Department of Corrections to increase the number of correctional officers and meet the needs of mentally ill inmates as required by a court-approved settlement of litigation.

The Governor's budget also identified several areas to reform and control spending, including proposing reforms to the State's five pension systems, the health insurance plan for State employees, the social service delivery system, and procurement of goods and services. These proposals, among others, had they been implemented, were estimated to result in spending reductions of $2.7 billion in fiscal year 2017.

After accounting for the savings associated with these proposals, the remaining amount estimated to be needed to fund fiscal year 2017 General Funds expenditures and transfers totaled $36,344 million.

From that point, the Governor proposed two paths to balance the fiscal year 2017 General Funds budget – "Working Together" or "Executive Management." Either plan, if enacted, would meet the state's constitutional requirement for a balanced budget. "Working Together" has been and continues to be the Governor's preferred path to a balanced budget. First, the state should enact structural reforms and transformations that reduce the cost of delivering government services and reduce the cost of doing business in Illinois with the goal of creating jobs and growing the state's economy. Then with those objectives accomplished, additional revenues would be supported by the Governor. As noted, General Funds spending in fiscal year 2017 under this approach would total a maximum of $36,344 million. Alternatively, the Executive Management approach would be applied in the absence of reforms. In this scenario, the Governor proposed the enactment of legislation to give the Governor tools to act on his own to establish reserves, reduce provider rates, adjust statutory transfers and continuing appropriations, and reallocate balances from other state funds into the General Funds. General Funds spending in fiscal year 2017 under this approach would have been as low as $32,818 million, depending on the actions taken.

Review of the Bridge Funding Plan. As of May 31, 2016, no appropriations bills for spending for fiscal year 2017 had passed both chambers of the General Assembly. After that date, the Illinois Constitution requires that changes in law and appropriations with an immediate effective date require approval of 3/5ths of the members of each chamber rather than a simple majority needed prior to June 1.

As a result of the legislative leaders indicating that passage of a full-year budget was not attainable until after the November 2016 general election, the Governor proposed a "bridge" fiscal year 2016 and fiscal year 2017 appropriations bill to keep government functioning. The Governor and the legislative leaders worked together on an agreed-upon "bridge" bill for both fiscal years that passed both houses and was signed by the Governor. The enacted "bridge" funding plan included: passage of a full year of enhanced fiscal year 2017 funding for elementary and secondary education; full year appropriation authority for federal and other state funds outside of the General Funds for fiscal year 2016 and fiscal year 2017; capital appropriations for the state's road program, and limited capital appropriations for emergencies and some of the state's other construction projects; and limited fiscal year 2017 General Funds appropriations for critical state government operations (through December 31, 2016) that are tied to the forgiveness of the repayment of the interfund borrowing that occurred at the end of fiscal year 2015. On June 30, 2016, P.A. 99-523 and P.A. 99-524 were signed into law authorizing this "bridge" funding plan to keep government functioning until the General Assembly and the Governor can come to agreement on reforms and a balanced full fiscal year 2017 budget.

The fiscal year 2017 "bridge" funding plan as enacted will save the General Funds approximately $1.4 billion this fiscal year. Those savings include:

- The forgiveness of the repayment of up to $454 million of interfund borrowing that would have been due in fiscal year 2017. A total of $15 million is estimated to be repaid from the General Revenue Fund.
- The "bridge" bill authorized the spending of $805 million from other state funds for purposes traditionally budgeted from the General Funds including:
  - $275 million appropriated from the Budget Stabilization Fund for agency operations;
  - $97 million in funding for community colleges from the Personal Property Tax Replacement Fund in recognition as part of an overpayment by the state to local governments; and
  - $433 million appropriated from the Commitment to Human Services Fund in addition to the base allocation for various human services programs. This amount became available in fiscal year 2017 due to the result of a fund balance that accumulated during fiscal year 2016 as no spending occurred during this time due to lack of appropriations from this fund.
- P.A. 99-516 increased the Affordable Care Act hospital assessment payments to generate $150 million in savings.
- P.A. 99-523 loosened statutory bond restrictions during fiscal year 2017 to allow the State to issue both General Obligation (GO) and Build Illinois (BI) refunding bonds to save an estimated $20 million on debt service costs in fiscal year 2017. GOMB completed both the GO and BI refunding issuances earlier this fiscal year and reduced debt service costs for GO and BI by $229 million over the next 18 years.

Five-Year Budgetary Forecast

Pursuant to 20 ILCS 3005/7.3, attached to this report is a financial walkdown of the budgetary outlook for fiscal year 2017 through fiscal year 2022. The revenues included in the walkdown include the 6.67% (or $2/30^{th}$) portion of individual income taxes and the share of corporate income taxes that are deposited into the Fund for the Advancement of Education (FAE) and the Commitment to Human Services Fund (CHSF) due to the similarity of purpose that the appropriations from those funds support and in recognition of the fact that the only source of revenues into the funds is the state's income taxes. The presentations in this table do not match with presentations limited to the General Funds due to the inclusion of the revenues and expenditures from the FAE and CHSF. The table also includes resources and expenditures from Budget Stabilization Fund and the Higher Education appropriations from Personal Property Tax Replacement Fund. The projections used for fiscal year 2017 and the five subsequent fiscal years assume moderate natural growth in revenues under existing law driven by the blended economic forecast scenario, increases in pension payments as projected by the pension systems under existing laws, projected debt service amounts and moderate increases in other spending, all assuming no significant reforms or spending controls.

Estimated Resources. GOMB estimates that under current statutes, total General Funds and related funds resources for fiscal year 2017 will total $33,713 million. The General Funds "Big Three" revenue sources (individual income tax, corporate income tax and sales tax) are estimated to total $24,078 million. The estimate assumes the diversion of revenues to the FAE and CHSF will total an estimated $946 million. The attached table reflects including the share of income taxes being diverted into these two funds as part of the overall income tax totals.

Revenue estimates going forward are based on projections provided by IDOR economists blending the IHS's pessimistic forecast and baseline forecast due to numerous negative economic indicators. While it is impossible to predict a recession at any point in the five year forecast horizon, the IDOR economists used IHS's 20% probability risk for a recession for forecasting revenues. The possibility of a recession translates into a forecast in which individual income tax receipts grow slower than 2.5 percent in fiscal year 2018 and 2019 and then grow slightly after that. Base corporate income tax receipts, prior to the set aside for refunds, are expected to decline slightly in fiscal year 2018 and fiscal year 2019 before resuming growth in fiscal year 2020.

The diversion rate of 11.2 percent of total individual income tax revenues in fiscal year 2017 to the Income Tax Refund Fund is assumed to decline to 10 percent in fiscal year 2018 and the remainder of the forecast. The corporate income tax forecast assumes a refund fund diversion rate of 17.25 percent in fiscal year 2017 that will rise to 17.5 percent in fiscal year 2018 to clear remaining unpaid business income tax refunds. The refund fund diversion rate declines to 14 percent for the remainder of the forecast.

Fiscal year 2017 estimated General Funds receipts for federal sources have been revised down from earlier projections due to hospital assessment-related changes enacted in the "bridge" funding plan and estimated changes in spending patterns by the Department of Healthcare and Family Services (DHFS). Federal reimbursements for Medicaid spending are returned to the same fund that was used for the original expenditure. It is assumed that DHFS will continue to maximize the use of non-General Funds for Medicaid spending which will reduce federal receipts into the General Funds. Growth in federal revenues is projected to show only moderate growth over the forecast horizon.

Estimated Expenditures. Fiscal year 2017 estimated spending in the walkdown totals $39 billion. This assumes spending under appropriations, continuing appropriations, statutory transfers and court orders and consent decrees. It also assumes some spending for purposes not currently allowed under a court order or consent decree for which the State has not provided a full year of General Funds appropriations or other spending authorizations. These spending purposes include General Funds for state employee health insurance, operational costs of certain state agencies, some social service programs, and higher education at closer to historic levels.

GOMB estimates fiscal year 2017 spending to exceed current resource projections by $5.3 billion absent spending controls and revenue enhancements.

Fiscal year 2017 spending also could increase if additional funding is included for payments for fiscal year 2016 bills brought forward into fiscal year 2017. The amount of fiscal year 2016 liabilities carried forward into fiscal year 2017 is estimated to total approximately $3 billion. Estimates of fiscal year 2016 carryover by major agencies are listed in the table below.

Fiscal Year 2016 Estimated Liabilities*
($ in millions)

Agency	Estimated Carryover of Fiscal Year 2016 Liabilities
Group Health Insurance (Central Management Services)	$1,610
Corrections	$400
Human Services	$207
Aging	$334
IL Student Assistance Commission	$155
All Other Agencies	$280
Total	**$2,986**

* The amounts listed here reflect estimates of fiscal year 2016 services/commitments that remained unpaid after any available fiscal year 2016 appropriations were utilized and have not been adjusted down for any fiscal year 2017 appropriations that may have been used to make the payments.

Policy Objectives and Intentions

This forecast based on the current trajectory of Illinois' economy and spending needs projects budget shortfalls for fiscal years 2017 through 2022.

It is the Governor's top policy and fiscal objective to improve the economy by supporting policies and reforms to make Illinois more competitive for job growth and to seek transformational changes to reduce the cost curve of government. The Governor will work with the legislature and pursue a combination of structural reforms, spending reductions and new revenues to balance the state's budget and resolve these shortfalls.

The #1 budget issue for Illinois is the Illinois economy. Illinois has consistently had a higher unemployment rate compared to the national average and has been underperforming the rest of the country on job growth.

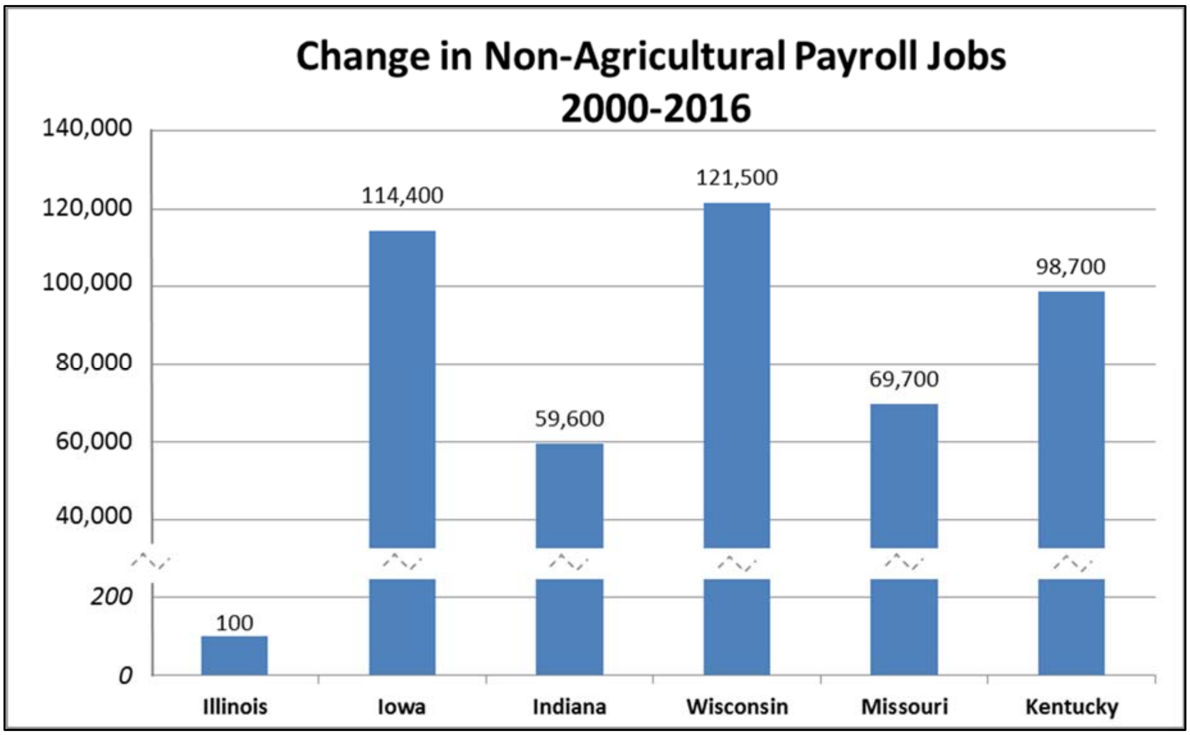
Governor Rauner supports reforms to grow our economy and improve our state's finances to provide Illinois a better chance to achieve and maintain long-term fiscal stability. The past "tax and spend" approach without enactment of strong structural reforms has not worked. During the four-year period from 2011 to 2015 when income taxes were at higher rates, Illinois' economic performance and job creation lagged the nation and its fiscal condition continued to deteriorate. Employment data comparing Illinois' job growth to the nation, as provided in the table below, shows our state's subpar performance over the past sixteen years. Since the year 2000, the nation has added nearly 13.6 million jobs which is a 10.4% growth in employment. **During this same time, Illinois only gained 100 jobs.** In fact, Illinois was the fourth lowest state in the number of jobs added during this time period, and had the lowest growth rate among the states that saw job increases.[11] Illinois would have over 620,000 more jobs today if Illinois had simply grown at the national average.

Non-Agricultural Payroll Jobs
(Seasonally Adjusted)

Date	Nation	Illinois
January 2000	131,010,000	6,008,800
August 2016	144,600,000	6,008,900
Difference Jan-00 to Aug-16	13,590,000	+100
% Difference Jan-00 to Aug-16	10.4%	0.0%

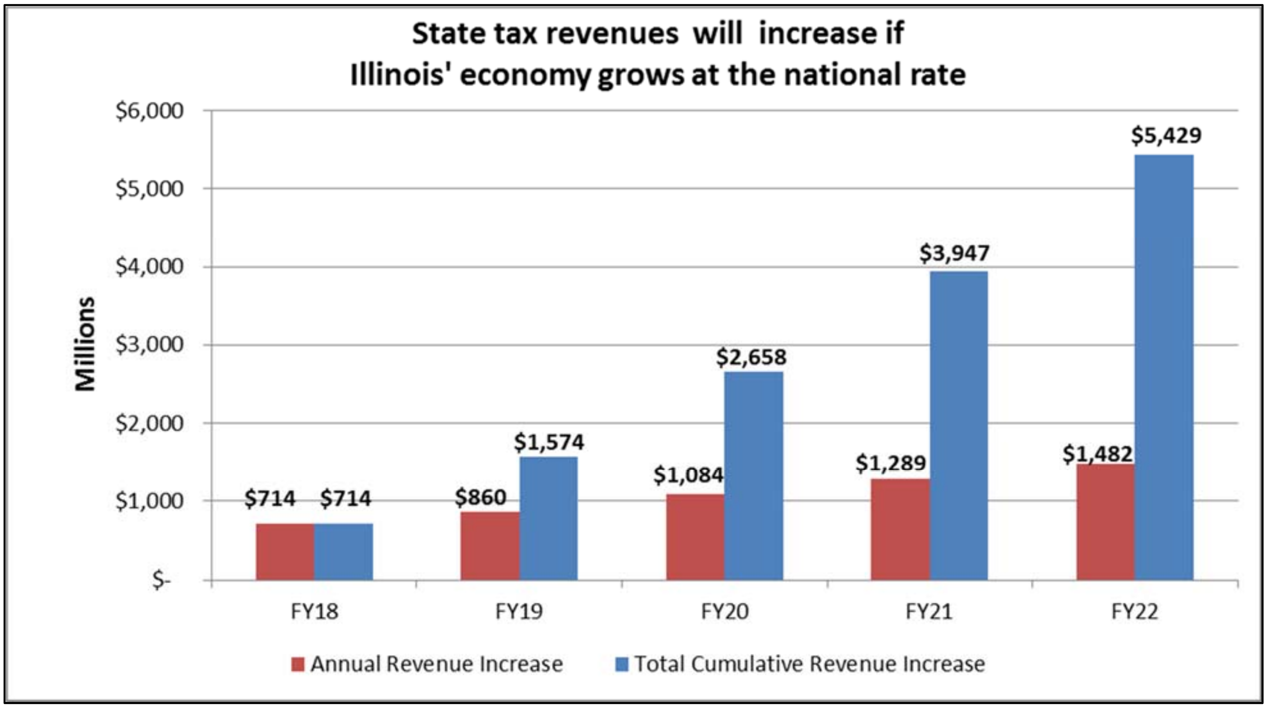
Source: Bureau of Labor Statistics, Current Employment Statistics.

Even our neighboring states have added an average of over 92,780 jobs during this same time period.



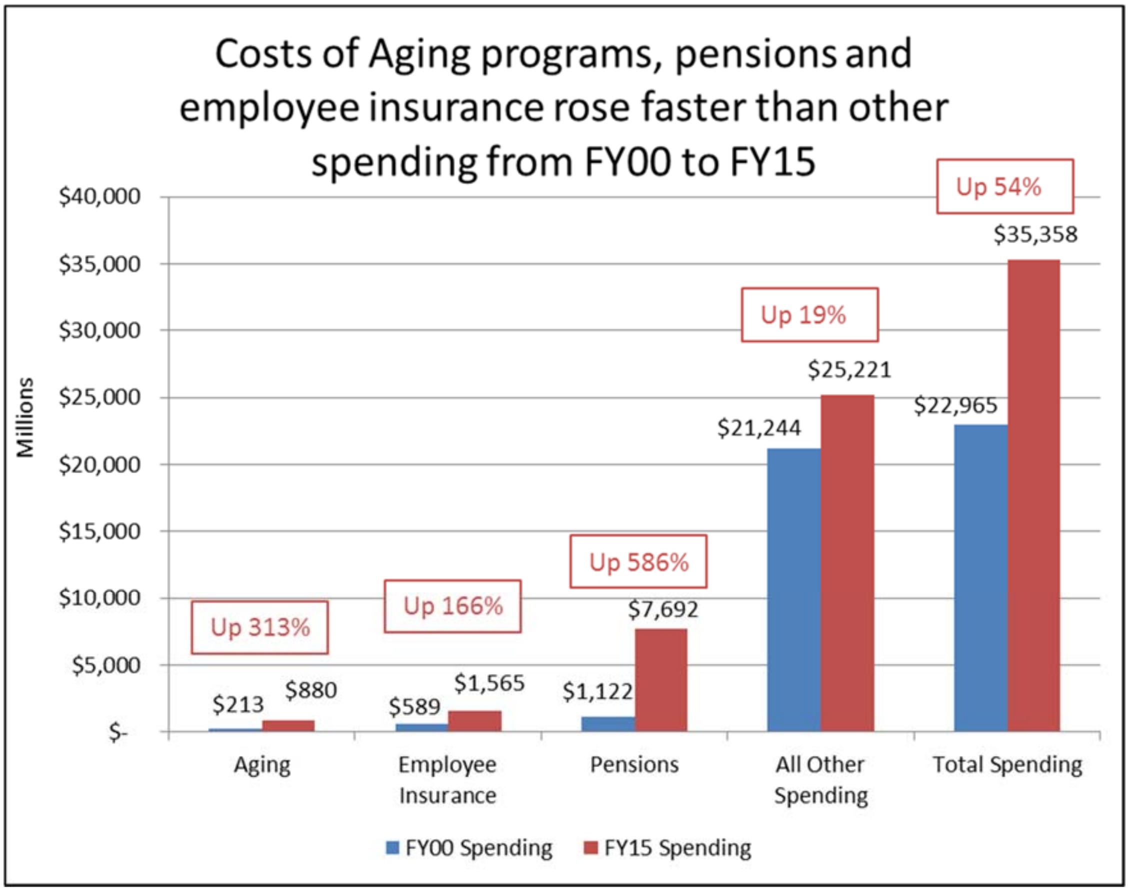
Source: Bureau of Labor Statistics, Current Employment Statistics, January 2000 – August 2016

Illinois has lost out on both job opportunities for our residents and state revenue due to our poor performance in employment growth. Significant additional state revenues could be attained if Illinois improved its economic growth to just the national average. According to IDOR, the chart below shows that an additional $5.4 billion in state revenues could be gained over the next five years if the Illinois economy were to grow at the national average.

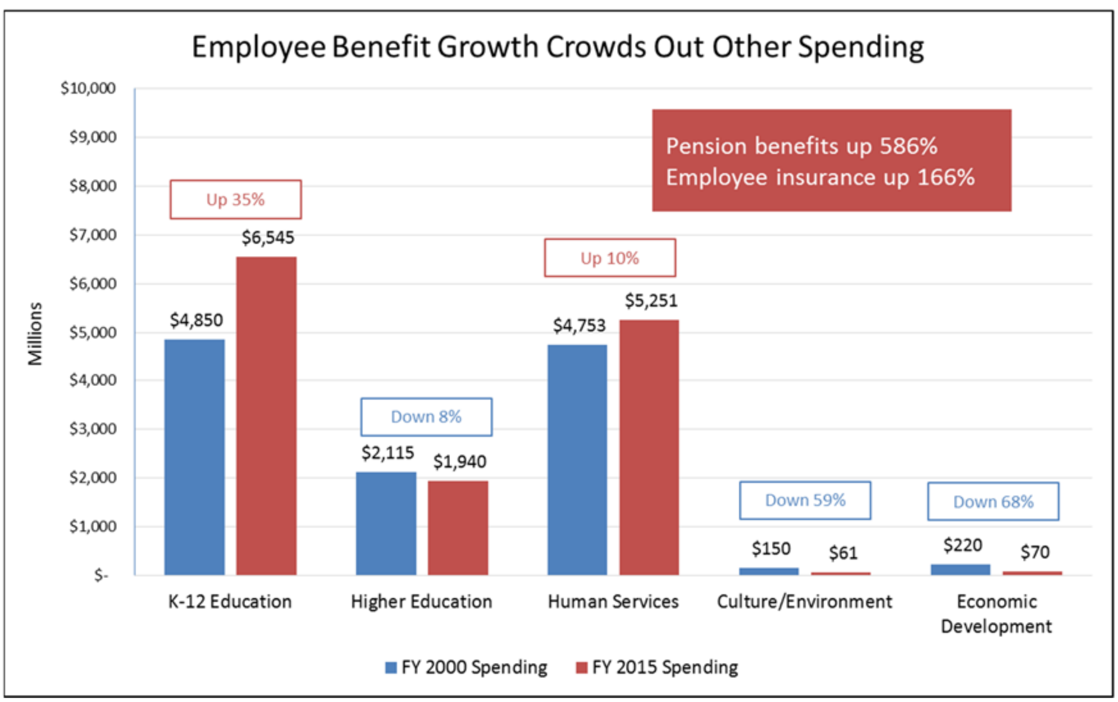


Source: Illinois Department of Revenue

Shifting to the spending side of the state's budget, pensions and employee health insurance are two areas of the state's budget with significant cost increases during the past sixteen years. In particular, the largest cost-driver is the state's required contributions to our state pension systems which increased by 586% during this time. Illinois has one of the worst-funded state pension systems in the nation. The increased payments to the state's retirement systems, totaling billions of dollars during this time, have reduced the funding available for critical budget priorities such as elementary and secondary education, higher education and human services. The charts below illustrate the growth of state spending in the past sixteen years and the impact it has had on the various government sectors.



Source: Illinois Office of the Comptroller.
Note: General Funds Spending.



Source: Illinois Office of the Comptroller.
Note: General Funds Spending.

Governor Rauner outlined a series of transformation reforms in his 2017 budget proposal in February designed to improve government services while saving taxpayer dollars. The Governor continues to seek the support of the legislature to responsibly reduce and control the costs within the state's operating budget by pursuing transformation reforms for: state pensions, education, procurement, criminal justice, state employees' group health insurance, employee compensation, divestment of the James R. Thompson Center, health and human services, technology, grant accountability and transparency and data analytics and tax collection enhancements.

If the legislature is willing to enact adequate structural reforms to grow the economy and to bend the cost curve of government spending, the Governor is willing to partner with the legislature to support legislation to increase state revenues. Each 1 point increase in the Illinois Individual Income Tax and Corporate Income Tax would produce approximately $3.8 billion in additional state revenue. The Governor also supports tax reform ideas including expanding the state's sales tax base to include certain services to more closely align with an increasingly service-oriented economy and property tax reforms to address the crushing property tax burden on Illinois homeowners and employers.

With a history of unbalanced budgets and a continuing budget impasse of sixteen months, the state has accumulated a significant backlog of bills. The Governor is willing to work with legislators to pursue financing options, including issuance of bonds, to reduce a significant portion of the backlog of bills and accelerate payments to vendors as part of a balanced budget agreement. The Governor's long-term policy objective is for Illinois to return to a more reasonable 30-day vendor payment cycle (i.e. average backlog of all bills does not exceed the average of one month's of General Funds revenues) once a proper bill has been reviewed and approved for payment. Once the backlog is reduced to a reasonable level, the Governor intends to seek the elimination of the loopholes in state law that have allowed the State to create backlogs of bills.

As part of the fiscal year 2017 "bridge" funding plan, $275 million was appropriated from the Budget Stabilization Fund (i.e. "rainy day" fund) to support the operation of state government during the current budget impasse. It is estimated that expenditures from this fund in fiscal year 2017 will deplete the entire cash balance in the fund. Once the bill backlog is reduced, it is the Governor's policy and fiscal objective to restore and allocate additional dollars to this fund in order to achieve a significant cash balance in the fund. A "rainy day" fund is an important tool used by government to manage during difficult economic times especially as the most vulnerable are more dependent on critical government services. Adequately funded "rainy day" funds are especially valuable as they can reduce budget cuts or increases to taxes when these actions would further damage an already struggling economy. According to the National Association of State Budget Officers, on average states' rainy day funds have balances greater than six percent of the state's expenditures.[12]

In summary, it is the Governor's priority to use taxpayers' hard earned dollars to fund core priorities to:

- invest in our future workforce through pre-K-12 education;
- protect our children;
- serve those most in need;
- provide compassionate care through community-based services;
- reform our criminal justice system; and
- focus on programs that serve the entire state.

Illinois can no longer afford to continue with the status quo economic and fiscal policies. The State's fiscal trajectory is unsustainable and the General Assembly and the Governor must take responsible actions to improve the State's economic conditions so that the State can:

- resolve its structural budget imbalance for the long term;
- eliminate the payment backlog;
- improve long-term liability funding ratios; and
- ensure adequate funding for the core priorities mentioned above.

Footnotes and References:

[1] Bureau of Economic Analysis, Table 1 Percent Change From Preceding Period in Real Gross Domestic Product, Seasonally Adjusted Annual Rates, Release Date September 29, 2016. http://www.bea.gov/newsreleases/national/gdp/2016/pdf/gdp2q16_3rd.pdf

[2]U.S. Department of Commerce, Bureau of Economic Analysis, National Data, Table 2.3.6. Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars, Last Revised on: September 29, 2016 http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&903=66

[3] Ibid

[4] IHS Economics US Forecast, September 2016

[5] Ibid

[6] U.S. Census Bureau data summarized by The Nelson A. Rockefeller Institute of Government, State Revenue Report, September 2016, No 104

[7] Ibid

[8] U.S. Department of Labor, Bureau of Labor Statistics, Total Nonfarm Employment, Seasonally Adjusted, August 2016, http://www.bls.gov/ces/

[9] Illinois Department of Employment Security, Current Employment Statistics, Seasonally Adjusted Employment, August 2016, http://www.ides.illinois.gov/LMI/Pages/CES.aspx

[10] Ibid

[11] U.S. Department of Labor, Bureau of Labor Statistics, Total Nonfarm Employment, Seasonally Adjusted, August 2016, http://www.bls.gov/ces/

[12] National Association of State Budget Officers, *The Fiscal Survey of States*, Spring 2016, Rainy Day Fund Balances and Rainy Davy Fund Balances as a Percentage of Expenditure, Fiscal 2015 to Fiscal 2017, page 60