

Budgeting for Results Commission

August 19, 2011

Budget Primer

1. Budget submission example, Department of Veterans' Affairs
2. BFR-by-agency, as presented in Governor's introduced budget
3. FY11-FY12 revenue and expenditure review
4. GRF introduced budget vs. enacted budget
5. BFR outcomes and sub-goals, draft

Documents provided by Governor's Office of Management & Budget



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

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FY12 Budget for Outcomes

Mission:

The mission of the Illinois Department of Veterans' Affairs (IDVA) is to provide social and health benefits to those that have served in the Armed Forces in order to ensure that Veterans lead productive and healthy lives after their service is complete.

Functions:

IDVA ensures these goals are met through six core functions:

1. **Provide long-term care to the aging Veteran population** by operating four nursing homes (Veterans' Homes) throughout the state and currently building a fifth home in Chicago.
2. **Assisting Veterans in obtaining federal, state, and local benefits** (financial, health, counseling, etc) by providing accredited service officers throughout Illinois
3. **Administering state grants and benefits** directed at assisting combat veterans specifically, as well as Veterans going to college and those that are facing significant challenges.
4. **Facilitating Veterans' attendance in training programs and institutions of higher education** by accrediting schools/programs for GI Bill benefits and educating Veterans on state and federal education benefits (GI Bill, IL Veterans Grant, IL National Guard Grant).
5. **Reducing homelessness and unemployment** in the Veteran population by administering a statewide Homeless Program and operating a Veterans homeless facility in Manteno.
6. **Special Programs developed to address the evolving needs of the Veteran population** as each generation of Veterans faces new challenges due to the current ongoing conflicts overseas, and the emerging needs of Veterans from prior eras of service.

Analysis:

Following is a breakdown of the six core functions and associated costs. For each core function, this document will address:

- (a) which of the Governors Budget Outcomes this function meets
- (b) how the desired outcomes will be achieved
- (c) costs associated with this core function of the agency
- (d) how success will be measured

Core Function 1:

Provide Long-Term Care facilities statewide

- a. Protection of the most vulnerable of our citizens
Improved quality of life of citizens
- b. Providing high-quality, long-term nursing care to the aging Veteran population in Illinois at an affordable monthly rate, primarily serving World War II and Korean War Veterans who are facing unprecedented long-term care needs and soaring health care costs
- c. Other Funds (federal per diem and monthly resident fees): \$51,264.4
General Revenue: \$83,406.0
 - *Significant GRF increase due to pension funding, staffing increase for 3.0 hours of care (Nursing Care Act), and full funding of Manteno.
 - *GRF will go up increasingly over the next 5 years due to staffing level increases mandated by the Illinois Nursing Home act, the expansion of three homes, and the building of a new home in Chicago.
 - *IDVA will seek a resident fee increase to offset the cost of filling the Manteno to capacity and increased direct care for residents.
- d. Results are measured number of Veterans served, by overall quality of care assessed by the Dept of Public Health and the Federal VA State Veterans Homes department. Additionally, IDVA will track the number of Veterans served, hours of care provided to each Veteran, and total cost associated.

Core Function 2:

Assist Veterans in obtaining federal, state, and local benefits

- a. Enhanced economic well-being of citizens
Protection of the most vulnerable of our citizens
Improved quality of life of citizens
- b. Provide accredited Veteran Service Officers in every county to assist veterans in learning about and applying for federal and state benefits. Additionally, service officers will represent Veterans in their claims to the Federal Government for disability and health care.
- c. General Revenue: \$7,496.2
- d. Results are measured by tracking total number of Veterans served, total dollars being brought to the state of Illinois through benefit assistance, total participation in state programs, and expansion of network through itinerate sites and community outreach.

Core Function 3:

Administer state grants and benefits

- a. Enhanced economic well-being of citizens
Protection of the most vulnerable of our citizens
Improved quality of life of citizens
- b. Review claims for eligibility and process claim payments to veterans and their dependents. Provide efficient and effective administration of grants for families of fallen service members (**Military and Family Relief Fund, Line of Duty Benefit, Cartage and Ereccion grant**), wounded veterans (**Specially Adaptive Housing grant**), combat Veterans (**combat bonuses**), Veterans and families in education (**IVG, ING, MIA/POW scholarships, education grants**), and non-profit organizations (**Veterans Cash Grant Program**)
- c. GRF: \$10,432.4
- d. Results are measured by the number of claims processed, claims approved, dollars distributed to Veterans and their families, dollars donated by Illinois citizens through tax check-offs and contributions, and by auditing procedures for the non-profit organizations that are supported through Veterans Cash. IDVA will require semi-annual reports for those operating on grant dollars.

Core Function 4:

Facilitating Veterans' attendance in training programs and institutions of higher education

- a. Enhanced economic well-being of citizens
Improved quality of life of citizens
- b. IDVA's State Approval Agency (SAA) will educate, advise, and approve public and private institutions of higher learning throughout Illinois for the use of Federal GI Bill benefits as well as the Illinois Veterans Grant and Illinois National Guard Grant. Additionally, staff will deploy throughout Illinois to train student veterans and potential student veterans on the benefits of these programs.
Further, SAA, will manage a Troops to Teachers Program to facilitate the recruitment of recently returned veterans into the K-12 education community in low-income areas of the state to provide quality educators to low-performing schools and quality jobs to capable Veterans.
- c. GRF: \$0
OF: Fully federally funded program administered by IDVA \$1,679.9
- d. Results are measured by the number of GI Bill, IVG, and ING recipients are approved throughout Illinois. Additionally, by the number of Veterans participating in the Troops to Teachers Program

Core Function 5:

Reducing homelessness and unemployment in the Veteran population

- a. Enhanced economic well-being of citizens
Improved quality of life of citizens
Protection of the most vulnerable of our citizens
- b. Statewide Homeless Program will provide a homeless shelter at Manteno for full supportive services and housing for Homeless Veterans. Additionally, will provide outreach to Veteran and non-Veteran homeless facilities throughout the state of Illinois by providing regional coordinators in strategic areas of the state.
- c. GRF: \$1,025.9
OF: Federal HUD Grant funds for the Prince Homeless program and Home Funds \$170.0
- d. Results measured by number of residents employed, number of residents obtaining permanent residence, tracking recidivism for graduates. Additionally, IDVA will track the number of Veterans served statewide through the regional coordinators.

Core Function 6:

Special programs to assist evolving needs of Veterans

- a. Enhanced economic well-being of citizens
Improved quality of life of citizens
Protection of the most vulnerable of our citizens
- b. Provide call center and online portal for Veterans suffering from PTSD and Traumatic Brain Injury (**Illinois Warrior Assistance Program**); provide a network of counselor and mental health providers and coverage for care at those locations (**Illinois Warrior Assistance Program**); provide training to civilian primary care and mental health professionals on the effects of combat-related mental health and resources available (**Post Deployment Care Program**); provide comprehensive, affordable health care coverage to veterans who do not qualify for federal VA health care (**Vets Care**); provide information on volunteer opportunities through the Dept of Natural Resources (**Veterans Conservation Corps**).
- c. GRF: \$2,610.0
OF: \$0
- d. Results measured by number of Veterans served by each specialty program, and number of service providers trained in the civilian sector.

FY12 enacted budget
\$64 m GRF

EDUCATION

Providing a quality education and opportunities for every child.

Illinois State Board of Education (ISBE)
Teachers' Retirement System (TRS)
Higher Education
Illinois Board of Higher Education (IBHE)
Public Universities
Chicago State University
Eastern Illinois University
Governors State University
Illinois State University
Northern Illinois University
Southern Illinois University
University of Illinois
Western Illinois University
Illinois Community College Board
Illinois Student Assistance Commission
Illinois Mathematics and Science Academy
State Universities Retirement System
State Universities Civil Service System

ECONOMIC DEVELOPMENT

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

Agriculture, Department of
Commerce and Economic Opportunity, Department of (DCEO)
East St. Louis Financial Advisory Authority
Illinois Commerce Commission (ICC)
Illinois Power Agency (IPA)
Illinois Finance Authority (IFA)
Illinois Sports Facilities Authority (ISFA)
Illinois State Toll Highway Authority
Labor, Department of
Metropolitan Pier and Exposition Authority (MPEA)
Southwestern Illinois Development Authority
Transportation, Department of (IDOT)
Upper Illinois River Valley Development Authority

PUBLIC SAFETY AND REGULATION

Protecting businesses and residents from crime, catastrophe and wrongdoing

Corrections, Department of (DOC)
Environmental Protection Agency (EPA)
Financial and Professional Regulation, Department of (DFPR)
Illinois Criminal Justice Information Authority (ICJIA)
Illinois Educational Labor Relations Board (IELRB)
Illinois Emergency Management Agency (IEMA)
Illinois Labor Relations Board (LRB)
Illinois Violence Prevention Authority (IVPA)
Illinois Workers' Compensation Commission
Insurance, Department of
Law Enforcement Training Standards Board
Military Affairs, Department of
Prisoner Review Board (PRB)
Property Tax Appeal Board (PTAB)
State Fire Marshal, Office of the (OSFM)
State Police, Department of (ISP)
State Police Merit Board

HUMAN SERVICES

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

Aging, Department of
Children and Family Services, Department of (DCFS)
Comprehensive Health Insurance Plan (CHIP)
Employment Security, Department of (IDES)
Healthcare and Family Services, Department of (HFS)
Human Rights, Department of
Human Rights Commission
Human Services, Department of (DHS)
Illinois Deaf and Hard of Hearing Commissioner
Illinois Council on Developmental Disabilities
Illinois Guardianship and Advocacy Commission
Juvenile Justice, Department of (DJJ)
Public Health, Department of (DPH)
Veterans Affairs, Department of (DVA)

QUALITY OF LIFE

Maintaining our cultural and natural resources

Illinois Arts Council
Illinois Historic Preservation Agency (HPA)
Natural Resources, Department of (IDNR)

GOVERNMENT SERVICES

Making government more efficient and effective

Elected Officials:
Governor, Office of the
Lieutenant Governor, Office of the
Attorney General, Office of the
Secretary of State, Office of the
State Comptroller, Office of the
State Treasurer, Office of the
Judicial Agencies:
Judges' Retirement System
Judicial Inquiry Board
State Appellate Defender, Office of the
State's Attorneys Appellate Prosecutor, Office of the
Supreme Court & Illinois Court System
Supreme Court Historical Preservation Commission
General Assembly and Legislative Agencies:
Auditor General, Office of the
General Assembly
General Assembly Retirement System
Government Forecasting and Accountability, Commission or
Joint Committee on Administrative Rules
Legislative Audit Commission
Legislative Ethics Commission
Legislative Information System
Legislative Printing Unit
Legislative Reference Bureau
Legislative Research Unit
Architect of the Capitol, Office of the
Other Boards and Commissions:
Civil Service Commission
Court of Claims
Elections, State Board of
Executive Ethics Commission (EEC)
Procurement Policy Board (PPB)
Drycleaner Environmental Response Trust Fund Council
Executive Inspector General, Office of
Governor's Office of Management and Budget (COMB)
Capital Development Board (CDB)
Central Management Services, Department of (CMS)
Revenue, Department of
Illinois Gaming Board
Illinois Racing Board
State Employees Retirement System (SERS)



2012 Enacted Budget: Revenues

	Actual 2010	Revised 2011	Introduced 2012	Enacted 2012	% Change -	
					Enacted 2012 to Revised 2011	Enacted 2012 to Introduced 2012
REVENUES						
State Sources	\$ 19,334	\$ 22,920	\$ 27,278	\$ 26,989	17.8%	-1.1%
Individual Income Tax	\$ 8,511	\$ 11,225	\$ 14,955	\$ 15,056	34.1%	0.7%
Corporate Income Tax	\$ 1,360	\$ 1,851	\$ 2,768	\$ 2,354	27.2%	-15.0%
Sales Tax	\$ 6,308	\$ 6,833	\$ 6,586	\$ 6,610	-3.3%	0.4%
All Other State Sources	\$ 3,155	\$ 3,011	\$ 2,969	\$ 2,969	-1.4%	0.0%
Federal Sources	\$ 5,920	\$ 5,386	\$ 4,844	\$ 4,325	-19.7%	-10.7%
Transfers In (from Other State Funds)	\$ 1,836	\$ 1,685	\$ 1,810	\$ 1,810	7.4%	0.0%
Total Operating Revenues	\$ 27,090	\$ 29,991	\$ 33,932	\$ 33,124	10.4%	-2.4%
OTHER RESOURCES						
Short-Term Borrowing	\$ 1,250	\$ 1,300	\$ -	\$ -	-100.0%	N/M
Interfund Borrowing	\$ 276	\$ 496	\$ -	\$ -	-100.0%	N/M
Railsplitter	\$ -	\$ 1,250	\$ -	\$ -	-100.0%	N/M
Pension Fund Bonds	\$ 3,466	\$ 3,680	\$ -	\$ -	-100.0%	N/M
Restructuring Bonds	\$ -	\$ -	\$ 1,450	\$ -	N/M	-100.0%
Other	\$ -	\$ -	\$ -	\$ -	N/M	N/M
Total Non-Operating Resources	\$ 4,992	\$ 6,726	\$ 1,450	\$ -	-100.0%	-100.0%
TOTAL RESOURCES	\$ 32,082	\$ 36,717	\$ 35,382	\$ 33,124	-9.8%	-6.4%



2012 Enacted Budget: Expenditures

	Revised 2011		Introduced 2012		Enacted 2012		% Change -	
							Enacted 2011	Enacted 2012
EXPENDITURES								
Providing a quality education and opportunities for growth	\$ 9,300	\$ 9,394	\$ 8,945				-3.8%	-4.8%
Enhancing the economic well-being of citizens	\$ 188	\$ 112	\$ 103				-44.9%	-7.6%
Protecting the lives and property of citizens	\$ 1,649	\$ 1,622	\$ 1,475				-10.5%	-9.1%
Protecting the most vulnerable among us	\$ 12,798	\$ 12,959	\$ 13,315				4.0%	2.7%
Improving the quality of life for citizens	\$ 82	\$ 76	\$ 67				-17.9%	-11.2%
Improving the efficiency and fiscal stability of State Government	\$ 1,829	\$ 2,570	\$ 1,086				-40.7%	-57.8%
Unspent Appropriations (Salvage)	\$ (450)	\$ (802)	\$ (500)				11.1%	-37.7%
Total Operating Budget	\$ 25,395	\$ 25,931	\$ 24,492				-3.6%	-5.6%
Pension Contributions	\$ 3,680	\$ 4,594	\$ 4,230				14.9%	-7.9%
Statutory Transfers Out	\$ 1,509	\$ 2,317	\$ 2,065				36.9%	-10.9%
Transfers Payable	\$ 890	\$ -	\$ -				-100.0%	N/M
Repay Interfund Borrowing & Budget Stabilization Fund	\$ 10	\$ -	\$ 623				6130.0%	N/M
Repay Short Term and Medicaid Borrowing	\$ 1,511	\$ -	\$ -				-100.0%	N/M
Debt Service: Existing Capital	\$ 540	\$ 578	\$ 563				4.3%	-2.5%
Debt Service: 2003 Pension Obligation Bonds	\$ 520	\$ 560	\$ 560				7.6%	0.0%
Debt Service: 2010 and 2011 Pension Obligation Bonds	\$ 1,147	\$ 999	\$ 1,046				-8.8%	4.7%
Debt Service: Restructuring Bonds	\$ -	\$ 403	\$ -				N/M	-100.0%
Total Non-Operating Expenditures	\$ 9,808	\$ 9,451	\$ 9,087				-7.3%	-3.9%
Total Expenditures	\$ 35,202	\$ 35,382	\$ 33,578				-4.6%	-5.1%

Surplus/Deficit \$ 1,515 \$ 0 \$ (455)

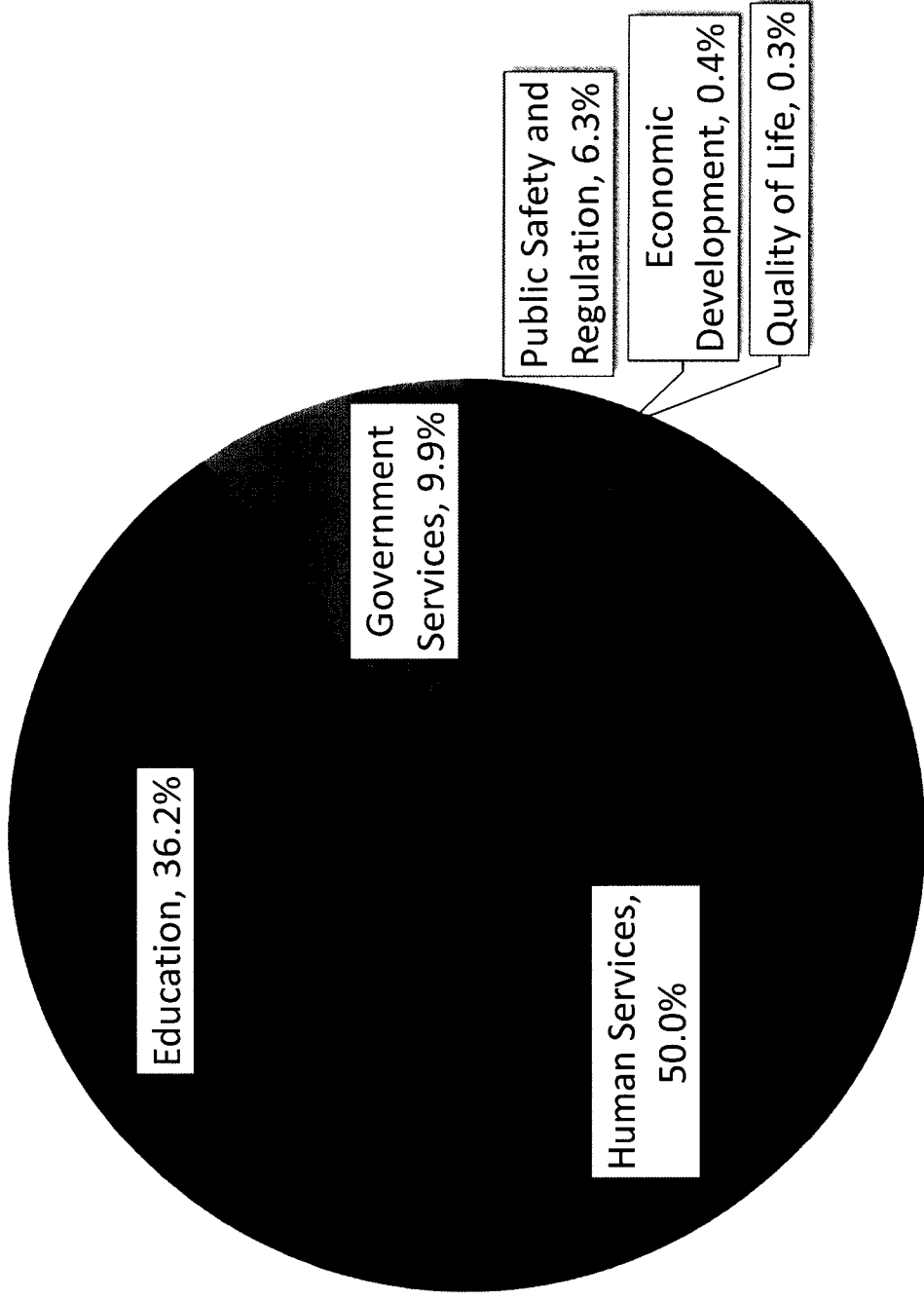


Key Differences between FY11 Revised, FY12 Introduced and FY12 Enacted Budget:

Agency or Expenditure	2011 Revised	2012 Introduced	2012 Enacted	Difference		Notes
				FY11 Revised to Enacted	Introduced to Enacted	
State Board of Education	\$ 7,019,761,200	\$ 7,244,761,000	\$ 6,750,386,655	\$ (269,374,545)	\$ (494,374,345)	Reduction in General State Aid and Early Childhood
State Universities	\$ 1,308,901,000	\$ 1,308,901,000	\$ 1,293,889,300	\$ (15,011,700)	\$ (15,011,700)	Reductions in various higher education appropriations
Commerce and Economic Opportunity	\$ 65,325,200	\$ 58,179,900	\$ 32,359,565	\$ (32,965,635)	\$ (25,820,335)	Reduction in job training programs, community programs and personal services
Corrections	\$ 1,209,879,600	\$ 1,278,041,600	\$ 1,167,299,300	\$ (42,580,300)	\$ (110,742,300)	Reduction in personnel services and operating expenses
Aging	\$ 650,611,600	\$ 798,883,400	\$ 737,419,110	\$ 86,807,510	\$ (61,464,290)	Reduction in grants and administrative expenses
Children and Family Services	\$ 849,800,500	\$ 843,607,400	\$ 808,534,100	\$ (41,266,400)	\$ (35,073,300)	Reduction in operating expenses, lump sums and grants
Supreme Court	\$ 309,639,800	\$ 347,531,000	\$ 287,604,500	\$ (22,035,300)	\$ (59,926,500)	Reduction in probation officers and public defender salaries
Healthcare and Family Services (HFS)	\$ 7,640,586,000	\$ 7,592,834,600	\$ 8,177,247,100	\$ 536,661,100	\$ 584,412,500	Reductions offset by transfer of Group Health Insurance expenses into HFS. Group Health significantly underappropriated in FY11
Central Management Services (CMS)	\$ 85,959,000	\$ 1,488,213,000	\$ 69,871,055	\$ (16,087,945)	\$ (1,418,341,945)	FY12 Introduced reflects transfer of Group Health expense to CMS. In FY11 Revised and FY12 Enacted, Group Health appropriated in HFS
All other Expenditures	\$ 6,704,473,263	\$ 5,772,062,518	\$ 5,666,736,083	\$ (1,037,737,180)	\$ (105,326,435)	Reductions in other state agencies
Total Operating Approps.	\$ 25,844,937,163	\$ 26,733,015,418	\$ 24,991,346,768	\$ (853,590,395)	\$ (1,741,668,650)	
Unspent Appropriations (Salvage)	\$ (450,000,000)	\$ (802,000,000)	\$ (499,827,025)	\$ (49,827,025)	\$ 302,172,975	
Pension Contributions	\$ 3,680,302,000	\$ 4,593,802,000	\$ 4,229,624,200	\$ 549,322,200	\$ (364,177,800)	FY12 enacted excludes contributions to CPS not approved by GA and adjustments to SURS/SERS. Other contributions not related to state pensions now reflected in operating appropriations
Statutory Transfers Out	\$ 1,508,964,600	\$ 2,317,199,769	\$ 2,065,312,400	\$ 556,347,800	\$ (251,887,369)	FY12 Enacted reflects \$365M in reduced transfers to Healthcare Provider Relief Fund (HPRF), as compared to FY11 Revised transfers, as well as \$165M in reduced HPRF transfers, as compared to FY12 Introduced. FY11 Revised Total Transfers were \$2,398M representing the total of Statutory Transfers Out plus Transfers Payable
Transfers Payable	\$ 890,000,000	\$ -	\$ -	\$ (890,000,000)	\$ -	FY11 Transfers Payable reflect Statutory Transfers Out not executed (i.e., cash transfers were not made) as of fiscal year end
Interfund Borrowing (IFB)	\$ 10,000,000	\$ -	\$ 623,000,000	\$ 613,000,000	\$ 623,000,000	FY12 Enacted reflects \$276M repayment to Budget Stabilization Fund and \$347M to Other State Funds for borrowings in FY11 used to maximize Federal Medicaid reimbursement
Debt Service	\$ 3,718,271,697	\$ 2,137,487,172	\$ 2,168,982,229	\$ (1,549,289,468)	\$ 31,495,057	\$1.5 billion in Medicaid and Short-term borrowing paid off in FY11. FY12 enacted debt service reflects actual interest on 2011 Pension Bonds
Restructuring Bonds	\$ -	\$ 403,047,000	\$ -	\$ -	\$ (403,047,000)	Bonds not authorized
Total Non-Operating Exp.	\$ 9,357,538,297	\$ 8,649,535,941	\$ 8,587,091,804	\$ (770,446,493)	\$ (62,444,137)	
Total Budget	\$ 35,202,475,460	\$ 35,382,551,359	\$ 33,578,438,572	\$ (1,624,036,888)	\$ (1,804,112,787)	
Total Difference				\$ (1,624,036,888)	\$ (1,804,112,787)	

FY12 GRF Introduced Operating Budget

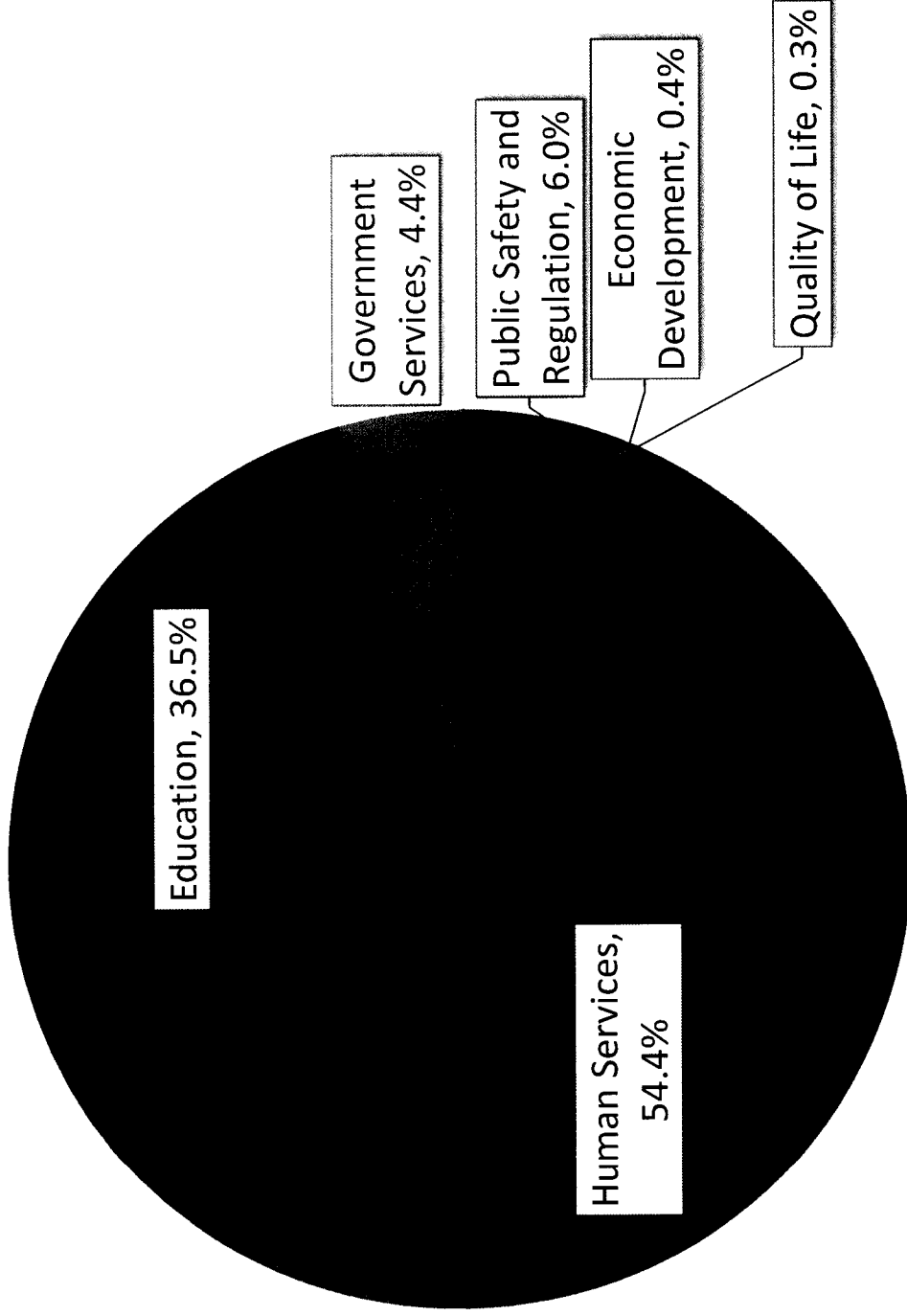
\$25,931 Billion



Source: Governor's Office of Management & Budget

FY12 GRF Enacted Operating Budget

\$24,492 Billion



Source: Governor's Office of Management & Budget

06/15/2011 DRAFT - Budgeting for Results – Prioritized Budget Outcomes
Development of Sub-Goals

1. Quality Education and Opportunities for Growth and Learning for all Illinois Students
 - a. Increase percentage of children entering kindergarten “fully ready”
 - b. Implement Common Core Standards (including Language Arts and Math) for K-8 Students.
 - c. Develop Measures for Student Growth.
 - d. Assure all districts have the tools to assess students against Common Core Standards.
 - e. Reduce drop-out rate; increase college enrollment of 12th graders
 - f. Increase number of Illinoisans with post-secondary certificates and bachelor degrees; Increase number of STEM graduates; Increase retention rates of those who attend colleges, increase percentage of Illinois graduates remaining in Illinois
2. Enhanced Economic Well-Being of Citizens
 - a. Increase number of companies
 - b. Increase jobs in Illinois
 - c. Have nation’s best workforce per capita
 - d. Build 21st Century Infrastructure
 - e. Increase median income
 - f. Increase exports
 - g. Become one of the top five states in workforce productivity
 - h. Enhance business climate
3. Protection of Citizens’ Lives and Property
 - a. Reduce crime rate
 - b. Reduce recidivism rate
 - c. Rebalance from prison-based to community-based care when appropriate
 - d. Enhance emergency planning statewide
4. Protection of the Most Vulnerable of our Citizens
 - a. Rebalance from state-run facilities to community-based care when appropriate
 - b. Improve self sufficiency
 - c. Improve outcomes for at-risk youth
 - d. Improve access to and cost effectiveness of adequate health care
5. Improved Quality of Life of Citizens
 - a. Improve quality of drinking water and air quality
 - b. Increase conservation and citizen utilization of open space
 - c. Stimulate cultural and historical opportunities
6. Improved Efficiency and Stability of State Government
 - a. Improve access to information sharing through technology
 - b. Increase cost savings through more efficient purchasing
 - c. Increase personnel efficiencies through management of human resources
 - d. Increase collection of fair share of available revenue owed to State