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STATE OF ILLINOIS
GOVERNOR'S OFFICE OF
MANAGEMENT AND BUDGET

FISCAL YEAR 2014 FOURTH QUARTER FINANCIAL REVIEW

GENERAL FUNDS HIGHLIGHTS

Table I, below, sets forth General Funds year-to-date (YTD) highlights for the final quarter of State fiscal year 2014 (FY14). Table I reflects a net operating surplus of \$1,718 million.

Table I
GENERAL FUNDS HIGHLIGHTS
Fourth Quarter Review
FY2013 vs. FY2014
(in millions)

	YTD			
	<u>FY13</u>	<u>FY14</u>	<u>\$ Change</u>	<u>% Change</u>
General Funds Revenues ¹	\$ 34,376	\$ 34,616	\$ 240	1%
Transfers In ²	1,953	2,151	\$ 198	10%
Total Receipts	36,343	36,768	\$ 425	1%
General Funds Expenditures ¹	29,381	29,881	\$ 500	2%
Transfers Out ²	5,075	5,222	\$ 147	3%
Total Spending	34,456	35,050	\$ 594	2%
Net Operating Surplus/(Deficit)	\$ 1,887	\$ 1,718	\$ (169)	-9%

¹Revenues reflected are cash basis. Expenditures are budget year basis.

²Transfers In/Out do not include Budget Stabilization Fund or intra-fund transfers.

³Does not include continuing appropriations.

General Funds Revenues totaled \$34,616 million, an increase of \$240 million over the fiscal year 2013 (FY13) year-end level. Transfers from other funds to the General Funds increased by \$198 million compared to the same period in FY13, as detailed in the Revenue Summary that follows.

FY14 year-to-date General Funds Expenditures totaled \$29,881 million at the end of the fourth quarter, an increase of \$500 million over the FY13 fourth quarter level. Further discussion of the expenditures is provided in the Expenditures Summary that follows.

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

GENERAL FUNDS REVENUE SUMMARY

Table II, below, sets forth General Funds year-end revenues for FY14. General Funds Revenues (including Transfers-In and Federal Revenues) increased by \$425 million, or 1.2%, over the FY13 fourth quarter level.

Table II
GENERAL FUNDS REVENUES
Fourth Quarter Review
FY2013 vs. FY2014
(in millions)

Source	Year to Date Actual				Year to Date Budget				Budgeted
	FY13 YTD	FY14 YTD	YTD Difference		FY14 YTD Budget	FY14 YTD Actual	Variance		FY14 Revised Total Budget
			Dollar Amount	Percent			Dollar Amount	Percent	
Gross Individual Income Tax	18,324	18,388	64	0.3%	18,012	18,388	376	102.1%	18,012
Less: Deposits to Income Tax Refund Fund	(1,785)	(1,746)	39	-2.2%	(1,711)	(1,746)	(35)	102.0%	(1,711)
Net Individual Income Tax	16,539	16,642	103	0.6%	16,301	16,642	341	102.1%	16,301
Gross Corporate Income	3,679	3,640	(39)	-1.1%	3,744	3,640	(104)	97.2%	3,744
Less: Deposits to Income Tax Refund Fund	(502)	(476)	26	-5.2%	(427)	(476)	(49)	111.4%	(427)
Net Corporate Income Tax	3,177	3,164	(13)	-0.4%	3,317	3,164	(153)	95.4%	3,317
Sales	7,354	7,675	321	4.4%	7,610	7,675	65	100.9%	7,610
Public Utility	1,033	1,013	(20)	-1.9%	1,006	1,013	7	100.7%	1,006
Cigarette	353	353	0	0.1%	355	353	(2)	99.6%	355
Inheritance	293	276	(17)	-5.6%	218	276	58	126.8%	218
Liquor	165	165	(0)	-0.3%	166	165	(1)	99.1%	166
Insurance	334	333	(1)	-0.4%	325	333	8	102.3%	325
Corporate Franchise	205	203	(2)	-1.2%	203	203	(0)	99.8%	203
Investment Income	20	20	(0)	-0.3%	17	20	3	117.3%	17
Cook County IGT	244	244	(0)	-0.1%	244	244	(0)	99.9%	244
Other Sources	504	624	120	23.9%	572	624	52	109.2%	572
TOTAL STATE REVENUES	30,221	30,713	492	1.6%	30,334	30,713	379	101.2%	30,334
Federal Revenues	4,154	3,903	(251)	-6.0%	4,113	3,903	(210)	94.9%	4,113
Transfers-In:	1,953	2,151	198	10.2%	2,278	2,151	(127)	94.4%	2,278
Lottery	656	668	12	1.8%	669	668	(1)	99.9%	669
Gaming/Gaming Taxes	345	321	(24)	-7.1%	327	321	(6)	98.1%	327
Other Transfers-In	952	1,163	211	22.1%	1,282	1,163	(119)	90.7%	1,282
TOTAL RECEIPTS	\$ 36,343	\$ 36,768	\$ 425	1.2%	\$ 36,725	\$ 36,768	43	100.1%	\$ 36,725

- **Income Taxes (\$90 million increase):** Individual Income Tax year-end net receipts increased by \$103 million, or 0.6%, over the FY13 fourth quarter level. Corporate Income Tax year-end net receipts decreased by \$13 million, or 0.4%, over the FY13 fourth quarter level.
- **Sales Taxes (\$321 million increase):** Sales Tax year-end receipts increased by \$321 million, or 4.4%, over the FY13 fourth quarter level.
- **Inheritance Taxes (\$17 million decrease):** Inheritance Tax quarter-end receipts decreased 5.6% from the FY13 fourth quarter level.
- **All Other Sources (\$97 million increase):** Several categories of state taxes yielded slightly less revenue in the fourth quarter of the current fiscal year over the previous fiscal year. Still, total revenue from all other sources saw growth.
- **Federal Revenues (\$251 million decrease):** FY14 year-end federal sources of revenue decreased by \$251 million, or 6.0%, compared to the FY13 fourth quarter level.
- **Transfers-In (\$198 million increase):** Transfers-in increased by \$198 million, or 10.2%, compared to the FY13 year-end level.

GENERAL FUNDS EXPENDITURES SUMMARY

Table III, below, sets forth General Funds expenditures through the final quarter of FY14. General Funds expenditures through the end of the year totaled \$29,881 million, an increase of \$500 million over the FY13 year-end level.

Table III
GENERAL FUNDS EXPENDITURES
Fourth Quarter Review
FY2013 vs. FY2014
(in millions)

Agency	FY13 Enacted ¹	FY14 Enacted ²	FY13 Expend YTD	FY14 Expend YTD	Change	FY13 Percent Spent	FY14 Percent Spent
Constitutional Officers ³	\$ 674	\$ 461	\$ 640	\$ 432	\$ (208)	67%	40%
DHFS	\$ 7,043	\$ 7,639	\$ 6,642	\$ 6,554	\$ (88)	50%	42%
ISBE	\$ 6,550	\$ 6,687	\$ 6,449	\$ 6,597	\$ 148	46%	46%
DHS	\$ 3,498	\$ 3,267	\$ 3,181	\$ 2,895	\$ (286)	48%	43%
Higher Education	\$ 1,980	\$ 1,991	\$ 1,954	\$ 1,984	\$ 30	66%	67%
TRS ⁴	\$ 2,777	\$ 3,513	\$ 2,776	\$ 3,512	\$ 736	50%	50%
SURS ⁴	\$ 1,253	\$ 1,312	\$ 1,253	\$ 1,312	\$ 59	45%	47%
Corrections	\$ 1,179	\$ 1,278	\$ 1,056	\$ 1,132	\$ 76	44%	45%
CMS	\$ 1,482	\$ 1,514	\$ 1,479	\$ 1,474	\$ (5)	38%	99%
DCFS	\$ 732	\$ 696	\$ 687	\$ 646	\$ (41)	57%	50%
Aging	\$ 1,100	\$ 1,031	\$ 941	\$ 845	\$ (96)	50%	38%
ISP	\$ 248	\$ 286	\$ 233	\$ 229	\$ (4)	48%	48%
Revenue	\$ 111	\$ 111	\$ 100	\$ 102	\$ 2	41%	42%
DPH	\$ 125	\$ 133	\$ 92	\$ 103	\$ 11	37%	37%
DNR	\$ 45	\$ 46	\$ 37	\$ 40	\$ 3	40%	35%
IDOT	\$ 22	\$ 22	\$ -	\$ 1	\$ 1	0%	0%
DCEO	\$ 31	\$ 44	\$ 19	\$ 23	\$ 4	16%	18%
All Others ⁴	\$ 1,962	\$ 2,083	\$ 1,840	\$ 1,949	\$ 109	47%	48%
Agency Totals	\$ 30,813	\$ 32,114	\$ 29,381	\$ 29,881	\$ 500	49%	49%

Source: IOC Data Warehouse and GOMB

¹ Includes supplementals and Governor's allocations.

² FY13 and FY14 Enacted numbers are per GOMB internal tracking via Table Track. Subject to change.

³ Constitutional Officers exclude Auditor General.

⁴ Does not include continuing appropriations.

FINANCIAL POSITION

Table IV, below, sets forth the General Funds financial position for the fourth quarter of FY14. The General Funds cash balance on June 30, 2014 was \$74 million. This reflects a balance below the FY13 year-end level, when the cash balance was \$154 million.

Table IV
FINANCIAL POSITION
Fourth Quarter Review
FY2013 vs. FY2014
(in millions)

CASH BALANCE	<u>FY12</u>	<u>FY13</u>	<u>Change</u>
General Funds Cash Balance (3/31)	\$ 134	\$ 169	\$ 36
Change in Operating Cash for Q4	20	(96)	(116)
Transfer In from Budget Stabilization Fund	-	-	-
General Funds Cash Balance (6/30)	<u>\$ 154</u>	<u>\$ 74</u>	<u>\$ (80)</u>
SELECT CURRENT LIABILITIES			
General Funds Accounts Payable (6/30)	\$ 3,280	\$ 2,404	\$ (876)
Total Select Current Liabilities	<u>\$ 3,280</u>	<u>\$ 2,404</u>	<u>\$ (876)</u>
NET WORKING CAPITAL (GF Cash less GF A/P)	<u>\$ (3,126)</u>	<u>\$ (2,330)</u>	<u>\$ 796</u>

EMPLOYMENT HIGHLIGHTS

Table V, below, sets forth third quarter employment highlights. Nationally, the unemployment rate in June 2014 was 7.6%, down from 8.2% during the same period in 2013. Illinois' unemployment rate of 9.2% in June 2014 was slightly higher than its rate of 9.0% in June of the previous year. Additionally, total nonfarm employment in Illinois increased.

Table V
EMPLOYMENT HIGHLIGHTS
Fourth Quarter Review
FY2013 vs. FY2014

STATEWIDE EMPLOYMENT STATISTICS	<u>Jun-13</u>	<u>Jun-14</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	5,740,000	5,785,800	45,800
Unemployment Rate, Illinois	9.0%	9.2%	0.2%
Unemployment Rate, United States	8.2%	7.6%	-0.6%
Labor Force Participation Rate, Illinois	65.9%	65.5%	-0.4%
Labor Force Participation Rate, United States	63.8%	63.5%	-0.3%

Source: Illinois Department of Employment Security (Seasonally Adjusted Data)

FISCAL AND BALANCED BUDGET NOTE SUMMARY

Over the course of the fall and spring legislative sessions, the legislature may request a note from the Governor's Office of Management and Budget to explain the budget or fiscal impact of particular pieces of legislation. Notes were requested and provided for the following bills. A summary of the notes issued by the Governor's Office of Management and Budget to the General Assembly may be found by bill number at www.ilga.gov.

98th General Assembly - Fall 2013 Session

Balanced Budget Notes

Bill	Subject Matter
SB10 HA1	Withdrawn
SB1342 HA3&4	Mandatory Minimum
SB1342 HA5	Mandatory Minimum
SB1342 Engrossed	Mandatory Minimum
SB1955 HA4	Compassionate Use of Medical Cannabis Pilot Program Act
SB66 HA6	Cook County Inter-Track Wagering Locations
SB114 HA2	Conceal Carry Amendment
SB1961 HA2	Board of Trustees State Universities and Downstate Teacher Articles of the Illinois Pension Code
HB1002 SA1	Lebanon Community Unit School District 9 bond authority

98th General Assembly - Spring Session 2014

Balanced Budget Notes

Bill	Subject Matter
HB4318 Introduced	PPV Leases
HB2946 HA1	Lapse Appropriations
HB4557 Introduced	SoS Parking Fees
HB5537 Introduced	ISBE Interventions
HB4609 HA1	Safety
HB5569 HA1	Conversion Therapy Prohibition
HB4075 HA1	Vehicle Code
HB2496 HA2	Lapse Appropriations
HB3820 HA4	Grant Accountability And Transparency Act
SB3287	WCC-Wholly Owned Service Organizations
SB2187 HA2	Clinical Psychologist Licensing Act Prescription Amendment
SB2187 HA4	Clinical Psychologist Licensing Act Prescription Amendment
SB2187 HA5	Clinical Psychologist Licensing Act Prescription Amendment
HB6066 HA1	FY15 Appropriations
HB 5379 Introduced	Illinois Power Agency
HB 6021 HA1	State Board of Education
HB 6022 Introduced	Educational Labor Relations Board
HB 6023 HA1	State Universities Civil Service System
HB 6024 HA1	Illinois Student Assistance Commission
HB 6025 HA1	Illinois Community College Board
HB 6026 HA1	University of Illinois
HB 6027 HA1	Southern Illinois University
HB 6028 HA1	Northern Illinois University
HB 6029 HA1	Illinois State University
HB 6030 HA1	Western Illinois University
HB 6031 HA1	Northeastern Illinois University

HB 6032 HA1	Governors State University
HB 6033 HA1	Eastern Illinois University
HB 6034 HA1	Chicago State University
HB 6035 HA1	Illinois Board of Higher Ed. / IMSA
HB 6051 Introduced	Illinois Council on Developmental Disabilities
HB 6052 HA1	Human Rights Commission
HB 6053 HA1	Guardianship & Advocacy Council
HB 6054 HA1	Deaf & Hard of Hearing Commission
HB 6055 HA1	Human Rights Department
HB 6056 HA1	Veterans' Affairs
HB 6057 HA1	Children & Family Services
HB 6066 HA1	Pensions, Debt Services, Group Health Insurance, HPRF transfer
HB 6069 HA1	Public Health
HB 6070 HA1	Healthcare & Family Services
HB 6071 HA1	Aging
HB 6072 HA1	Human Services
HB 6075 HA1	Illinois Emergency Management Agency
HB 6076 HA1	Southwestern Illinois Economic Develop Authority
HB 6077 HA1	Prisoner Review Board
HB 6078 Introduced	Metro Pier Exposition Authority
HB 6079 HA1	Law Enforcement Training Standards Board
HB 6080 Introduced	Office of the State Fire Marshal
HB 6081 Introduced	Workers' Compensation Commission
HB 6082 HA1	State Police Merit Board
HB 6083 Introduced	Sports Facilities Authority
HB 6084 HA1	Criminal Justice Information Authority
HB 6085 Introduced	Capital Development Board
HB 6086 HA1	Transportation
HB 6087 HA1	Corrections
HB 6088 HA1	Juvenile Justice
HB 6089 HA1	State Police
HB 6090 HA1	Military Affairs
HB 6091 HA1	Labor
HB 6098 HA1	Judicial Inquiry Board, Appellate Defender, Appellate Prosecutor
HB 6126 HA1	Executive Ethics Commission
HB 6127 HA1	Civil Service Commission
HB 6128 HA1	Commerce Commission
HB 6129 Introduced	Drycleaner Trust Fund
HB 6130 HA1	Executive Inspector General
HB 6131 Introduced	Environmental Protection Agency
HB 6132 HA1	Historic Preservation Agency
HB 6133 Introduced	Gaming Board
HB 6134 Introduced	Racing Board
HB 6135 Introduced	Property Tax Appeal Board
HB 6136 HA1	Independent Tax Tribunal
HB 6137 HA1	Procurement Policy Board
HB 6138 HA1	Labor Relations Board

HB 6139 HA1	SERS (ops only)
HB 6145 HA1	Arts Council
HB 6146 HA1	Financial & Professional Regulation
HB 6147 HA1	Employment Security
HB 6148 HA1	Natural Resources
HB 6149 HA1	Commerce & Economic Opportunity
HB 6150 HA1	Revenue
HB 6151 HA1	Central Management Services
HB 6152 HA1	Agriculture
HB 6153 Introduced	Lottery
HB 6154 Introduced	Insurance
HB 6156 HA1	FY15 Appropriation Bill - General Services
HB 6157 HA1	Court of Claims
HB 6216 HA1	Elections
HB3791 HA1	FY15 Appropriation Bill
HB6156 HA2	FY15 Appropriation Bill
HB6071 HA3	FY15 Appropriation Bill - Department on Aging
HB6156 HA3	FY15 Appropriation Bill - Constitutional Agencies
SB2187 HA3	Clinical Psychologist Licensing Act Prescription Amendment
HB3836 HA1	Abraham Lincoln Presidential Library and Museum
SB2758 HA1, 2,3,4 &5	Secure Choice Savings Program
SB2187 HA4	Clinical Psychologist Licensing Act Prescription Amendment
SB649 HA1&2	Fracking
HB6093	FY15 Appropriation Bill - Education
HB6094	FY15 Appropriation Bill - Higher Education
HB6095	FY15 Appropriation Bill - General Services
HB6096	FY15 Appropriation Bill - Human Services
HB6097	FY15 Appropriation Bill - Public Safety
HB6060	FY14 Supplemental
SB2915	DHS-Health Care Worker Registry
SB2774	Tax Return Preparer Regulation
SB3557	Assumed Business Name Renewal
SB3366	ICC - Natural Gas Competition Report
SB2915	DHS-Health Care Worker Registry
SB2774	Tax Return Preparer Regulation
SB2758 HA6&7	Secure Choice Savings Program

98th General Assembly - Spring Session 2014

Fiscal Notes

Bill	Subject Matter
HB6066 HA1	FY15 Appropriation Bill - Healthcare and Family Services
HB6156 HA1	FY15 Appropriation Bill - Office of the Governor
HB6098 HA1	FY15 Appropriation Bill - LETSBE
HB3791 HA1	FY15 Appropriation Bill - LAC
HB6156 HA2	FY15 Appropriation Bill - Constitutional Agencies