

ILLINOIS ECONOMIC
and
FISCAL COMMISSION

**Fiscal Year 2005
Budget Summary
P.A. 93-0842
(SB 3340)**



September 2004
703 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706

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INTRODUCTION

Public Act 92-0067 mandates that the Illinois Economic and Fiscal Commission prepare and publish a BUDGET SUMMARY REPORT detailing Illinois' most recently enacted budget. The report is to be made available to all citizens of the State of Illinois who request a copy. The summary report is to include information pertaining to the major categories of appropriations, issues the General Assembly faced in allocating appropriations, comparisons of appropriations from previous State fiscal years and other information related to the current State of Illinois Budget.

The Illinois Economic and Fiscal Commission would like to thank the four Legislative Appropriation Staff's and the Governor's Office of Management and Budget for supplying information making this report possible.

93RD GENERAL ASSEMBLY: FY 2005 BUDGET AND RELATED BILLS

<i>Bill #</i>	<i>Sponsor</i>	<i>Description</i>	<i>Public Act #</i>
FY 2005 BUDGET:			
SB 3340	Senate: Trotter-Schoenberg-Welch House: Madigan, M.J.-Cross	FY 2005 Budget Bill.	93-0842
FY 2005 BUDGET IMPLEMENTATION BILLS:			
SB 2205	Senate: De Valle-Hunter House: Cross-Madigan, M.J.	Budget Implementation Bill (Education). Raises the foundation level for the 2004-2005 school year.	93-0838
SB 2206	Senate: Welch-Hunter House: Madigan, M.J.-Cross	Budget Implementation (State Finance). Gives Additional oversight responsibilities to the Economic and Fiscal Commission. Contains language for a voluntary severance package.	93-0839
SB 2207	Senate: Link-Hunter-Schoenberg House: Cross-Madigan, M.J.	Budget Implementation (Revenue). <i>Raises some fees collected by the Secretary of State, and creates a watercraft use tax.</i>	93-0840
SB 2208	Senate: Trotter-Hunter-Schoenberg House: Madigan, M.J.-Cross	Budget Implementation (Human Services).	93-0841

THE BUDGET PROCESS

The Illinois Constitution requires the Governor to prepare and submit a state budget to the General Assembly that includes recommended spending levels for state agencies, estimated funds available from tax collections and other sources, and state debt and liabilities. The Office of Management and Budget (OMB), by statute a part of the Governor's office, is responsible for estimating revenues and developing budget recommendations that reflect the Governor's programmatic and spending priorities. The Illinois Economic and Fiscal Commission, by statute, is responsible for estimating revenues for the legislative branch of government. Typically, the Commission has been recognized for being more conservative in terms of revenue estimates.

State agencies begin the budget process for the next fiscal year almost as soon as appropriations for the current fiscal year, which begins July 1, are enacted. Budget analysts and agency staff identify and estimate the cost of potential spending pressures for the next fiscal year, including maintaining or annualizing current program levels, expanding services for existing programs and initiating new programs. Revenue estimates for the current fiscal year and preliminary estimates for the coming fiscal year are made by both the Governor's Office of Management and Budget and the Economic and Fiscal Commission.

During November and December, a detailed financial and programmatic review of agency budgets is conducted. Funding requests typically exceed available resources. The Office of Management and Budget works closely with agencies and the Governor's senior staff to try and reduce programs and to redesign others to make them more efficient. Once budget options are developed, they are presented to the Governor for his final decisions. Narrative statements explaining the budget and complete budget request forms are printed in the budget book.

Concurrent with the operations and grants budgeting process, agencies develop a capital budget. The Capital Development Board conducts a technical review and prepares cost estimates for state facility projects for which it will be responsible. Other types of capital projects such as highway construction, mass transit and airport facilities, alternative energy or school facilities are reviewed by other State agencies. Once reviewed, projects are ranked by category considering need, availability of resources and the Governor's priorities regarding repair and maintenance projects versus new construction.

The Governor presents his recommended budget to a joint session of the Illinois General Assembly. By law, the Governor must present his budget to the General Assembly no later than the third Wednesday in February of each year. In addition to the Governor's official presentation, briefings are held to acquaint legislators, their staffs, the media, and others with the budget recommendations.

Legislative review of the Governor's budget recommendations begins almost immediately with hearings before House and Senate appropriation committees. Appropriation committees may adopt amendments to change the funding level recommended by the Governor. Once adopted by the first committee, the appropriation bill moves to the full House or Senate for debate, amendment and a vote. Following passage in the first chamber, the appropriation bill moves to the second chamber, where a similar process takes place. Changes made in either chamber must ultimately be accepted by both the House and the Senate for the bill to pass and be presented to the Governor.

By statute, any proposed amendments to the budget and any substantive legislation with fiscal or revenue impacts must be accompanied by a Fiscal Note to describe such impacts. Final approval of the budget usually does not occur until the end of the legislative session. Appropriation bills

require an immediate effective date in order to be available for expenditure at the beginning of the fiscal year, July 1. The Illinois Constitution requires a simple majority vote of the General Assembly for a bill passed on or before May 31 to take effect immediately. On or after June 1, a three-fifths vote of the General Assembly is required in order for a bill to take effect immediately.

Once the General Assembly passes the budget, the Governor must sign the appropriation bills before funds can be spent. If the Governor does not want to approve a specific appropriation, he may either line item veto (eliminate) it or reduce it. The rest of the appropriation bill is unaffected by these vetoes and becomes effective. Line items that have been vetoed or reduced must be reconsidered by the General Assembly during the fall session. The General Assembly may return an item to the enacted level by majority vote in both houses in the case of a reduction veto and by a three-fifths vote in the case of a line item veto.

If additional resources beyond those initially approved in the budget become necessary, a supplemental appropriation bill may be passed any time the General Assembly is in session.

BASIS OF BUDGETING

Over time, the Illinois budget has been viewed as balanced in several ways, both at the time it is presented by the Governor and at the time it is passed by the General Assembly. Illinois' daily activities and annual budget historically have been operated and presented on a cash basis. Expenditures are made from the available cash balances on hand, and the budget balances estimated expenditures with estimated resources. The state's Comprehensive Annual Financial Report, however, conforms with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board. Effective fiscal year 1999, Public Act 90-479 amended the Civil Administrative Code to provide guidance to the Governor, as he proposes the budget, and to the General Assembly, as it makes appropriations, regarding the balanced budget requirements in the state constitution. This act incorporates aspects of a modified accrual basis into the budget process for certain designated funds, including the general funds.

State law and the constitution require the Governor to prepare and submit to the General Assembly an Executive Budget for the next fiscal year, which sets forth the Governor's recommended appropriations, estimated revenues from taxes and other sources, estimated balance of funds available for appropriation at the beginning of the fiscal year, and the plan for expenditures during the fiscal year for every department of the state. Constitutionally, the Governor must balance the budget by proposing expenditure recommendations that do not exceed funds estimated to be available for the fiscal year. The budget includes most state funds but excludes locally held funds and those state funds that are not subject to appropriation pursuant to state law. It is submitted by line item with accompanying program information, including personnel and capital detail, and performance and activity measures.

The General Assembly makes appropriations for all expenditures of public funds. Constitutionally, the General Assembly must balance the budget by appropriating amounts not to exceed funds they estimate to be available during the year. The Governor has the power to approve, reduce or veto each appropriation passed by the General Assembly, and the General Assembly may override these vetoes. Transfers in and out of funds pursuant to law or discretionary acts of the Governor are not part of the appropriation process.

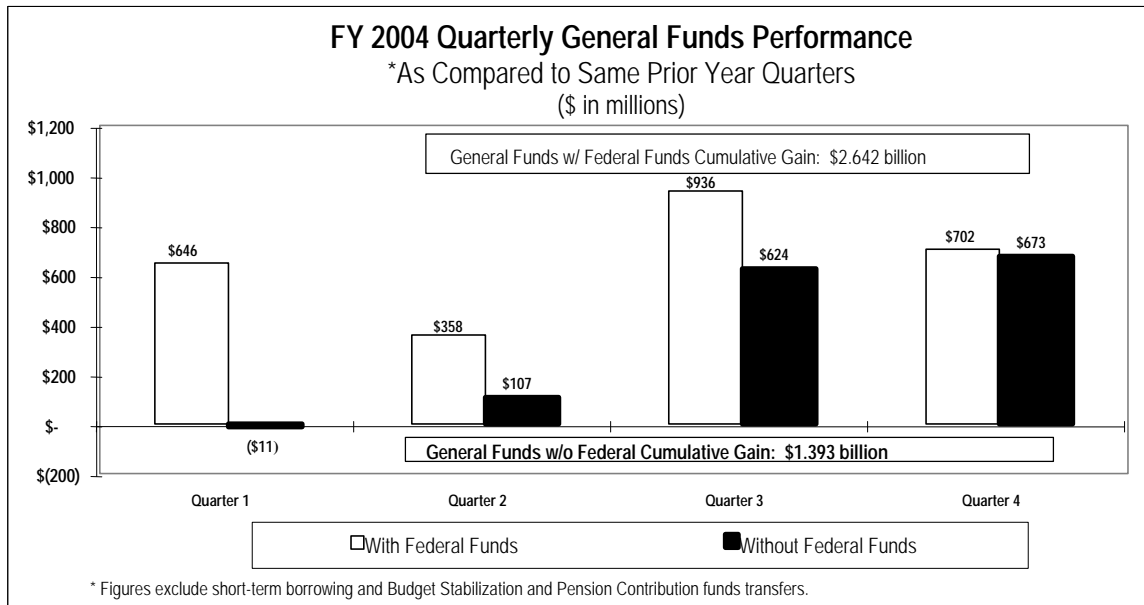
The state general funds include the Common School Fund, the General Revenue-Common School Special Account Fund, the Education Assistance Fund and the General Revenue Fund. All state revenues, not otherwise restricted by law, including the majority of the state's major revenue sources, the income and sales taxes, are deposited into these funds to specifically fund education programs and to generally fund the rest of state government.

FY 2004 BUDGET INFORMATION

- FY 2004 Revenue Recap
- Review of FY 2004 Revenue Estimate
- FY 2004 Fund Transfers



FY 2004 REVENUE RECAP



As shown by the above graph, FY 2004 was another interesting year for revenues as demonstrated by the significant fluctuations in quarterly revenue performance. What follows is a brief recap of how revenues performed.

First Quarter

After another disastrous ending to the previous fiscal year that saw base general revenues fall \$593 million, FY 2004 opened on yet another down note as general revenues fell \$269 million. The decrease was primarily the result of a predicted falloff in federal sources stemming from the short-term borrowing that took place one year earlier that translated into significant increases in federally-reimbursable spending. Federal sources aside, base general funds grew \$51 million as most of the other revenue sources managed modest gains. *[Monthly revenue performance excludes short-term borrowing proceeds as well as Budget Stabilization and Pension Contribution Fund transfers.]*

The drop in revenues was short lived, however, as August receipts jumped by \$826 million. The increase was due to higher federal sources which resulted from: an expected grant from the federal government; a temporary increase in the Medicaid matching rate; a concerted effort to pay down an accumulated backlog in Medicaid bills; and, further reimbursements stemming from prior fiscal year activity. In fact, absent federal gains, monthly revenues would have suffered a modest decline. **After another month of gains attributed to federal sources in September, the first quarter ended with base revenues being \$646 million ahead of the previous fiscal year. However, excluding federal sources from that comparison, other revenues were actually down \$11 million. So while at first glance the revenue picture appeared to be improving, absent gains experienced by federal receipts, it was quite clear that base revenues continued to struggle.**

Second Quarter

The second quarter began on an up note as revenues once again were buoyed by a jump in federal sources. An October increase of \$243 million was due to the second and final installment of an expected federal grant, as well as related spending on Medicaid expenditures. Federal sources aside, October revenues would have actually declined \$79 million. Federal sources were strong once again during November; however, the real news was the pick-up in revenues due to the tax amnesty program. While monthly receipts were up \$261 million, \$93 million was attributed to continued growth in federal sources, while approximately \$72 million (net of refunds) was coded and designated as tax amnesty receipts. Tax amnesty was again the story for December as another \$216 million (net of refunds) was receipted under tax amnesty designation. Despite that boost, due to a significant falloff in the run-up of federal sources, overall receipts actually fell \$146 million in December (up \$18 million excluding federal sources). Due to continued increases in federal sources, for the period from October through December, revenues grew approximately \$358 million. However, excluding the impact of increased federal receipts, overall growth was a more modest \$107 million. **As the first half of FY 2004 closed, overall base revenues were up \$1.004 billion or 9.0%. However, \$909 million or approximately 90% of that increase was due to the phenomenal pace of federal sources. Federal sources aside, growth would have been only \$95 million, and that would have included significant contributions due to the tax amnesty program.**

Third Quarter

The third quarter started off with yet another strong month for federal sources. In January, overall base revenues rose \$181 million, of which \$139 million was due to increased federal receipts. February also enjoyed a continued pick up in federal sources, but the reason behind the \$359 million increase in monthly receipts was due to approximately \$175 million in administrative chargebacks. These administrative chargebacks were an integral part of the enacted FY 2004 budget. According to the GOMB, the FY 2004 budget assumed \$422 million in such transactions. Until this large amount in February, only approximately \$10 million had been accomplished earlier in the fiscal year. March proved to be a successful month as overall revenues were up \$396 million. While a large part of that increase was due to federal sources [\$146 million], the more closely-tied economic sources demonstrated good growth, although in part due to two extra receipting days. For the period of January through March, overall receipts jumped \$936 million, and, even excluding federal sources, still managed to gain \$624 million due to chargebacks and good growth from the larger economic sources. **With three-quarters of the fiscal year over, including growth from federal sources, revenues were up \$1.940 billion. Excluding federal sources overall growth falls to approximately \$720 million, an increase that is due in large part to chargebacks and acceleration of monies due to the tax amnesty program.**

Fourth Quarter

The final quarter of FY 2004 started out on a positive note as overall revenues grew \$283 million in April, with only \$5 million of that due to federal sources. The increase was due to a very good month for the larger economically-tied sources. In addition, transfers in from other State funds also were up significantly as the result of recently passed legislation, and the timing of a variety of transfers. May receipts stumbled somewhat, although not badly as \$60 million of the months \$68 million decline was due to lower federal sources. The fiscal year ended on a high note as base receipts gained \$486 million due to special transfers, federal sources, good base growth of the

economically-related sources, as well as one extra receipting day. During the fourth quarter, including growth from federal sources, revenues were up \$702 million. Even excluding federal sources, revenue growth was a similar \$673 million. **With the fiscal year now ended, overall growth, including federal sources was \$2.642 billion. If \$1.249 billion due to federal source increases are excluded, the year-over-year gain is \$1.393 billion.**

REVIEW OF FY 2004 REVENUE ESTIMATE

The following table shows how actual FY 2004 general funds receipts compare to the last official estimates of the IEFC and the GOMB.

As shown, excluding Budget Stabilization Fund and Pension Contribution Fund transfers, the Commission's March forecast underestimated actual FY 2004 revenues by \$206 million, or 0.8%. In fact, if \$202 million in federal source variance is excluded, the March estimate would have missed by only \$4 million.

Utilizing the February FY 2005 Budget Book, the GOMB's FY 2004 estimate, excluding Budget Stabilization and Pension Contribution Fund transfers, overestimated revenues by \$231 million, or 0.9% [For comparison sake, the GOMB Budget Book figure of \$27.115 billion was adjusted up by \$144 million (in other transfers) per actual FY 2004 "fund sweeps" which occurred in July 2003, not June 2003]. Since the GOMB also underestimated federal sources by \$202 million, if that variance is excluded, their February estimate overestimated base non-federal sources by \$433 million.

FY 2004 Actuals vs. Estimates: IEFC and GOMB

(\$ millions)

	ACTUAL FY 2004	IEFC EST. Mar- 04 FY 2004	DIFFERENCE ACTUALS FROM ESTIMATE	GOMB EST.* Feb- 04 FY 2004	DIFFERENCE ACTUALS FROM ESTIMATE
Revenue Sources					
State Taxes					
Personal Income Tax	\$8,235	\$8,110	\$125	\$8,051	\$184
Corporate Income Tax (regular)	\$1,379	\$1,302	\$77	\$1,296	\$83
Sales Taxes	\$6,331	\$6,265	\$66	\$6,280	\$51
Public Utility (regular)	\$1,079	\$1,030	\$49	\$1,062	\$17
Cigarette Tax	\$400	\$400	\$0	\$450	(\$50)
Liquor Gallonage Taxes	\$127	\$122	\$5	\$123	\$4
Vehicle Use Tax	\$35	\$35	\$0	\$35	\$0
Inheritance Tax (gross)	\$222	\$215	\$7	\$240	(\$18)
Insurance Taxes & Fees	\$362	\$342	\$20	\$333	\$29
Corporate Franchise Tax & Fees	\$163	\$160	\$3	\$175	(\$12)
Interest on State Funds & Investments	\$55	\$50	\$5	\$50	\$5
Cook County Intergovernmental Transfer	\$428	\$440	(\$12)	\$440	(\$12)
Other Sources	\$439	\$878	(\$439)	\$1,187	(\$748)
Subtotal	\$19,255	\$19,349	(\$94)	\$19,722	(\$467)
Transfers					
Lottery	\$570	\$550	\$20	\$540	\$30
Riverboat transfers & receipts	\$661	\$654	\$7	\$639	\$22
Other	\$1,159	\$1,048	\$111	\$1,128	\$31
Total State Sources	\$21,645	\$21,601	\$44	\$22,029	(\$384)
Federal Sources	\$5,189	\$4,987	\$202	\$4,987	\$202
Total Federal & State Sources	\$26,834	\$26,588	\$246	\$27,016	(\$182)
Nongeneral Funds Distribution:					
Refund Fund					
Personal Income Tax	(\$964)	(\$949)	(\$15)	(\$942)	(\$22)
Corporate Income Tax	(\$442)	(\$417)	(\$25)	(\$415)	(\$27)
Subtotal General Funds	\$25,428	\$25,222	\$206	\$25,659	(\$231)
Short Term Borrowing	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$226	\$226	\$0	\$226	\$0
Pension Contribution Fund Transfer	\$1,395	\$1,395	\$0	\$1,600	(\$205)
Total General Funds	\$27,049	\$26,843	\$206	\$27,485	(\$436)
*GOMB forecast based on information provided in FY 2005 Budget Book. For comparison sake, the GOMB figure of \$27.115 billion was adjusted by \$144 million (in other transfers) per actual FY 2004 "fund sweep" receipt experience. In addition, \$226 million was included for Budget Stabilization Fund transfers.					
09/14/04					

FY 2004 FUND TRANSFERS

Special transfers in FY 2004 to the General Revenue Fund were part of the FY 2004 budget resulting from Public Act 93-0032 and Executive Order 2003-10. These special transfers include: administrative chargebacks, increased fee revenues, and transfers by Executive Order. [Revenues from increased fees go directly into their specific funds or into the General Revenue Fund through Other Sources. The increased fee revenues reported here are transfers from these other funds to the General Revenue Fund after the fees have been receipted.] June had a final flurry of transfers from fee increases and chargebacks. Special transfers to the General Revenue Fund for FY 2004 include \$269.3 million due to chargebacks, \$88.8 million of increased fee revenue transfers, and Executive Order 10 transfers of \$5.5 million. Total special transfers for the fiscal year, including statutory transfers of \$158.5 million from the beginning of the fiscal year, total \$522.2 million.

Special Transfers in FY 2004 YTD as of 6/30/2004						
FUND #	FUND NAME	Chargebacks	Statute (Funds Sweep)	Executive Order 10	Fee Increase	TOTAL
0011	Road Fund	\$81,819,670	\$50,000,000	\$915,686		\$132,735,356
0902	State Construction Account	\$36,132,250				\$36,132,250
0534	Industrial Commission Operations Fund				\$28,293,000	\$28,293,000
0455	IL State Toll Highway Revenue Fund	\$23,306,200				\$23,306,200
0345	Long-Term Care Provider Fund	\$13,101,119				\$13,101,119
0731	IL Clean Water Fund			\$142,011	\$12,829,000	\$12,971,011
0072	Underground Storage Tank		\$12,100,000	\$33,936		\$12,133,936
0078	Solid Waste Management	\$995,200		\$79,339	\$11,003,400	\$12,077,939
0220	DCFS Childrens' Services	\$9,727,445	\$1,000,000			\$10,727,445
0733	Tobacco Settlement Recovery	\$10,561,487	\$50,000			\$10,611,487
0362	Securities Audit and Enforcement	\$526,000	\$2,000,000		\$6,803,600	\$9,329,600
0286	IL Affordable Housing Trust	\$3,804,000	\$5,000,000			\$8,804,000
0763	Tourism Promotion	\$2,933,200	\$5,000,000	\$100,788		\$8,033,988
0569	School Technology Revolving Loan fund	\$1,440,000	\$6,000,000			\$7,440,000
0922	Insurance Producer Administration	\$1,070,000		\$195,024	\$6,053,300	\$7,318,324
0997	Insurance Financial Regulation	\$500,000	\$920,000	\$178,607	\$5,368,700	\$6,967,307
0907	Health Insurance Reserve	\$6,437,115		\$64,354		\$6,501,469
0019	Grade Crossing Protection		\$6,500,000			\$6,500,000
0502	Early Intervention Services Revolving Fund	\$6,424,000				\$6,424,000
0294	Used Tire Management Fund	\$523,600			\$5,566,000	\$6,089,600
0973	Build IL Capital Revolving Loan Fund		\$5,000,000			\$5,000,000
0743	Statewide Economic Development Fund		\$4,800,000			\$4,800,000
0203	Teacher's Health Insurance Security Fund	\$4,517,917				\$4,517,917
0771	Digital Divide Elimination Infrastructure (No. Approp)		\$4,000,000			\$4,000,000
0059	Public Utility	\$1,228,712	\$2,000,000		\$268,000	\$3,496,712
0564	Renewable Energy Resources Trust Fund	\$461,200	\$3,000,000			\$3,461,200
0728	Drug Rebate Fund	\$3,378,674				\$3,378,674
0031	Drivers Education	\$876,530	\$2,500,000			\$3,376,530
0648	Downstate Public Transportation	\$3,188,882				\$3,188,882
0523	Department of Corrections Reimbursement	\$2,823,600				\$2,823,600
0483	Secretary of State Special Services	\$1,668,000			\$957,400	\$2,625,400
0299	Open Space Lands Acquisition and Development	\$1,109,200	\$1,510,000			\$2,619,200
0421	Public Aid Recoveries Trust	\$2,531,704				\$2,531,704
0821	Dram Shop	\$275,469	\$560,000		\$1,678,000	\$2,513,469
0994	IL Agricultural Loan Guarantee (RAL Loan Guarantee)		\$2,500,000			\$2,500,000
0262	Mandatory Arbitration Fund	\$470,000	\$2,000,000			\$2,470,000
0363	Dept. Business Service Spec. Ops Fund	\$318,387			\$2,112,600	\$2,430,987
0039	State Boating Act	\$664,552			\$1,664,600	\$2,329,152
0021	Financial Institution Fund	\$366,400	\$300,000	\$169,025	\$1,454,000	\$2,289,425
0129	State Gaming Fund	\$2,274,795		\$8,360		\$2,283,155
0018	Transportation Regulatory Fund	\$256,200	\$2,000,000			\$2,256,200
0047	Fire Prevention Fund		\$2,000,000	\$218,485		\$2,218,485
0828	Hazardous Waste Fund	\$1,664,000	\$500,000			\$2,164,000
0900	Petroleum Violation Fund		\$2,000,000	\$85,339		\$2,085,339
0193	Local Government Health Insurance Reserve	\$2,052,900				\$2,052,900
0795	Bank & Trust Company	\$815,120	\$640,000	\$566,499		\$2,021,619
0344	Care Providers for Persons w/ Developmental Disabilities	\$2,009,968				\$2,009,968
0171	Solid Waste Management Revolving Loan		\$2,000,000			\$2,000,000
0613	Wireless Carrier Reimbursement		\$2,000,000			\$2,000,000
0057	IL State Pharmacy Disciplinary Fund	\$301,600	\$1,500,000			\$1,801,600
0012	Motor Fuel Tax		\$1,535,000	\$257,852		\$1,792,852
0243	Credit Union	\$280,000	\$500,000	\$68,724	\$921,800	\$1,770,524
0022	General Professions Dedicated Fund	\$750,800	\$1,000,000			\$1,750,800
0093	IL State Medical Disciplinary Fund	\$201,200	\$1,500,000			\$1,701,200
0632	Horse Racing	\$962,000	\$630,000	\$96,182		\$1,688,182
0925	Coal Technology Development Assistance Fund	\$1,518,800		\$120,722		\$1,639,522
0045	Agricultural Premium Fund	\$1,546,607		\$477		\$1,547,084
0054	State Pensions	\$1,533,811				\$1,533,811

Special Transfers in FY 2004 YTD as of 6/30/2004						
FUND #	FUND NAME	Chargebacks	Statute (Funds Sweep)	Executive Order 10	Fee Increase	TOTAL
0185	SOS Special License Plate Fund				\$1,525,000	\$1,525,000
0205	Illinois Farmer & Agri-business Loan Guarantee		\$1,500,000			\$1,500,000
0635	Death Certificate Surcharge		\$1,500,000			\$1,500,000
0619	Quincy Veterans Home Fund	\$1,386,400				\$1,386,400
0482	Unclaimed Property Trust	\$1,355,505				\$1,355,505
0612	Wireless Service Emergency Fund	\$1,325,480				\$1,325,480
0457	Group Insurance Premium Fund	\$1,314,200				\$1,314,200
0040	State Parks	\$665,600	\$593,000			\$1,258,600
0637	State Police Wireless Service Emergency Fund	\$55,750	\$1,200,000			\$1,255,750
0571	Energy Efficiency Trust Fund	\$248,400	\$1,000,000			\$1,248,400
0244	Savings & Residential Finance Regulatory	\$389,600	\$850,000	\$8,302		\$1,247,902
0863	Cycle Rider Safety Training	\$205,600	\$1,000,000			\$1,205,600
0850	Real Estate License Administration	\$424,000	\$750,000	\$3,285		\$1,177,285
0942	Radioactive Waste Facility Development & Operation	\$139,200	\$1,000,000			\$1,139,200
0608	Conservation 2000	\$1,120,000	\$15,000			\$1,135,000
0094	DCFS Training Fund	\$1,120,000				\$1,120,000
0888	Design Professionals Administration & Investigation	\$118,400	\$1,000,000			\$1,118,400
0397	Trauma Center Fund	\$1,118,000				\$1,118,000
0151	Registered CPA Administration & Disciplinary Fund	\$75,600	\$1,000,000			\$1,075,600
0050	Mental Health		\$1,000,000			\$1,000,000
0126	New Technology Recovery		\$1,000,000			\$1,000,000
0342	Audit Expense		\$1,000,000			\$1,000,000
0962	Park & Conservation		\$1,000,000			\$1,000,000
0622	Motor Vehicle License Plate Fund	\$956,000				\$956,000
0089	Subtitle D Management Fund	\$125,600			\$743,100	\$868,700
0980	Manteno Veterans Home	\$803,600				\$803,600
0906	State Police Services	\$802,884				\$802,884
0576	Pesticide Control	\$172,000			\$581,000	\$753,000
0156	Motor Vehicle Theft Prevention Fund	\$494,240	\$250,000	\$5,800		\$750,040
0610	Energy Assistance Contribution		\$750,000			\$750,000
0281	IL Tax Increment	\$600,000	\$20,000		\$128,000	\$748,000
0215	Capital Development Board Revolving		\$500,000	\$234,020		\$734,020
0067	Radiation Protection	\$466,400	\$240,000	\$21,783		\$728,183
0218	Professions Indirect Cost Fund	\$170,741		\$555,927		\$726,668
0975	Large Business Attraction Fund	\$136,400	\$500,000			\$636,400
0245	Fair & Exposition Fund	\$132,880	\$500,000			\$632,880
0929	Violent Crime Victims Assistance	\$620,000				\$620,000
0014	Food & Drug Safety	\$96,000	\$500,000			\$596,000
0921	DHS Recoveries Trust	\$592,000				\$592,000
0621	International Tourism Fund	\$581,200				\$581,200
0026	Live & Learn Fund	\$576,167				\$576,167
0258	Nurse Dedicated & Professional Fund	\$553,600				\$553,600
0373	State Treasurer's Bank Service	\$540,000				\$540,000
0372	Plumbing Licensure & Program Fund	\$120,000	\$400,000			\$520,000
0085	Illinois Gaming Law Enforcement	\$308,000	\$200,000			\$508,000
0288	Community Water Supply Lab		\$500,000			\$500,000
0044	Lobbyist Registration Administration Fund	\$12,250			\$486,500	\$498,750
0883	Intra-Agency Services Fund			\$498,725		\$498,725
0969	Local Tourism Fund	\$497,335				\$497,335
0796	Nuclear Safety Emergency Preparedness		\$460,000	\$21,060		\$481,060
0808	Medical Special Purpose Trust Fund	\$466,885				\$466,885
0175	Illinois School Asbestos Abatement	\$52,000	\$400,000			\$452,000
0130	School District Emergency Financial Assistance	\$441,646				\$441,646
0757	Child Support Administrative		\$170,000	\$268,756		\$438,756
0536	Leads Maintenance	\$221,600	\$180,000			\$401,600
0770	Digital Divide Elimination Fund	\$400,000				\$400,000
0920	Metabolic Screening & Treatment Fund	\$395,663				\$395,663
0709	IL Thoroughbred Breeders Fund	\$192,560	\$160,000			\$352,560

Special Transfers in FY 2004 YTD as of 6/30/2004						
FUND #	FUND NAME	Chargebacks	Statute (Funds Sweep)	Executive Order 10	Fee Increase	TOTAL
0237	Medicaid Fraud/Abuse Prevent		\$350,000			\$350,000
0978	Deferred Lottery Prize Winners Trust Fund	\$340,380				\$340,380
0944	Environmental Protection Permit & Inspection	\$333,600		\$141		\$333,741
0546	Public Pension Regulation Fund				\$321,000	\$321,000
0886	Criminal Justice Information Systems Trust		\$300,000	\$13,960		\$313,960
0577	Community College Health Insurance Security Fund	\$311,691				\$311,691
0879	Traffic & Criminal Conviction Surcharge		\$250,000	\$59,006		\$309,006
0384	Tax Compliance & Administration	\$150,487	\$150,000			\$300,487
0845	Environmental Protection Trust Fund	\$286,800				\$286,800
0368	Drug Treatment Fund	\$277,600				\$277,600
0298	Natural Areas Acquisition Fund	\$271,600				\$271,600
0272	LaSalle Veterans Home Fund	\$270,196				\$270,196
0152	State Crime Laboratory		\$250,000			\$250,000
0945	Landfill Closure & Post-Close		\$250,000			\$250,000
0360	Lead Poisoning, Screening, Prevention & Abatement Fund	\$235,200				\$235,200
0452	IL Tourism Tax	\$233,123				\$233,123
0711	State Lottery Fund			\$217,396		\$217,396
0163	Weights and Measures	\$181,600			\$30,000	\$211,600
0538	IL Historic Sites	\$191,600	\$15,000			\$206,600
0386	Appraisal Administration	\$176,000	\$10,000	\$7,346		\$193,346
0905	IL Forestry Development Fund	\$193,200				\$193,200
0982	IL Beach Marina	\$171,384				\$171,384
0214	Brownfields Redevelopment Fund	\$168,000				\$168,000
0137	Plugging & Restoration	\$46,400	\$120,000			\$166,400
0893	Library Trust Fund	\$163,096				\$163,096
0524	Health Facility Plan Review Fund	\$160,000				\$160,000
0340	Public Health Services Revolving Fund	\$152,000				\$152,000
0261	Underground Resource Conservation Enforcement	\$51,200	\$100,000			\$151,200
0074	EPA Special State Projects Trust		\$150,000			\$150,000
0574	Off-Highway Vehicle Trails	\$49,200	\$100,000			\$149,200
0257	AML Reclamation Set Aside Fund	\$59,000	\$90,000			\$149,000
0304	Statistical Services Revolving Fund			\$143,708		\$143,708
0708	IL Standardbred Breeders Fund	\$101,899	\$35,000			\$136,899
0195	IPTIP Administrative Trust Fund	\$135,639				\$135,639
0222	State Police DUI Fund	\$22,250	\$100,000			\$122,250
0896	Public Health State Projects	\$120,000				\$120,000
0438	IL State Fair	\$114,862				\$114,862
0422	Alternative Fuels Fund	\$114,800				\$114,800
0884	DNR Special Projects Fund	\$107,468				\$107,468
0224	Asbestos Abatement Fund	\$106,250				\$106,250
0091	Clean Air Act (CAA) Permit Fund			\$104,772		\$104,772
0993	Public Infrastructure Construction Loan	\$101,200				\$101,200
0246	State Police Vehicle		\$101,000			\$101,000
0746	Home Inspector Administration		\$100,000			\$100,000
0184	Violence Prevention Fund	\$99,079				\$99,079
0147	Coal Mining Regulatory Fund	\$15,750	\$80,000			\$95,750
0514	State Asset Forfeiture Fund	\$88,250				\$88,250
0238	IL Health Facilities Planning Fund	\$88,000				\$88,000
0276	Drunk & Drugged Driving Prevention Fund	\$78,378				\$78,378
0259	Optometric Licensing & Disciplinary Committee Fund	\$75,600				\$75,600
0290	Fertilizer Control Fund	\$21,500			\$53,000	\$74,500
0732	SOS DUI Administration Fund	\$71,250				\$71,250
0745	State's Attorneys Appellate Prosecutor's County Fund	\$71,220				\$71,220
0823	IL State Dental Disciplinary Fund	\$69,750				\$69,750
0703	State Whistleblower Reward & Protection	\$68,800				\$68,800
0295	SOS Interagency Grant Fund	\$68,443				\$68,443
0223	DMH/DD Accounts Receivable Fund	\$62,720				\$62,720
0251	Dept. of Labor Special State Trust Fund	\$59,974				\$59,974

Special Transfers in FY 2004 YTD as of 6/30/2004						
FUND #	FUND NAME	Chargebacks	Statute (Funds Sweep)	Executive Order 10	Fee Increase	TOTAL
0369	Feed Control Fund	\$56,000				\$56,000
0641	Auction Regulation Administration		\$50,000	\$4,357		\$54,357
0024	IL Dept. of Ag. Laboratory Services Fund	\$50,800				\$50,800
0378	Insurance Premium Tax Refund Fund	\$50,039				\$50,039
0173	Emergency Planning & Training		\$50,000			\$50,000
0543	Comptroller's Administrative		\$50,000			\$50,000
0750	Real Estate Audit		\$50,000			\$50,000
0341	Provider Inquiry Trust Fund	\$48,000				\$48,000
0550	Supplemental Low Income Energy Assistance Fund			\$46,143		\$46,143
0436	Safety Responsibility Fund	\$45,227				\$45,227
0649	Motor Carrier Safety Inspection	\$45,139				\$45,139
0207	Pollution Control Board State Trust Fund	\$36,258				\$36,258
0865	Domestic Violence Shelter & Service Fund	\$35,200				\$35,200
0146	Aggregate Operation Regulatory	\$22,800	\$10,000			\$32,800
0113	Community Health Center Care Fund	\$32,000				\$32,000
0520	Federal Asset Forfeiture Fund	\$30,250				\$30,250
0849	Real Estate Research & Education		\$30,000			\$30,000
0390	IL Habitat Endowment Trust Fund	\$26,538				\$26,538
0370	Tanning Facility Permit Fund	\$26,000				\$26,000
0774	Oil Spill Response Fund	\$25,423				\$25,423
0909	IL Wildlife Preservation Fund	\$24,400				\$24,400
0280	IL Racing Board Grant Fund	\$22,188				\$22,188
0535	Sex Offender Registration		\$21,000			\$21,000
0669	Airport Land Loan Revolving Fund	\$20,500				\$20,500
0510	IL Fire Fighters' Memorial Fund	\$20,400				\$20,400
0840	Hazardous Waste Research Fund	\$20,000				\$20,000
0529	IL State Board of Investments Fund	\$19,034				\$19,034
0274	Self-Insurers Administration Fund	\$18,746				\$18,746
0573	Petroleum Resources Revolving Fund	\$15,750				\$15,750
0265	State Rail Freight Loan Repayment Fund	\$15,000				\$15,000
0357	Child Labor Enforcement Trust		\$15,000			\$15,000
0650	Municipal Economic Development Fund	\$14,917				\$14,917
0562	Pawnbroker Regulation Fund	\$7,500		\$6,096		\$13,596
0323	Motor Vehicle Review Board Fund	\$13,250				\$13,250
0285	Long-Term Care Monitor/Receiver Fund	\$12,500				\$12,500
0096	Cemetery Consumer Protection Fund	\$11,575				\$11,575
0292	Securities Investors Education Fund	\$11,250				\$11,250
0167	Registered Limited Liability Partnership Fund	\$7,000				\$7,000
0248	Racing Board Fingerprint License Fund	\$6,019				\$6,019
0145	Explosives Regulatory		\$4,000			\$4,000
0270	Water Revolving Fund			\$3,543		\$3,543
0297	Guardianship & Advocacy Fund			\$1,033		\$1,033
0041	Wildlife & Fish Fund			\$0		\$0
0053	MEAOB	\$0				\$0
0617	CDB Contributory Trust	\$0				\$0
0765	Federal Surface Mining Control & Reclamation Fund			\$0		\$0
0890	SOS Interntl. Registration Plan Fund	\$0				\$0
0940	Self-Insurers Security Fund	\$0				\$0
0036	IL Veterans' Rehabilitation	\$270,040				\$270,040
	TOTAL	\$269,333,882	\$158,514,000	\$5,526,569	\$88,841,000	\$522,215,451

FY 2005 BUDGET INFORMATION

- Revenue Assumptions Used to Craft FY 2005 Budget
- Walk-up of FY 2005 Revenues from Introduced Budget vs. Enacted Budget
- FY 2005 Budget Summary



REVENUE ASSUMPTIONS USED TO CRAFT FY 2005 BUDGET

The following table illustrates the various revenue assumptions used to craft the FY 2005 budget. They were compiled utilizing information provided by a number of sources, but at this time should be considered unofficial. **These figures do not represent the Illinois Economic and Fiscal Commission's FY 2005 estimate.**

In the Governor's introduced budget, base FY 2005 general funds revenues were anticipated to be \$25.313 billion (excludes \$803 million in proposed "deficit reduction sources"). Later in the spring, \$350 million was removed from the forecast due to complexities surrounding the sale of the 10th riverboat license.

As a result, adjusted base revenues were forecast to be \$24.963 billion.

As detailed, approximately \$639 million in net changes were added to the adjusted base to arrive at an enacted budget amount of \$25.602 billion. Those adjustments were comprised of \$947 million worth of items increasing revenues and \$308 million in items having the effect of decreasing revenues.

The table on page 28 compares the revenue forecast outlined in the budget book with the estimate used for the enacted FY 2005 budget. As shown, the enacted budget is based on a revenue forecast that is \$514 million lower than the introduced budget.

***Walk-Up of FY 2005 Revenues
From Introduced Budget vs. Enacted Budget**

(in Millions)	
Total Base Revenues per Budget Book	\$25,313
Less loss of 10th riverboat license	(\$350)
Adjusted Base	\$24,963
<u>Items Increasing FY 2005 Revenues</u>	
Fund transfers	\$260
Change in tax refund percentage	\$172
Tax shelter loophole closing	\$100
Increased estimates for income taxes and other misc. sources	\$91
Change in fund chargebacks provisions	\$84
Hospital Assessment Tax transfer	\$80
Tax all income as business income	\$30
Increased federal match per FY'04 borrowing	\$25
Sale of assets	\$25
Liquor tax no longer being protested	\$24
DUI conviction fee increase	\$17
Foreign tax havens (80/20 rule)	\$15
SoS late fee	\$10
Other misc. fees (lottery, loan originator)	\$6
Watercraft use tax	\$6
ID card fee increase	<u>\$2</u>
Total of Revenue Increases	\$947
<u>Items Decreasing FY 2005 Revenues</u>	
End Road Fund chargebacks	(\$140)
Loss of Federal match from cuts	(\$109)
Manufacturer's purchase credit change	(\$20)
Industrial Commission fee change	(\$19)
Research and development credit change	(\$15)
Graphic arts tax credit change	(\$4)
Revise NPDES fees	(\$1)
Total of Revenue Decreases	(\$308)
Net Change to Introduced Budget	\$639
REVISED FY 2005 BUDGET (Unofficial)	\$25,602

***This information should be considered unofficial and was compiled utilizing information provided by various sources. These figures do not represent the Illinois Economic and Fiscal Commission's FY 2005 estimate.**

FY 2005 BUDGET SUMMARY

According to Illinois law, no later than the third Wednesday in February of each year, the Governor is responsible for presenting a recommended budget before a joint session of the Illinois General Assembly. Governor Rod Blagojevich presented his recommended budget on February 18th, 2004.

The recommended fiscal year 2005 budget presented a general operations budget for all funds of \$43.5 billion. The Governor's proposed budget included reducing operational costs by \$840 million, and added \$945 million in new revenue by maximizing the amount the state receives from the federal government, and closing some business tax loopholes. Some of the other major spending control measures included in the Governor's budget were:

- Merging some state agencies.
- State employee headcount reductions.
- Closing the state correctional facility at Vandalia and the Illinois Youth Center at St. Charles.
- Closing various tax loopholes associated with the corporate income tax.

The Governor, at the time the budget was introduced, projected modest revenue growth of 1% or \$280 million, growth in base revenue.

The fiscal year 2005 budget negotiations were some of the most challenging in the history of the State of Illinois. As the General Assembly began looking at the different aspects of the Governor's proposals, it became apparent very quickly that there would be some difficulty in passing a budget through both chambers of the General Assembly. A budget was actually passed by the Senate on May 31st, 2004, but that budget bill was never called for a vote in the House. After May 31st, it takes a three-fifths (super majority) to pass legislation.

As session extended into overtime, several non-traditional political dynamics further constrained the negotiation process. There were concerns being brought forth about borrowing trends exhibited in current state finance philosophy, as well as, calls for a no-growth budget. The level of education funding, fee increases, and recommended facility closures at Vandalia, Pontiac, and St. Charles all became hot button issues in fiscal year 2005 budget negotiations.

Historically, budget negotiations take place between the Governor and the four caucus leaders. After the May 31st deadline had passed the Governor and the four leaders continued to hold meetings to no avail. On June 24th, 2004 the Governor called the General Assembly into special session to deal with the state budget. Throughout the course of the Spring session the Governor would call the General Assembly into special session seventeen times. With the end of the fiscal year approaching, the General Assembly passed an interim budget for the month of July.

After 54 days of overtime session, an agreement was finally reached on the fiscal year 2005 budget. Some of the details of that agreement are listed below:

- Increase of \$389 million in appropriation for elementary & secondary education (\$154 increase to foundation level). A summary of K-12 education funding is included on page 60.
- Early Childhood Education Block Grant increase of \$30 million.
- Authorizes \$210.4 million in fund sweeps.
- Lowers the Industrial Commission Fund Surcharge from 1.5% to 1.01%
- Increases fees in the Secretary of States Office.
- Imposes new lottery license fees, and increases annual renewal fees for lottery licenses.
- Creates a watercraft use tax.
- Re-instates the Manufacturer's Purchase Credit.
- Exempts smaller locales from paying NPDES fees.
- Reduces the Commercial Distribution Fee over a three-year period.
- Amends the Illinois Income Tax Act by taxing "80/20" businesses operating in foreign tax havens.
- Some state agencies GRF lines were reduced by 4%
- Authorizes the Department of Corrections to lease open bed space to the federal government.
- Contains language for a voluntary severance package.
- Increases statutory authority of the Economic and Fiscal Commission in relation to health benefit oversight and state facility closures.
- One time change in cigarette tax distribution.
- Reinstatement of the graphic arts tax credit.
- Keeps open the Vandalia, St. Charles, and Pontiac correctional facilities.

The language for many of the aforementioned budget points were contained in four Senate Bills, SB 2205 (Education Budget Implementation Bill), SB 2206 (State Budget Implementation), SB 2207 (Revenue Budget Implementation) and SB 2208 (Human Services Budget Implementation). Below are several of the major components of each piece of legislation. A complete summary of the budget implementation bills can be found on page 67.

SB 2205 (Education)

- Increases the foundation level by \$154 to \$4,964 for the 2004-2005 school year.
- Establishes a \$10 million Fast Growth Grant Program.
- Extends the poverty hold harmless grant.

SB 2206 (State Finance)

- Gives additional authority to the Economic and Fiscal Commission to review health benefit programs. The Commission is also given additional oversight in the area of state facility closures. (Further explanation follows)
- Administrative chargeback language change, with two-year sunset provision and exemption of Road Fund from chargebacks.
- Contains language for a voluntary severance package.

SB 2207 (Revenue enhancements)

- Lowers Industrial Commission Surcharge.
- Increases various fees collected by the Secretary of State.

- Creates and increases fees placed on Lottery retailers.
- Creates a watercraft use tax.

SB 2208 (Human Services)

- Modifies the Community Mental Health Medicaid Trust Fund to ensure that 50% of the additional federal matching funds are invested in community mental health services.
- Allows information disclosure to the Department of Aging for administration of the Circuit Breaker Program.
- Increases Medicaid nursing home per diem rate by 3% effective January 1st, 2005.

State Employees Group Health Insurance Program Changes

One of the several statutory changes for the Illinois Economic and Fiscal Commission (IEFC) contained in SB 2206 strengthened the Commission's oversight role of the State Employees' Group Health Insurance Program. SB 2206, clarified State policy for the administration of the Group Insurance Program, and requires the Department of Central Management Services to administer the program within set policy parameters. Those key parameters are:

- Maintain stability and continuity of coverage, care, and services for members and their dependants.
- Members should have continued access, on substantially similar terms and condition, to trusted family health care providers with whom they have developed a long-term relationship.
- The Director (CMS) may consider affordability, cost of coverage and care, and competition among health insurers and providers in the contract review process.

The specific changes in oversight authority for the Economic and Fiscal Commission are listed below:

- By April 1st of each year, the Director (CMS) must report and provide information to the Commission concerning the status of the employee benefits program to be offered the next fiscal year.
- By the first of each month thereafter, the Director (CMS) must provide updated, and any new information to the Commission until the employee benefits program for the fiscal year has been determined.
- Requires the Department of Central Management Services to promptly, but no later than 5 business days after receipt of a request, respond to a written request by the Commission for information.
- Within 30 days after notice of the awarding of a contract has appeared in the Illinois Procurement Bulletin, the Commission may request information about a contract. The Commission must receive information promptly and in no later than 5 business days.
- No contract may be entered into until the 30-day period has expired.
- Changes or modifications to proposed contracts must be reported to the Commission in accordance with the aforementioned points.
- CMS must provide to the Commission a final contract or agreement by the beginning of the annual benefit choice period.

- States that the benefits choice period must begin on May 1st unless interrupted by the collective bargaining process. In the case that the collective bargaining process is still pending on April 15, the benefit choice period will begin 15 days after the ratification of the agreement.
- Specifies the methods used to provide the Commission with requested information and discusses confidentiality.
- States that all contracts are subject to appropriation and must comply with the Illinois procurement code.

State Facility Closure Act

In addition to additional oversight of the State Employees' Group Health Insurance Program, SB 2206 gave the Commission additional responsibilities analyzing state facility closures. The legislation requires that before a state facility may be closed, the State executive branch officer with jurisdiction over the facility shall file notice of the proposed closure with the Illinois Economic and Fiscal Commission. The notice must be filed within 2 days after the first public announcement of any planned or proposed closure. Within 10 days after it receives notice of the proposed closure, the Commission, in its discretion, may require the State executive branch officer with jurisdiction over the facility to file a recommendation for the closure of the facility with the Commission. The recommendation must be filed within 30 days after the Commission delivers the request for recommendation to the State executive branch officer.

The recommendation must include, but is not limited to, the following:

- the location and identity of the State facility proposed to be closed;
- the number of employees for which the State facility is the primary stationary work location and the effect of the closure of the facility on those employees;
- the location or locations to which the functions and employees of the State facility would be moved;
- the availability and condition of land and facilities at both the existing location and any potential locations;
- the ability to accommodate the functions and employees at the existing and at any potential locations;
- the cost of operations of the State facility and at any potential locations and any other related budgetary impacts;
- the economic impact on existing communities in the vicinity of the State facility and any potential facility;
- the ability of the existing and any potential community's infrastructure to support the functions and employees;
- the impact on State services delivered at the existing location, in direct relation to the State services expected to be delivered at any potential locations; and
- the environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

A 30-day public comment period must follow the filing of the recommendation. The Illinois Economic and Fiscal Commission, in its discretion, may conduct one or more public hearings on the recommendation.

Public hearings conducted by the Commission shall be conducted no later than 35 days after the filing of the recommendation. At least one of the public hearings on the recommendation shall be held at a convenient location within 25 miles of the facility for which closure is recommended. The Commission shall provide reasonable notice of the comment period and of any public hearings to the public and to units of local government and school districts that are located within 25 miles of the facility.

Within 50 days after the State executive branch officer files the required recommendation, the Commission shall issue an advisory opinion on that recommendation. No action may be taken to implement the recommendation for closure of a State facility until 50 days after the filing of any required recommendation.

Debt Responsibility Act

P.A. 93-0839 (SB 2206) would set limits on debt and would create greater transparency through disclosure of bond deals from the Governor's Office of Management and Budget. The Governor's Office of Management and Budget will be required to prepare fiscal and debt impact notes on bills increasing authorization and provide truth in borrowing disclosures to the Illinois Economic & Fiscal Commission on issuances of bonds. Limitations are put on the following aspects of issuance:

- **Issuance of bonds** - so that in the next fiscal year after issuance, the level of debt service on all then outstanding bonds would not exceed 7% of the aggregate appropriations from the general funds and the Road Fund for the fiscal year immediately prior to the fiscal year of issuance, unless consented in writing by the Comptroller and Treasurer.
- **Cost of issuance** - up to 0.5% cost of issuance shall include underwriter's fees and discounts, but not bond insurance, and is authorized provided that no salaries of State employees or other State office operating expenses shall be paid out of non-appropriated proceeds. The Office of Management and Budget shall not contract with anyone who pays a contingent fee to a third party for promoting their selection, and must wait 2 calendar years before contracting with a party who made a false certification of contingent fees. The Office of Management and Budget must provide a summary of these costs to the legislative leaders and the Illinois Economic & Fiscal Commission, and also provide copies of the contracts for these services to the Commission.
- **Payment structuring** - equal principal or mandatory redemption amounts, with the first maturity occurring within the issuing fiscal year or next fiscal year, and maturing or subject to mandatory redemption each fiscal year thereafter up to 25 years in maturity (maturity is currently allowed for 30 years).
- **Negotiated sales** - No more than 75% of bond sales, based on total principal amount, may be sold by negotiated sale.
- **Refunding bonds** - All bonds in an issue that include refunding bonds must mature no later than the final maturity date of the bonds being refunded. Refunding bonds shall be sold only if the net present value of debt service savings is 3% or more of the principal amount of the refunding Bonds to be issued. The refunding principal maturing and redemption amounts due shall be greater than or equal to the principal maturing and redemption amounts of the bonds they are refunding.
- **Certificates of Participation (COPs)** - The State shall not enter into any third-party vendor or other arrangement relating to the issuance of COPs or other forms of financing relating to the

rental or purchase of office or other space, buildings, or land unless otherwise authorized by law.

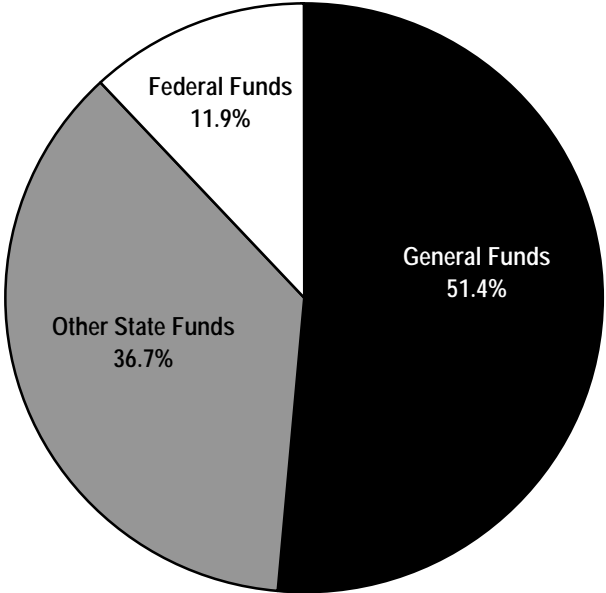
Fiscal year 2005 promises to be one of particular interest. The Governor's Capital plan has been put off until the November veto session. In addition, in the Spring session there was momentum building to expand gambling in the state, however that momentum did not translate into successful expansion legislation. However, recent newspaper articles suggest that gambling expansion could be back on the table during the veto session.

CHARTS & GRAPHS ILLUSTRATING FY 2005 BUDGET & HISTORICAL DATA

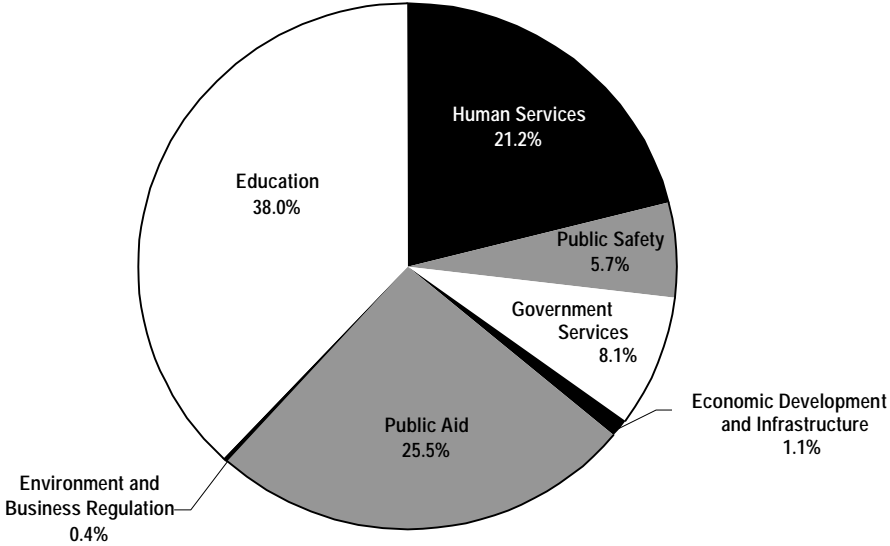
- FY 2005 Budget: Percentage of total
- FY 2005 Appropriations by Major Purpose: Percentage of General Funds
- FY 2005 Revenues by Source: Percentage of Total
- General Funds Revenue History: Annual \$ Change FY 1991 – FY 2004
- Illinois State Board of Education General Funds History
- FY 2005 General Revenue Estimates: Budget Book (GOMB) vs. Unofficial Enacted (GOMB)



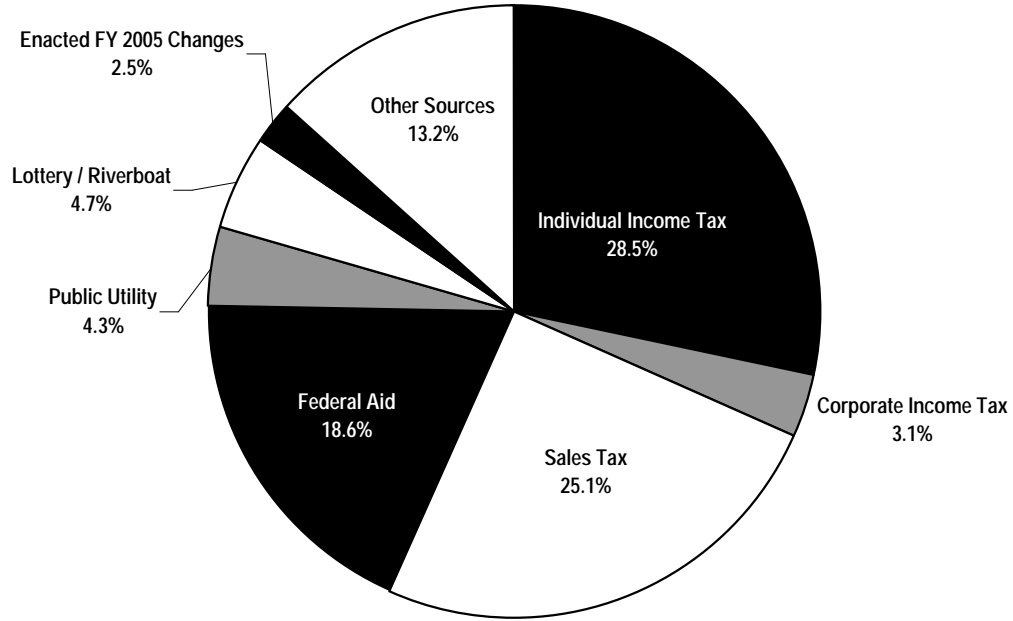
Fiscal Year 2005 Budget
Percentage of Total
Total Funds - \$46.036 Billion

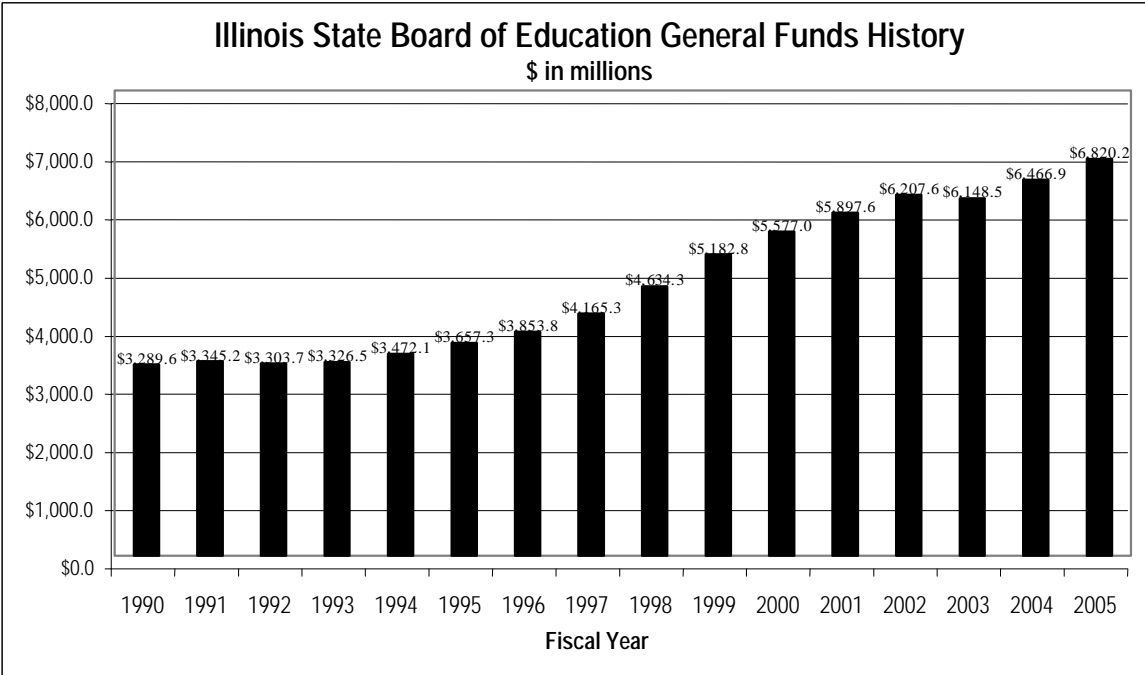
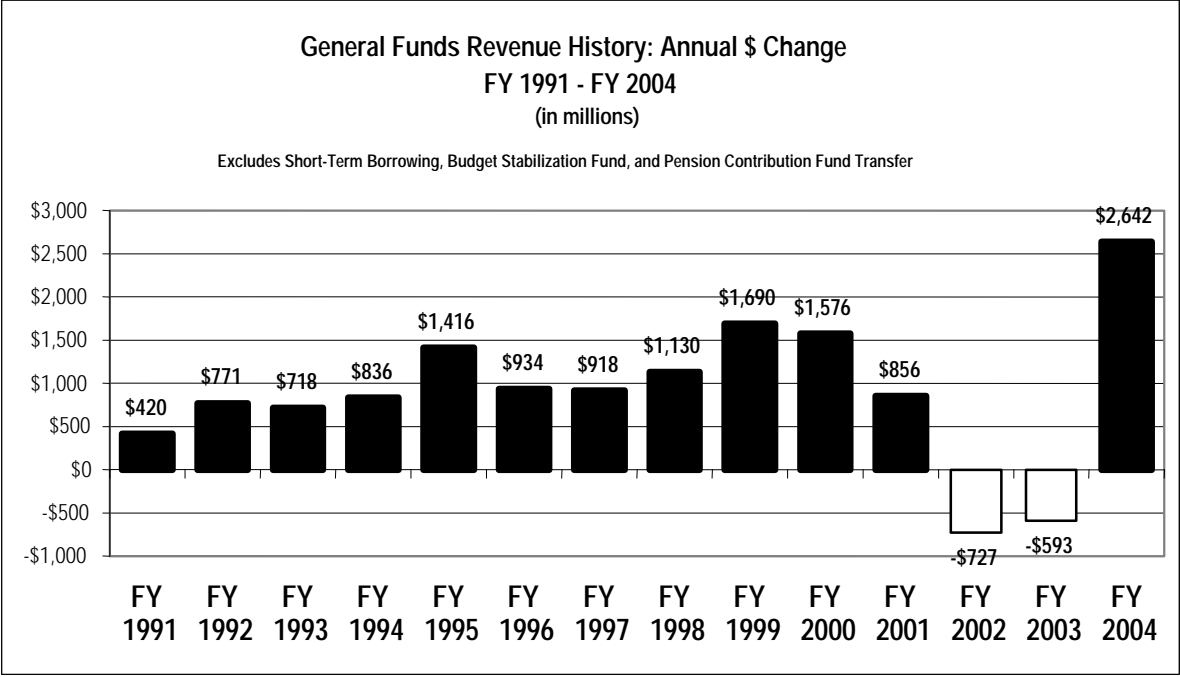


Fiscal Year 2005 Appropriations by Major Purpose
Percentage of General Funds - \$23.684 Billion

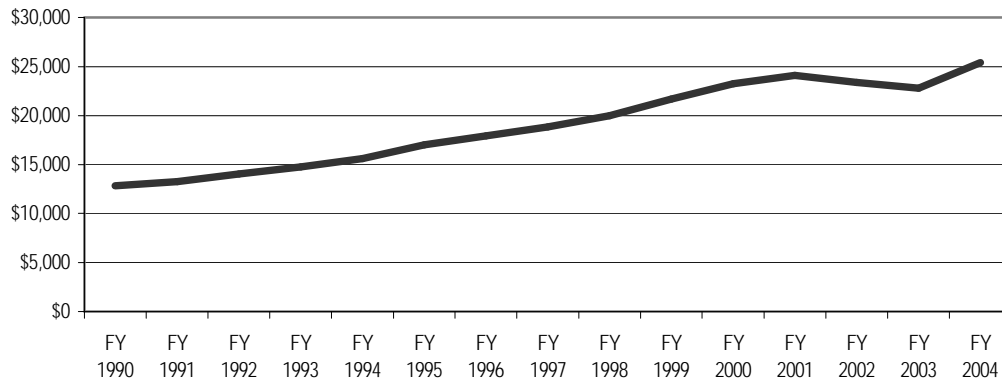


Fiscal Year 2005 Revenues by Source
Percentage of Total
General Funds (unofficial) - \$25.602 Billion





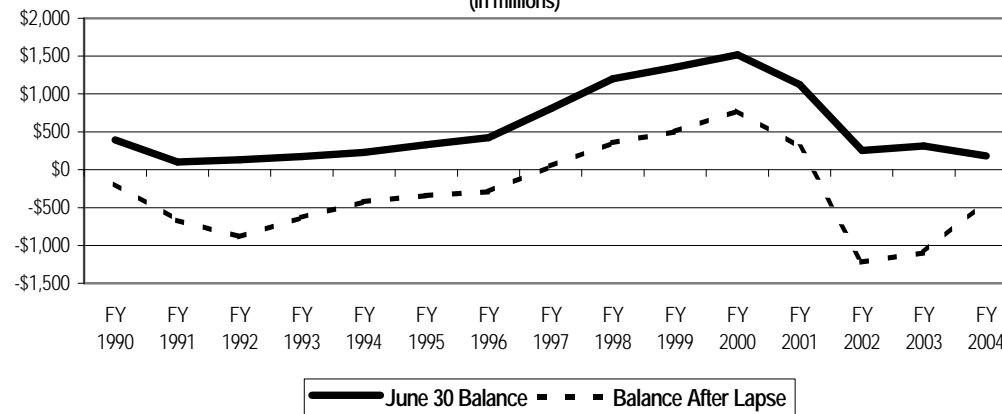
General Funds Revenue History: FY 1990 - FY 2004
Excludes Short-Term Borrowing, Budget Stabilization and Pension Contribution
Fund Transfers
 (in millions)



General Funds Annual \$ Change % Change
 (in millions)

General Funds	Annual \$ Change	% Change
FY 1990	-	-
FY 1991	\$420	3.3%
FY 1992	\$771	5.8%
FY 1993	\$718	5.1%
FY 1994	\$836	5.7%
FY 1995	\$1,416	9.1%
FY 1996	\$934	5.5%
FY 1997	\$918	5.1%
FY 1998	\$1,130	6.0%
FY 1999	\$1,690	8.5%
FY 2000	\$1,576	7.3%
FY 2001	\$856	3.7%
FY 2002	-\$727	-3.0%
FY 2003	-\$593	-2.5%
FY 2004	\$2,642	11.6%

General Funds Balances - Cash Basis
 FY 1990 - FY 2004
 (in millions)



June 30 Balance Balance After Lapse
 (in millions)

June 30 Balance	Balance After Lapse
FY 1990	-\$191
FY 1991	-\$666
FY 1992	-\$887
FY 1993	-\$630
FY 1994	-\$422
FY 1995	-\$341
FY 1996	-\$292
FY 1997	\$45
FY 1998	\$356
FY 1999	\$503
FY 2000	\$777
FY 2001	\$300
FY 2002	-\$1,220
FY 2003	-\$1,094
FY 2004	-\$407

FY 2005 General Revenue Estimates
Budget Book (GOMB) vs. Unofficial Enacted (GOMB)
(millions)

<u>Revenue Sources</u>	Budget Book (GOMB) FY 2005 <u>Estimate Feb-04</u>	Unofficial GOMB Enacted <u>Estimate Aug-04</u>	\$ <u>Difference</u>
State Taxes			
Personal Income Tax	\$8,250	\$8,406	\$156
Corporate Income Tax	\$1,082	\$1,129	\$47
Sales Taxes	\$6,425	\$6,431	\$6
Public Utility (regular)	\$1,102	\$1,102	\$0
Cigarette Tax	\$400	\$400	\$0
Liquor Gallonage Taxes	\$123	\$147	\$24
Vehicle Use Tax	\$37	\$37	\$0
Inheritance Tax (gross)	\$240	\$240	\$0
Insurance Taxes & Fees	\$347	\$347	\$0
Corporate Franchise Tax & Fees	\$175	\$175	\$0
Interest on State Funds & Investments	\$45	\$45	\$0
Cook County Intergovernmental Transfer	\$450	\$450	\$0
Sale of 10th Riverboat License	\$350	\$0	(\$350)
<u>Other Sources</u>	<u>\$692</u>	<u>\$732</u>	<u>\$40</u>
Subtotal	\$19,718	\$19,641	(\$77)
Transfers			
Lottery	\$563	\$578	\$15
Riverboat Transfers & Receipts	\$647	\$653	\$6
<u>Other</u>	<u>\$870</u>	<u>\$1,154</u>	<u>\$284</u>
Total State Sources	\$21,798	\$22,026	\$228
Federal Sources	\$4,772	\$4,688	(\$84)
Total Federal & State Sources	\$26,570	\$26,714	\$144
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax	(\$965)	(\$841)	\$124
Corporate Income Tax	(\$292)	(\$271)	\$21
Subtotal General Funds	\$25,313	\$25,602	\$289
Deficit Reduction Sources	\$803	\$0	(\$803)
Total General Funds	\$26,116	\$25,602	(\$514)
The enacted FY 2005 budget should be considered unofficial and was compiled utilizing information provided by various sources.			
IEFC			

STATE FUNDED RETIREMENT SYSTEM INFORMATION

- FY 2004 Retirement Contributions
- State Pension Fund Changes
- Pension Obligation Bond Debt Service
- SERS Enhanced Refund Option (through October 31, 2004)
- Severance Payment Plan (November 1, 2004 through December 31, 2004)
- Funding of the 2002 ERI



STATE-FUNDED RETIREMENT SYSTEMS

The FY 2005 appropriations to the five State-Funded Retirement Systems were contained in Public Act 93-0842 (SB 3340). Four of the State-funded retirement systems received the total amount of required State contributions, as certified by the systems in November 2004. SERS received the entire required contribution as calculated per the current funding plan, but only received \$70.0 million of the certified \$380.0 million ERI contribution. The actual FY 2005 appropriations are as follows:

Table 1						
FY 2005 Retirement Contributions						
\$ in millions						
	SURS	TRS	SERS*	JRS	GARS	Total
General Revenue Fund	\$ 0.0	\$ 181.2	\$568.6	\$ 15.1	\$ 2.2	\$ 767.1
Common School Fund**	47.4	725.9	0.0	0.0	0.0	773.3
State Pensions Fund	<u>222.6</u>	<u>0.0</u>	<u>0.0</u>	<u>16.9</u>	<u>2.5</u>	<u>242.0</u>
Total	\$270.0	\$ 907.0	\$568.6	\$32.0	\$4.7	\$1,782.4
<p>* The contribution to SERS will depend on actual FY 2005 payroll, as the amount shown is based on an employer contribution rate of 16.107% for FY 2005. In addition, the SERS GRF total includes contributions from non-GRF funds and \$136.2 million for debt service on the pension funding bonds.</p> <p>* Includes contributions of \$300.0 million from the Education Assistance Fund to TRS.</p>						

The SERS contribution shown in Table 1 includes \$136.2 million (3.859% of payroll) to be used to pay a portion of the debt service on the pension funding bonds issued in 2003 (see section on next page). This debt service amount is to be transferred from SERS to the General Obligation Bond Retirement and Interest Fund, leaving \$432.4 million of the FY 2005 employer contribution in SERS. In addition to the contributions shown in Table 1, Public Act 93-0842 also appropriated \$65.0 million to the Chicago Teachers' Pension Fund.

State Pensions Fund Changes

Public Act 93-0839 (SB 2206) changes the way funds are appropriated and distributed from the State Pensions Fund (SPF), which is funded annually by the sale of unclaimed assets. Prior to the changes provided by Public Act 93-0839, the amount appropriated from SPF was equal to the prior year's balance, less \$5 million, and amounted to about \$80 million annually. This appropriated amount was divided among the five State-funded retirement systems based on the proportion of each system's unfunded liability to total unfunded liability.

For FY 2005 only, Public Act 93-0839 doubles the appropriation from SPF by providing that the balance in the fund at any given time is only required to be \$5 million. Effectively, this allows all SPF revenues from FY 2004 and FY 2005 to be distributed to the retirement systems in FY 2005. In addition, the Act provides that in FY 2005, the SPF funds will be distributed only to the State

Universities Retirement System, the Judges' Retirement System, and the General Assembly Retirement System.

Pension Obligation Bond Debt Service

Public Act 93-0002 (HB 2660) amended the General Obligation Bond Act to increase bond authorization by \$10 billion. A portion of the bond proceeds was used to pay part of the FY 2003 State contribution and all of the FY 2004 State contribution to the retirement systems. Of the \$10 billion in proceeds, \$7.3 billion was used to reduce the unfunded liabilities of the State-funded retirement systems. Public Act 93-0002 added a provision to the funding plan to reflect this additional employer contribution and to require the retirement systems to pay the bond debt service by setting the maximum annual employer contribution to each system at the amount that would have been contributed without the bond issuance, minus the total debt service payments for the fiscal year. Effectively, this reduction in retirement contributions is used to pay the debt service on the bonds.

Public Act 93-0839 provides SERS will collect a portion of the FY 2004 and FY 2005 SERS debt service on the bonds from State agency budgets, as is currently done with the SERS employer retirement contributions, rather than being paid directly from GRF to the General Obligation Bond Retirement and Interest Fund (GOBRI). The debt service collected by SERS would then be transferred from SERS to GOBRI. The FY 2004 and FY 2005 debt service that is the responsibility of SERS totals \$185.1 million. Of this amount, \$136.2 million (73.6% of SERS debt service) is attributable to debt service on the portion of the bond proceeds used to reduce the SERS unfunded liability.

Effectively, Public Act 93-0839 requires SERS to certify a rate of payroll, based on the FY 2005 State payroll projection, which will allow SERS to collect \$136.2 million in debt service through agency payrolls. Allowing SERS to collect debt service through agency payrolls requires non-GRF funds (including federal funds) to pay part of the debt service. It should be noted that some of the proceeds of the pension funding bonds reduced the unfunded liability of SERS, including some liability that is associated with employees at agencies that are funded by non-GRF and federal funds. Therefore, the Act provides a mechanism for non-GRF and federal funds to pay a share of the debt service on bond proceeds that were used to reduce the SERS unfunded liabilities.

According to SERS, about 35% of State payrolls are from non-GRF funds and federal funds. So, the additional amount that agencies must contribute to debt service due to the additional certification will save the State an estimated \$47.7 million (35% of \$136.2 million) in GRF in FY 2005. Of course, this reduction in GRF is due to increased retirement contributions (for debt service) of \$47.7 million from other State and federal funds.

SERS Enhanced Refund Option (through October 31, 2004)

Public Act 93-0839 provides an enhanced refund option for State employees terminating State service before October 31, 2004. The Act specifies which job titles under the Governor's purview would qualify for the enhanced refund option and specifies that all titles not under the Governor's purview will have access to the enhanced refund plan, with the authorization of the agency director or other department head. Employees in eligible job titles are required to be employed during June 2004 and in an eligible position continuously since January 1, 2004.

In order to participate, employees are required to be among the first 3,000 employees to apply to SERS. The application deadline is September 30, 2004 for employees under the Governor's purview and September 1, 2004 for eligible employees not under the Governor's purview. Participating employees must terminate service within 2 weeks of the approval of the application and in no event later than October 31, 2004. Up to 3,000 employees under the Governor's purview would be allowed to participate in the plan. There is no maximum limit on the number of other employees who would be allowed to participate.

The enhanced refund will amount to all of the employee's contributions, with interest at 6.5% annually, multiplied by two. The regular SERS refund provision only allows for a refund of employee contributions, without interest. The Act specifies this enhanced refund could be given to the member in a lump sum, rolled into another qualified plan, or both. Upon accepting the refund, the member would waive all rights to any type of SERS benefit, including survivor's benefits and death benefits. *The enhanced refund would not diminish the employee's or their survivor's group health insurance benefits.*

Employees who accept the enhanced refund and later return to State employment will be required to repay to SERS the amount of the enhanced refund, less the amount of employee contributions (or regular refund amount), within 60 days of the return to service, unless returning as a temporary employee. The normal refund amount (employee contributions only) could then be repaid, with interest, in order to re-establish the service credit that was forfeited by the acceptance of the refund. In addition, participants who become members of a reciprocal system who wish to re-establish the SERS service credit forfeited by the acceptance of the enhanced refund would have to repay the entire amount of the enhanced refund, with interest from the date of refund to the date of repayment.

The Illinois Economic and Fiscal Commission is required to report to the Governor and General Assembly by January 1, 2006, an estimate of the annual amount of payroll savings that result from people choosing to terminate employment early by choosing the lump sum payment option. The report must also detail the net annual cost or savings associated with the program.

The fiscal impact of the early termination incentive program is difficult to estimate. SERS will realize an actuarial gain when some members choose the enhanced refund option, as the accrued liability associated with that member, which will be eliminated, will be larger than the enhanced refund. But, for some members, the enhanced refund will actually be larger than the liability that is eliminated. In general, older members who choose the enhanced refund will provide financial gains to SERS, while younger members who choose the option will result in actuarial losses. Effectively, the impact of the program will depend primarily on the mix of members who choose the enhanced refund option.

Severance Payment Plan (November 1, 2004 through December 31, 2004)

Public Act 93-0839 requires the Department of Central Management Services (CMS) to create, adopt by emergency rulemaking through JCAR (by October 1, 2004), and administer a severance payment plan. As with the enhanced refund option, the Act provides which job titles under the Governor's purview will qualify for a severance payment and provides the rules may limit the number of individuals who may participate. Employees in positions eligible to participate in the

severance payment plan must be active employees during June 2004 and in a qualifying job title continuously since January 1, 2004.

Employees not under the Governor's purview will also have access to the severance payment plan, but the director or other head of a department or agency may limit the number of individuals who may participate. The director or other agency head may also specify the amount of the severance payment and how the payment will be vouchered. The Act specifies that all employees within the same job title are to be provided lump sum payments under the same terms, with the amount varying only due to the amount of State service.

Eligible employees under the purview of the Governor are required to apply to CMS by October 31, 2004 and terminate employment between November 1, 2004 and December 31, 2004. Employees not under the Governor's purview must apply to the director or other agency head and terminate employment by the same date. The maximum severance payment allowed to eligible employees under the Governor's purview is 25% of final monthly salary for each year of State service, up to a maximum severance payment of 6 months of salary.

Employees who return to State employment are required to repay the amount of the severance payments within 60 days of the return, unless returning as a temporary employee or an elected official. The repayment must be made to CMS for returning employees under the purview of the Governor. For returning employees not under the purview of the Governor, the repayment must be made to the re-employing department or agency.

The severance plan also allows the lump sum to include payment for up to 6 months of the cost of continuing coverage in the State's group health insurance program, up to a maximum of \$3,600. An employee's lump sum payment (severance and insurance) must be paid from the same personal services appropriation from which the employee's salary is paid.

The severance payment plan will not fiscally impact SERS. There will be a fiscal impact to the State, but it depends primarily on the number of people who elect to participate by terminating State employment. Also, the Act only sets the maximum payout rate. The payments to those who qualify and choose to participate is unknown.

Funding of the 2002 ERI

Public Act 92-0566 (HB 2671) created the 2002 SERS ERI and required SERS (and TRS) to determine the net increase in accrued liability resulting from the ERI and report the amount to the Governor and the Pension Laws Commission by November 15, 2003. In FY 2004, the State was required to contribute \$70 million to SERS (\$1 million to TRS) towards this liability, and in FY 2005 through FY 2013, to amortize (at 8.5% interest) the remaining ERI liability, in equal annual installments (as certified by SERS and TRS). In November of 2003, SERS certified an annual contribution of \$380.3 million and TRS certified an annual contribution of \$1.7 million.

Public Act 93-0839 amends the State Employees' and Teachers' Articles of the Pension Code to provide the impact of the ERI must be recalculated, based on the increase in the present value of future benefits resulting from the ERI, by November 15, 2004. Generally, changing the definition of the impact of the ERI to the present value of future benefits is a more accurate measure of that

impact, as the accrued liability calculation includes cost factors that were not really the result of the ERI.

According to SERS, the increase in the present value of future benefits that resulted from the ERI is \$1.75 billion, while the increase in accrued liability resulting from the ERI totaled \$2.3 billion. The amount of the reduction, \$550 million, will be funded over the remainder of the current funding plan (41 years), rather than funded as ERI liability.

Public Act 93-0839 also provides the State will contribute \$70 million to SERS for the ERI in FY 2005, and the remainder of the increase in the present value of future benefits will be amortized over 10 years beginning in FY 2006. A level dollar payment is required. For SERS, the required annual contribution is expected to be approximately \$260.0 million beginning in FY 2006.

The Act also requires the Economic and Fiscal Commission to hold one or more hearings prior to the last day of the 2004 veto session to review recommendations related to the funding of the 2002 SERS ERI. The Commission is to file recommendations with the General Assembly by December 31, 2004. The Act specifies the report may contain both majority and minority recommendations.

FY 2005 APPROPRIATIONS BY AGENCY



FY 2005 APPROPRIATIONS BY AGENCY

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Total State Budget: All Funds	\$ 49,982,253.3	\$ 45,916,575.1	\$ 46,035,512.1	(\$3,946,741.2)	-7.9%
General Funds	\$ 23,384,938.6	\$ 24,100,915.7	\$ 23,684,430.4	\$299,491.8	1.3%
Other State Funds	\$ 20,746,253.9	\$ 16,438,179.2	\$ 16,877,766.1	(\$3,868,487.8)	-18.6%
Federal Funds	\$ 5,851,060.8	\$ 5,377,480.2	\$ 5,473,315.6	(\$377,745.2)	-6.5%

➤ **4% EXEMPTIONS:**

Exemptions to the 4% across the board cut used in the framework of the FY 05 budget include: K-12 lower education, Family Care and Kid Care, Higher Education, Mental Health and Developmental Disabilities programs, Transportation, Constitutional offices, legislative agencies, and judicial agencies. Other agencies and programs may have been subject to a lesser 2.25% reduction.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Auditor General	\$20,092.8	\$19,704.0	\$19,736.2	(\$356.6)	-1.8%
General	\$5,968.8	\$5,969.0	\$6,001.1	\$32.3	0.5%
Other	\$14,124.0	\$13,735.0	\$13,735.1	(\$388.9)	-2.8%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

➤ Audits, Studies and Investigations Fund decreased by (\$388.9 thousand) or (2.8%).

➤ Retirement lines increased by \$32.3 thousand or 0.5%.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Senate Operations	\$103.7	\$103.7	\$103.7	\$0.0	0.0%
General	\$103.7	\$103.7	\$103.7	\$0.0	0.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Comm. on Intergovernmental Coop.	\$1,198.0	\$0.0	\$0.0	(\$1,198.0)	-100.0%
General	\$1,198.0	\$0.0	\$0.0	(\$1,198.0)	-100.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- All staff and statutory duties and responsibilities of the Commission on Intergovernmental Cooperation were consolidated into the Legislative Research Unit as a result of legislation passed by the General Assembly and signed by the Governor. This consolidation was agreed to in the Fall 2003 Veto session and became effective February 2004.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Economic and Fiscal Commission	\$830.8	\$1,182.0	\$1,080.7	\$249.9	30.1%
General	\$830.8	\$1,182.0	\$1,080.7	\$249.9	30.1%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The Pension Laws Commission was consolidated into the Economic and Fiscal Commission as a result of legislation passed by the General Assembly and signed by the Governor. FY 2005 funding for the Illinois Economic and Fiscal Commission includes funding associated with the consolidation of statutory duties and responsibilities including existing staff associated with the merger of the Pension Laws Commission into the Economic and Fiscal Commission. FY 2005 appropriations for the Economic and Fiscal Commission also include funding related to complying with new provisions included in the State Facilities Closure Act.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
General Assembly	\$44,907.5	\$44,758.0	\$45,453.8	\$546.3	1.2%
General	\$44,407.5	\$44,258.0	\$44,953.8	\$546.3	1.2%
Other	\$500.0	\$500.0	\$500.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
General Assembly Retirement System	\$5,790.0	\$3,879.0	\$4,675.0	(\$1,115.0)	-19.3%
General	\$5,490.0	\$3,609.0	\$2,206.0	(\$3,284.0)	-59.8%
Other	\$300.0	\$270.0	\$2,469.0	\$2,169.0	723.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Joint Committee on Administrative Rules	\$1,042.0	\$1,042.0	\$1,077.0	\$35.0	3.4%
General	\$1,042.0	\$1,042.0	\$1,077.0	\$35.0	3.4%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Audit Commission	\$215.8	\$216.0	\$238.4	\$22.6	10.5%
General	\$215.8	\$216.0	\$238.4	\$22.6	10.5%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Information System	\$7,484.0	\$7,484.0	\$7,483.7	(\$0.3)	0.0%
General	\$5,884.0	\$5,884.0	\$5,883.7	(\$0.3)	0.0%
Other	\$1,600.0	\$1,600.0	\$1,600.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Printing Unit	\$2,199.0	\$2,199.0	\$2,229.5	\$30.5	1.4%
General	\$2,199.0	\$2,199.0	\$2,229.5	\$30.5	1.4%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Reference Bureau	\$2,528.0	\$2,528.0	\$2,528.1	\$0.1	0.0%
General	\$2,528.0	\$2,528.0	\$2,528.1	\$0.1	0.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Research Unit	\$1,955.0	\$3,153.0	\$2,803.7	\$848.7	43.4%
General	\$1,955.0	\$3,153.0	\$2,803.7	\$848.7	43.4%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- All staff and statutory duties and responsibilities of the Commission on Intergovernmental Cooperation were consolidated into the Legislative Research Unit as a result of legislation passed

by the General Assembly and signed by the Governor. This consolidation was agreed to in the Fall 2003 Veto session and became effective February 2004. Savings to the State were realized as a result of this initiative.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Office of the Architect of the Capitol	\$2,741.7	\$2,741.7	\$1,434.8	(\$1,306.9)	-47.7%
General	\$549.0	\$549.0	\$676.1	\$127.1	23.2%
Other	\$2,192.7	\$2,192.7	\$758.7	(\$1,434.0)	-65.4%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Pension Laws Commission	\$351.0	\$0.0	\$0.0	(\$351.0)	-100.0%
General	\$351.0	\$0.0	\$0.0	(\$351.0)	-100.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The Pension Laws Commission was consolidated into the Economic and Fiscal Commission as a result of legislation passed by the General Assembly and signed by the Governor. This consolidation was agreed to in the Fall 2003 Veto session and became effective February 2004. Savings to the State were realized as a result of this initiative.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Legislative Agency Totals	\$91,439.3	\$88,990.4	\$88,844.6	(\$2,594.7)	-2.8%
General	\$72,722.6	\$70,692.7	\$69,781.8	(\$2,940.8)	-4.0%
Other	\$18,716.7	\$18,297.7	\$19,062.8	\$346.1	1.8%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Attorney General	\$64,916.7	\$65,066.7	\$68,538.9	\$3,622.2	5.6%
General	\$39,638.7	\$39,788.7	\$41,222.4	\$1,583.7	4.0%
Other	\$22,278.0	\$22,278.0	\$24,316.5	\$2,038.5	9.2%
Federal	\$3,000.0	\$3,000.0	\$3,000.0	\$0.0	0.0%

- The FY 05 budget for the Attorney General represents an increase of +\$3.6 million (+5.6%) from the FY 04 appropriation level of \$64.9 million all funds. GRF appropriations increase by +\$1.6 million as compared to FY 04. Increases include: Violent Crime Victims Assistance Act

(+\$500.0 thousand OSF), Inspector General (+ \$150.0 thousand GRF), Capital Litigation Trust Fund (+\$600.0 thousand).

- Asbestos Litigation Division increases by \$339.3 thousand or 3.5%.
- Planning, research and operation for the Sex Offender Management Program increases by \$250.0 thousand or 50%.
- Child Support Enhancement increases by \$80.0 thousand or 40%.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Comptroller	\$54,363.2	\$54,614.2	\$54,926.4	\$563.2	1.0%
General	\$51,992.2	\$52,447.7	\$53,131.6	\$1,139.4	2.2%
Other	\$2,074.0	\$1,861.8	\$1,482.3	(\$591.7)	-28.5%
Federal	\$297.0	\$304.7	\$312.5	\$15.5	5.2%

- The Comptroller's FY 05 appropriation for operations totals \$26.4 million all funds which is level with FY 04. This increase can be attributed to retirement line recalculations. The FY 05 appropriation for the Inspector General of the Comptroller's Office is increasing by +\$100.0 thousand, bringing the appropriation level up to \$250.0 thousand GRF. This represents a +66.7% increase compared with the FY 04 appropriation of \$150.0 thousand GRF.
- The FY 05 appropriation for State Officers Salaries represents a decrease of -\$266.3 thousand (-0.9%) from the FY 04 appropriation level of \$28.8 million all funds. This also represents a -\$517.3 thousand decrease from the Governor's introduced level of \$29.0 million all funds. The GRF appropriation increases \$209.9 thousand (+0.8%) as compared to FY 04.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Governor	\$8,652.0	\$8,270.0	\$8,241.3	(\$410.7)	-4.7%
General	\$8,552.0	\$8,170.0	\$8,141.3	(\$410.7)	-4.8%
Other	\$100.0	\$100.0	\$100.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget for the Office of the Governor represents a decrease of -\$410.7 thousand (-4.7%) from the FY 04 appropriation level of \$8,652.0 thousand all funds.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Lieutenant Governor	\$2,666.0	\$2,613.6	\$2,569.3	(\$96.7)	-3.6%
General	\$2,516.0	\$2,463.6	\$2,419.3	(\$96.7)	-3.8%
Other	\$150.0	\$150.0	\$150.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget for the Lt. Governor represents a decrease of -\$96.7 thousand (-3.6%) from the FY 04 appropriation level of \$2.7 million all funds. After the adjustment for the Pension Obligation Bond, the FY 05 appropriation is a reduction of 4.0% from the Governor's introduced GRF level. Rural Affairs Council/Main Street Programs are appropriated \$464.8 thousand. This is an increase of +\$64.8 thousand (+16.2%) GRF compared to the FY 04 appropriated level. The Illinois River Coordinating Council is funded level with FY 04.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Secretary of State	\$335,135.1	\$362,092.2	\$344,072.2	\$8,937.1	2.7%
General	\$123,427.0	\$123,426.8	\$126,386.0	\$2,959.0	2.4%
Other	\$202,253.6	\$228,265.9	\$208,231.7	\$5,978.1	3.0%
Federal	\$9,454.5	\$10,399.5	\$9,454.5	\$0.0	0.0%

- The FY 05 budget for the Secretary of State represents an increase of \$8.9 million all funds from the FY 04 appropriation level of \$335.1 million. GRF appropriation represents a slight increase of \$2.96 million. This increase is due to pension calculation increases.
- Secretary of State Special Services Fund decreases (\$2.3) million or (16.7%).

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Treasurer	\$1,129,577.5	\$1,696,220.2	\$1,696,921.7	\$567,344.2	50.2%
General	\$17,870.0	\$22,913.6	\$23,470.1	\$5,600.1	31.3%
Other	\$1,111,707.5	\$1,673,306.6	\$1,673,451.6	\$561,744.1	50.5%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget for the Office of the Treasurer represents an increase of \$567.3 million (+50.2%) from the FY 04 appropriation level. GRF appropriations increase by +\$5.6 million (+31.3%) as compared to FY 04. GRF office operations increase \$127 thousand for the retirement recalculation. This also represents a +\$300.0 thousand increase from the Governor's introduced level to fund an Inspector General.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Board of Elections	\$82,691.8	\$90,682.5	\$155,318.1	\$72,626.3	87.8%
General	\$7,691.8	\$10,171.5	\$10,318.1	\$2,626.3	34.1%
Other	\$0.0	\$0.0	\$5,000.0	\$5,000.0	100.0%
Federal	\$75,000.0	\$80,511.0	\$140,000.0	\$65,000.0	86.7%

- Spending authority is being appropriated for the Help America Vote Act to accommodate anticipated additional federal funds in FY 05, along with sufficient spending authority to distribute funds received but not spent in FY 04. The State Board of Elections is expected to receive \$140 million in federal funds in FY 05. Appropriations in FY 04 totaled \$75 million.

- A total of \$5.0 million in Capital Development Fund is included in the State Board of Elections budget to provide a 5.0% state match to the federal government in order to receive the above mentioned \$140.0 million federal funds. These new funds will be used to provide grants to local governments for the purchase of handicapped accessible polls. All polling places must have at least one handicap accessible poll before January 2006 under rules of the Help America Vote Act.
- A grant for Reimbursements to Local Jurisdictions for Election Judges is included totaling \$3.45 million GRF in FY 05 which represents an increase of +\$2.1 million (+152.9%) above the FY 04 appropriation of \$1.4 million.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Constitutional Officer Totals	\$1,678,002.3	\$2,279,559.4	\$2,330,587.9	\$652,585.6	38.9%
General	\$251,687.7	\$259,381.9	\$265,088.8	\$13,401.1	5.3%
Other	\$1,338,563.1	\$1,925,962.3	\$1,912,732.1	\$574,169.0	42.9%
Federal	\$87,751.5	\$94,215.2	\$152,767.0	\$65,015.5	74.1%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Judges Retirement System	\$36,526.0	\$27,820.0	\$31,991.0	(\$4,535.0)	-12.4%
General	\$34,996.0	\$26,430.0	\$15,090.0	(\$19,906.0)	-56.9%
Other	\$1,530.0	\$1,390.0	\$16,901.0	\$15,371.0	1004.6%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Judicial Inquiry Board	\$671.0	\$676.5	\$687.9	\$16.9	2.5%
General	\$671.0	\$676.5	\$687.9	\$16.9	2.5%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Appellate Defender	\$22,481.0	\$24,734.3	\$22,556.3	\$75.3	0.3%
General	\$19,053.0	\$20,675.8	\$19,128.3	\$75.3	0.4%
Other	\$2,903.0	\$3,358.5	\$2,903.0	\$0.0	0.0%
Federal	\$525.0	\$700.0	\$525.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State's Attorneys Appellate Prosecutor	\$15,444.3	\$15,809.0	\$15,546.3	\$102.0	0.7%
General	\$7,426.0	\$7,718.8	\$7,509.8	\$83.8	1.1%
Other	\$5,218.3	\$5,290.2	\$5,236.5	\$18.2	0.3%
Federal	\$2,800.0	\$2,800.0	\$2,800.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Supreme Court	\$301,681.3	\$352,754.0	\$302,453.5	\$772.2	0.3%
General	\$288,569.3	\$339,117.2	\$289,341.2	\$771.9	0.3%
Other	\$13,112.0	\$13,636.8	\$13,112.3	\$0.3	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget for the Supreme Court represents an increase of +\$772.2 thousand (+0.3%) above the FY 04 appropriation level of \$301,681.6 thousand (all funds). GRF appropriations increase by +\$771.9 thousand (+0.3%) as compared to FY 04. This also represents a \$50.3 million decrease from the Court's request of \$352.8 million (all funds). The FY 05 appropriation for judicial salaries totals \$123.1 million. This represents the same level of appropriation as FY 04. The appropriation does not include an additional \$21.3 million to appropriate a 12% COLA increase for Judges' compensation as originally requested by the Court.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Court of Claims	\$41,665.1	\$40,468.8	\$48,127.3	\$6,462.2	15.5%
General	\$37,596.4	\$36,036.7	\$36,651.3	(\$945.1)	-2.5%
Other	\$3,797.2	\$4,157.9	\$10,679.0	\$6,881.8	181.2%
Federal	\$271.5	\$274.2	\$797.0	\$525.5	193.6%

- The awards portion for the Court of Claims totals \$46,562.9 thousand and \$35,386.9 thousand is GRF. The awards money is comprised of both direct pay and special awards.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Judicial Agency Totals	\$418,468.7	\$462,262.6	\$421,362.3	\$2,893.6	0.7%
General	\$388,311.7	\$430,655.0	\$368,408.5	(\$19,903.2)	-5.1%
Other	\$26,560.5	\$27,833.4	\$48,831.8	\$22,271.3	83.9%
Federal	\$3,596.5	\$3,774.2	\$4,122.0	\$525.5	14.6%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Aging	\$330,245.7	\$401,744.0	\$397,110.6	\$66,864.9	20.2%
General	\$263,030.7	\$325,748.0	\$320,956.0	\$57,925.3	22.0%
Other	\$1,145.0	\$10,036.0	\$10,035.9	\$8,890.9	776.5%
Federal	\$66,070.0	\$65,960.0	\$66,118.7	\$48.7	0.1%

- The FY 05 budget includes \$66.3 million for the transfer of the Circuit Breaker Program from the Department of Revenue to the Department on Aging. This request represents a decrease of -\$1.3 million (-2.0%) below the FY 04 appropriation of \$67.6 million. The reduction is reflective of the 2.5% Department reduction and the elimination of the \$4.5 thousand Motor Fuel Tax funds from the Circuit Breaker funding.
- The FY 05 budget includes \$15.9 million for Adult Day Services. This represents an increase of \$1.89 million (+13.2%) above the FY 04 appropriation of \$14.0 million. The increase will fund the estimated increase in caseload as a result of the asset level increase.
- The FY 05 budget includes \$27.3 million for Case Coordination Units. This represents an increase of +\$278.0 thousand (+1.0%) above the FY 04 appropriation of \$27.0 million. The increase will fund the estimated increase in caseload as a result of the asset level increase.
- The FY 05 budget includes \$8,898.2 thousand for Elder abuse & Neglect. This represents an increase of \$1.7 million (+23.3%) above the FY 04 appropriation of \$7.2 million. The majority of the increase, \$1.5 million, is to increase rates for the Community Elder Abuse Program. The current per case rate for Investigation is \$296 and will increase to \$472. The current per case rate for Casework is \$373 and will increase \$501. Finally, the case rate for Follow-up will increase from \$64 to \$133.
- The Talented Older Persons Schools program was eliminated.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Agriculture	\$108,615.2	\$78,325.0	\$95,613.3	(\$13,001.9)	-12.0%
General	\$45,533.9	\$34,393.0	\$40,621.3	(\$4,912.6)	-10.8%
Other	\$53,185.1	\$36,847.0	\$45,298.5	(\$7,886.6)	-14.8%
Federal	\$9,896.2	\$7,085.0	\$9,693.5	(\$202.7)	-2.0%

- The FY 05 budget appropriates \$3.5 million GRF to the Council for Food and Agriculture Research (C-FAR). This appropriation represents a decrease of -\$1.5 million (-30.0%) from the FY 04 appropriation of \$5.0 million GRF. The Governor's introduced budget eliminated funding for C-FAR.
- The FY 05 budget appropriates \$11.4 million OSF for Cooperative Extension Service County Board Match. This appropriation represents an increase of +\$1.05 million (+10.2%) from the FY 04 appropriation of \$10.3 million OSF. The appropriation provides for a 100% state match of county board funding for Cooperative Extension offices.

- \$200.0 thousand add back to the Wineries Program for the development of the Illinois Grape Industry.
- \$1,881.2 thousand was removed from the Agriculture Education Program from the Department and placed back in the ISBE budget.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Central Management Services	\$3,411,443.7	\$3,457,483.9	\$3,400,074.4	(\$11,369.3)	-0.3%
General	\$1,040,593.8	\$1,096,357.7	\$1,034,814.9	(\$5,778.9)	-0.6%
Other	\$2,370,849.9	\$2,361,126.2	\$2,365,259.5	(\$5,590.4)	-0.2%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- Funding for some education technology networks reduced by 20% due to an increase in network efficiency.
- \$15 million removed for the payments of the Thompson Center mortgage.
- \$600.0 thousand in contractual spending reduced from the property management division.
- All pension line items increased to reflect full funding of the pension systems.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Children and Family Services	\$1,357,901.8	\$1,406,208.0	\$1,280,089.1	(\$77,812.7)	-5.7%
General	\$819,432.8	\$907,241.0	\$780,947.4	(\$38,485.4)	-4.7%
Other	\$520,586.0	\$480,599.0	\$480,774.1	(\$39,811.9)	-7.6%
Federal	\$17,883.0	\$18,368.0	\$18,367.6	\$484.6	2.7%

- The FY 05 budget appropriates \$175.7 million GRF for Adoption & Guardianship Services. This represents an increase of +\$7.2 million (+4.2%) above the FY 04 appropriation of \$168.6 million. The Department states that the increase in funding is a result of growth in the number of subsidies to families through post adoption and guardianship services as more adoptions and guardianships are legally consummated.
- The FY 05 budget appropriates \$2.2 million GRF for Children Advocacy Centers (CAC's) which represents an increase +\$287.7 thousand (+10.0%) above the FY 04 appropriation of \$1.9 million. The Department currently provides partial support for 33 CAC's serving 69 counties. The increase will result in funding for 2 additional centers for a total of 35 centers that will serve 79 of the 102 Illinois counties.
- 2.25% reduction to all GRF lines, with the following grant line exceptions:
 - Foster Homes and Specialized Foster Care and Prevention;
 - Counseling & Auxiliary Services;
 - Institution & Group Home Care and Prevention;
 - Purchase of Adoption/Guardianship Services;
 - Psychological Assessments; and
 - Protective/Family Maintenance.

- Some of these grant programs were decreased by set amounts in GRF, but increased by that same amount in Children Services Fund, so there will be no negative affect on the program.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Commerce and Economic Opportunity	\$1,393,241.7	\$893,592.3	\$852,810.7	(\$540,431.0)	-38.8%
General	\$67,424.0	\$99,575.3	\$57,805.1	(\$9,618.9)	-14.3%
Other	\$477,630.6	\$171,482.0	\$172,045.4	(\$305,585.2)	-64.0%
Federal	\$848,187.1	\$622,535.0	\$622,960.2	(\$225,226.9)	-26.6%

- The Governor's initiative to fund economic development and job creation programs is put on hold and is not included in the budget framework. The Governor's initiative for FY 05 totaled \$46.1 million GRF.
- The FY 04 budget included \$2.4 million GRF for the State's Entrepreneurship Centers. This represents a decrease of \$100.0 thousand from the FY 04 level of \$2.5 million, reflective of the 4% cut.
- Not included in the Governor's introduced budget, the FY 05 budget includes a restoration for Tourism Funding in DCEO totaling \$25.3 million OSF. This level is consistent with the FY 04 appropriation. The total for the Tourism lines in FY 05 is approximately \$44 million.
- A total of \$17.5 million GRF is included in DCEO's FY 05 budget for the Employer Training Investment Program (ETIP). The program is made up of two components: Small/Midsize Company (businesses with less than 250 employees) and Large Company (businesses with greater than 250 employees). ETIP for greater than 250 employees are to receive \$14.9 million in FY 05 compared to \$9.5 million in FY 04, an increase of +\$5.4 million (+56.5%). The Governor included \$20.0 million in the original FY 05 budget proposal. ETIP for less than 250 employees are to receive \$2.6 million in FY 05 compared to \$5.0 million in FY 04 a decrease of -\$2.4 million (-48.2%). The Governor included \$5.0 million in the original FY 05 budget proposal.
- The Coal Development & Marketing Bureau appropriation totals \$25.3 million in FY 05. This represents an increase of \$1.7 million (+7.3%) compared to the FY 04 appropriation of \$24.1 million.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Corrections	\$1,417,137.9	\$1,342,872.6	\$1,359,440.4	(\$57,697.5)	-4.1%
General	\$1,270,028.9	\$1,177,515.6	\$1,191,201.6	(\$78,827.3)	-6.2%
Other	\$147,109.0	\$165,357.0	\$168,238.8	\$21,129.8	14.4%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget includes \$31.9 million GRF for the Vandalia Correctional Center. This represents a decrease of -\$2.3 million (-6.8%) compared to the FY 04 level of \$34.2 million. The Governor's budget proposal closed the Vandalia facility.

- The FY 05 budget includes \$51.9 million GRF for Pontiac Correctional Center. This represents a decrease of -\$2.9 million (-5.3%) compared to the FY 04 level of \$54.8 million.
- The FY 05 budget includes \$45.4 million GRF for Sheridan Correctional Center. This is an increase of +\$21.6 million (+90.7%) compared to the FY 04 appropriated level of \$23.8 million. FY 05 will be the first full year of operation for Sheridan since its closure in August 2003 (FY 03). Sheridan reopened January 2004. The facility is scheduled to reach full capacity in August 2004.
- The FY 05 budget includes \$24.2 million GRF funding for the St. Charles Youth Facility for FY 05. This is a decrease of -\$2.6 million (-9.6%) compared to the FY 04 appropriated level. The FY 05 appropriation is \$12.1 million greater than the Governor's introduced recommendation of \$12.1 million which only included funding for the first half of FY 05. However, the Governor has agreed with the full funding level for this facility.
- The FY 05 budget includes \$300.0 thousand GRF to provide enhanced evaluation and treatment services for sex offenders, consistent with new standards set by the Sex Offender Management Board per P.A. 93-0616. This is -\$12.4 million less than the Governor's recommended level of \$12.7 million.
- The FY 05 budget includes an \$8.5 million grant to the Cook County Sheriff's Office for a \$7.5 million grant for the Cook County Juvenile Temporary Detention Center (JTDC) and a \$1.0 million grant for the Cook County Boot Camp. This funding was not included in the Governor's recommended level, but the Governor is in agreement with this inclusion.
- The Governor's introduced level for each facility included Commodities and Contractual Services lines that were funded in order to accommodate the Food Consolidation Proposal which would contract a private vendor to assume the responsibility of purchasing and maintaining and inventory of all food for the Department. This is currently performed by CMS. The FY 05 budget does not include funding for the Food Consolidation Proposal thus allowing the food service responsibilities to remain within CMS and the Department.
- The FY 05 budget appropriates \$2.6 million all funds for Operation Ceasefire Grants. Cease Fire is a partnership between community-based organizations, residents, clergy, law enforcement, business and civic leaders, and corporate and philanthropic organizations in targeted Cease Fire Zones. This program was not funded in the FY 04 budget or the Governor's introduced proposal. \$600 thousand of the total appropriation is GRF.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Employment Security	\$309,499.6	\$295,753.0	\$303,703.1	(\$5,796.5)	-1.9%
General	\$16,772.6	\$21,634.0	\$20,768.6	\$3,996.0	23.8%
Other	\$2,018.0	\$1,917.0	\$1,916.7	(\$101.3)	-5.0%
Federal	\$290,709.0	\$272,202.0	\$281,017.8	(\$9,691.2)	-3.3%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Human Rights	\$10,671.9	\$10,718.0	\$11,164.9	\$493.0	4.6%
General	\$8,206.9	\$8,301.0	\$8,617.9	\$411.0	5.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$2,465.0	\$2,417.0	\$2,547.0	\$82.0	3.3%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Human Services	\$5,043,950.2	\$5,245,596.0	\$5,126,491.3	\$82,541.1	1.6%
General	\$3,702,976.9	\$3,860,715.0	\$3,768,636.0	\$65,659.1	1.8%
Other	\$430,217.0	\$468,588.0	\$429,126.6	(\$1,090.4)	-0.3%
Federal	\$910,756.3	\$916,293.0	\$928,728.7	\$17,972.4	2.0%

- The FY 05 budget appropriates \$562.9 million GRF for Child Care Services. This appropriation represents an increase of +\$25.5 million (+5.1%) above the FY 04 appropriation of \$537.4 million. \$45.3 million in FY 04 bills will be paid in FY 05 and the Department estimates that \$45.5 million of FY 05 bills will be paid in FY 06.
- The FY 05 budget appropriates \$2.0 million GRF for Redeploy Illinois. Allocated funds will be based on a formula that rewards local jurisdictions for the establishment or expansion of local alternatives and requires them to pay for utilization of incarceration as a sanction.
- The FY 05 budget appropriates \$3.0 million to the Illinois Coalition for Immigrant and Refugee Rights to establish the New Americans Initiative. This new initiative for FY 05 will utilize community-based immigrant serves organizations to provide citizenship counseling, legal counseling, and English preparation and civics training.
- The FY 05 budget appropriates \$1.056 billion for Developmental Disability (DD) Grants. This represents an increase of +\$75.8 million (+7.7%) above the FY 04 appropriation of \$980.2 million.
- The FY 05 budget appropriates \$350.2 million GRF for the Home Services Program. This appropriation represents an increase of +\$29.1 million (+9.1%) increase from the FY 04 appropriation of \$321.1 million. The recommended increase will also allow for a Homemaker and Personal Assistance provider rate increase to match the increases provided in FY 04 to the Department on Aging homemakers and P.A.'s. The rate will increase from \$10.56 to \$11.06.
- The FY 05 budget appropriates \$1.15 billion GRF for Prescribed Drugs Program. This represents an increase of +\$104.2 million (+10.0%) above the FY 04 appropriation of \$1.04 billion. The increase is reflective of the maintenance growth of the Medicaid program as well as an expansion of the FamilyCare program (see above).

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Labor	\$6,182.0	\$6,053.0	\$6,006.2	(\$175.8)	-2.8%
General	\$6,036.0	\$5,895.0	\$5,848.5	(\$187.5)	-3.1%
Other	\$146.0	\$158.0	\$157.7	\$11.7	8.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Military Affairs	\$42,279.7	\$37,216.0	\$37,026.1	(\$5,253.6)	-12.4%
General	\$15,149.0	\$12,770.0	\$12,568.2	(\$2,580.8)	-17.0%
Other	\$9,304.9	\$6,461.0	\$6,461.2	(\$2,843.7)	-30.6%
Federal	\$17,825.8	\$17,985.0	\$17,996.7	\$170.9	1.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Natural Resources	\$618,971.6	\$190,068.0	\$218,141.5	(\$400,830.1)	-64.8%
General	\$109,901.3	\$96,428.0	\$92,380.3	(\$17,521.0)	-15.9%
Other	\$482,796.3	\$85,506.0	\$118,149.9	(\$364,646.4)	-75.5%
Federal	\$26,274.0	\$8,134.0	\$7,611.3	(\$18,662.7)	-71.0%

- The Open Space Land Acquisition and Development program is restored to the FY 04 level. \$1.1 million OSF is appropriated for administrative costs of the program. Also, the Natural Areas Acquisition Program is appropriated \$4.98 million OSF which is a slight increase over FY 04. The Governor's introduced budget eliminated funding for OSLAD and Natural Areas Acquisition. The OSLAD and Natural Areas grants will be administered by DNR with the funding from CDB.
- The FY 05 budget for DNR includes \$29 million in Capital Development Funds for construction of the World Shooting Complex in Sparta. The facility is expected to be complete by August 2006. The World Shooting Complex is part of the Governor's Opportunity Returns economic development plan for Southwest Illinois. The Department of Natural Resources is coordinating development of the project and will ultimately manage the facility.
- The FY 05 budget appropriates \$1.5 million OSF for operations and maintenance of new or expanded sites. This program is a new initiative of the Governor for FY 05 to hire additional staff at new or expanded sites throughout the state. Funding for this program is provided for by a recent increase in camping fees. The amended budget does not include \$2.1 million GRF for operation of new or expanded site, which was included in the Governor's introduced budget.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Dept. of Financial and Professional Reg.	\$100,910.5	\$85,835.0	\$90,372.2	(\$10,538.3)	-10.4%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$100,210.5	\$85,235.0	\$89,772.2	(\$10,438.3)	-10.4%
Federal	\$700.0	\$600.0	\$600.0	(\$100.0)	-14.3%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Public Aid	\$9,949,977.8	\$11,998,789.8	\$11,778,969.9	\$1,828,992.1	18.4%
General	\$5,705,080.4	\$6,266,377.7	\$6,041,801.5	\$336,721.1	5.9%
Other	\$4,244,897.4	\$5,732,412.1	\$5,737,168.4	\$1,492,271.0	35.2%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The FY 05 budget appropriates \$5.894 billion GRF for Medical Programs. This represents an increase of +\$345.8 million (+6.2%) above the FY 04 appropriation of \$5.548 billion. The increase is reflective of the maintenance growth of the Medicaid program as well as an expansion of the FamilyCare program (see below). The payment cycle during FY 05 will begin around 30 days but is expected to average 60 days by the second half of FY 05.
- The FY 05 budget includes +\$66 million gross (\$23 million state net) liability to expand the FamilyCare Program (distributed throughout the Medicaid lines). The increase will raise the income limit from 90% of the Federal Poverty Level (FPL) to 133%. An additional 77,000 parents are projected to be eligible for health care benefits with an estimated 113,856 parents projected to enroll by the end of FY 05.
- The FY 05 budget appropriates \$27.5 million (\$13.8 million state net) for the reinstatement of the Nursing Home Rate. In FY 03 then Governor Ryan reduced the Nursing Home rate by 5.9%. This appropriation will reinstate 3.0% of the original reduction

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Public Health	\$347,695.2	\$354,831.0	\$359,503.7	\$11,808.5	3.4%
General	\$117,159.0	\$121,206.0	\$124,707.0	\$7,548.0	6.4%
Other	\$64,664.0	\$65,824.0	\$65,902.3	\$1,238.3	1.9%
Federal	\$165,872.2	\$167,801.0	\$168,894.4	\$3,022.2	1.8%

- The FY 05 budget includes \$6.2 million for the Breast and Cervical Cancer Screening Program. This represents an increase of \$2 million (+51.2%) above the FY 04 level of \$4.2 million
- The FY 05 budget includes nearly \$16 million for the AIDS Drug Assistance Program which represents an increase of \$3.1 million. These additional funds will expand the types of drugs covered by the program and cover projected caseload increases in FY 05.

- \$3.0 million is included for Minority AIDS prevention. This is an increase of \$1.0 million (+50%) over the FY 04 appropriation of \$2.0 million).
- The FY 05 budget includes a new appropriation of \$700.0 thousand for the Save-A-Life program. The mission of the program is to heighten public awareness through the promotion and training of basic life supporting first aid skills. Although there was no funding for this program in the Department's FY 04 budget, they did receive funding in FY 03 for \$600.0 thousand.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Revenue	\$1,135,451.6	\$976,663.8	\$971,716.8	(\$163,734.8)	-14.4%
General	\$172,721.9	\$138,629.8	\$133,158.7	(\$39,563.2)	-22.9%
Other	\$962,729.7	\$838,034.0	\$838,558.1	(\$124,171.6)	-12.9%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Police	\$376,190.8	\$350,291.0	\$349,119.3	(\$27,071.5)	-7.2%
General	\$198,860.9	\$173,907.0	\$171,647.8	(\$27,213.1)	-13.7%
Other	\$164,829.9	\$147,834.0	\$148,059.3	(\$16,770.6)	-10.2%
Federal	\$12,500.0	\$28,550.0	\$29,412.2	\$16,912.2	135.3%

- The FY 05 budget includes \$2.1 million GRF to fund two cadet classes of 50 cadets each. The classes will be partially funded via a COPS Universal federal grant. The classes are scheduled to begin July 11, 2004 and September 26, 2004. This increase is in accordance with the Governor's recommended level.
- The FY 05 budget includes \$3.8 million all funds to accommodate the transfer of 11 Illinois Commerce Commission (ICC) and 28 Central Management Service (CMS) sworn officers. This is reflective of the Governor's recommendation.
- The FY 05 budget includes \$2.0 million OSF for the Wireless Services Program which includes the STARCOM21 system. This is an increase of +\$1.5 million compared to the FY 04 estimated expenditures of \$490.0 thousand. Of the \$2.0 million, \$1.2 million will be expended for costs directly related to the STARCOM21 system. The remaining \$800.0 thousand will be expended for operational support of the Wireless Services Program.
- The FY 05 budget includes \$4.1 million GRF for the continuation of the Combined DNA Indexing System (CODIS) per P.A. 92-829. This is an increase of +\$27.9 thousand (+0.7%) compared to FY 04. The FY 05 appropriation will be used to analyze all samples in-house and to eliminate the need for outsourcing.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Transportation	\$7,879,634.9	\$1,988,844.0	\$1,992,414.2	(\$5,887,220.7)	-74.7%
General	\$83,320.8	\$56,710.0	\$56,763.3	(\$26,557.5)	-31.9%
Other	\$7,384,557.8	\$1,917,667.0	\$1,921,063.3	(\$5,463,494.5)	-74.0%
Federal	\$411,756.3	\$14,467.0	\$14,587.6	(\$397,168.7)	-96.5%

- The FY 05 appropriation from the Downstate Public Transit Fund for operating assistance to 16 Downstate Urbanized Transit systems totals \$55.1 million, an increase of \$5 million. All entities currently funded would receive a 10% annual increase. Districts that would have received assistance for the first time or assistance beyond the 10% under the Opportunity Returns initiative would not be included in this appropriation.
- The FY 05 budget includes a slight decrease of \$2 million for the RTA reduced fares line item. The FY 04 appropriation was \$40 million. The appropriation covers fare reimbursements to the RTA for discounted fares to students, the elderly and persons with disabilities.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Veterans' Affairs	\$79,853.6	\$80,456.0	\$83,342.7	\$3,489.1	4.4%
General	\$38,557.6	\$40,168.0	\$41,230.3	\$2,672.7	6.9%
Other	\$40,505.0	\$39,183.0	\$40,971.0	\$466.0	1.2%
Federal	\$791.0	\$1,105.0	\$1,141.4	\$350.4	44.3%

- The FY 05 budget appropriates \$4.9 million for the Anna Veteran's Home operations. This represents an increase of +\$528.2 thousand (+12.0%) above the FY 04 appropriation of \$4.4 million. The Department assumed operation of the Home and its 71 employees on April 1, 2004.
- The FY 05 budget appropriates \$5.5 million for the LaSalle Veterans' Home. This represents an increase of +\$1.2 million (+28.3%) above the FY 04 appropriation of \$4.3 million. The increases are reflective of increased personal services and retirement contribution calculations.
- The FY 05 budget appropriates \$15.4 million for the Quincy Veterans' Home. This represents an increase of +\$1.8 million (+13.3%) above the FY 04 appropriation of \$13.6 million. The increases are reflective of increased personal services and retirement contribution calculations.
- The FY 05 budget appropriates \$8.8 million for the Manteno Veterans' Home. This represents a decrease of -\$1.2 million (-11.9%) below the FY 04 appropriation of \$9.97 million. The decreases are reflected within the personal services and related line items.
- The FY 05 budget appropriates \$250.0 thousand from the Illinois Military Family Relief Fund to the Department for the payment of benefits authorized under the Survivor's Compensation Act. Grants are awarded through the Department of Military Affairs.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Department Totals	\$33,919,855.4	\$29,201,340.4	\$28,713,110.4	(\$5,206,745.0)	-15.4%
General	\$13,680,787.4	\$14,443,572.1	\$13,904,474.4	\$223,687.0	1.6%
Other	\$17,457,382.1	\$12,614,266.3	\$12,638,958.9	(\$4,818,423.2)	-27.6%
Federal	\$2,781,685.9	\$2,143,502.0	\$2,169,677.1	(\$612,008.8)	-22.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Arts Council	\$19,568.5	\$18,503.0	\$19,604.2	\$35.7	0.2%
General	\$18,893.5	\$17,762.0	\$18,863.2	(\$30.3)	-0.2%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$675.0	\$741.0	\$741.0	\$66.0	9.8%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Office of Management & Budget	\$265,227.0	\$274,094.5	\$274,087.0	\$8,860.0	3.3%
General	\$3,304.0	\$3,171.5	\$3,164.0	(\$140.0)	-4.2%
Other	\$261,923.0	\$270,923.0	\$270,923.0	\$9,000.0	3.4%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Executive Ethics Commission	\$0.0	\$0.0	\$650.0	\$650.0	100.0%
General	\$0.0	\$0.0	\$650.0	\$650.0	100.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Off. Of Executive Inspector General	\$4,126.0	\$5,977.0	\$5,737.7	\$1,611.7	39.1%
General	\$4,126.0	\$5,977.0	\$5,737.7	\$1,611.7	39.1%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Capital Development Board Ops	\$13,729.2	\$13,955.0	\$13,971.7	\$242.5	1.8%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$13,729.2	\$13,955.0	\$13,971.7	\$242.5	1.8%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Civil Service Commission	\$418.0	\$394.0	\$391.9	(\$26.1)	-6.2%
General	\$418.0	\$394.0	\$391.9	(\$26.1)	-6.2%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Council on Developmental Disabilities	\$4,196.0	\$4,117.0	\$4,174.0	(\$22.0)	-0.5%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$4,196.0	\$4,117.0	\$4,174.0	(\$22.0)	-0.5%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Criminal Justice Information Authority	\$134,981.0	\$133,305.0	\$132,844.6	(\$2,136.4)	-1.6%
General	\$5,675.0	\$4,935.0	\$4,398.0	(\$1,277.0)	-22.5%
Other	\$29,067.0	\$28,131.0	\$28,207.7	(\$859.3)	-3.0%
Federal	\$100,239.0	\$100,239.0	\$100,238.9	(\$0.1)	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Deaf and Hard of Hearing Commission	\$637.0	\$643.0	\$651.2	\$14.2	2.2%
General	\$637.0	\$643.0	\$651.2	\$14.2	2.2%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Dry. Environ. Response Tr. Fd. Coun.	\$5,980.3	\$8,000.0	\$8,000.0	\$2,019.7	33.8%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$5,980.3	\$8,000.0	\$8,000.0	\$2,019.7	33.8%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
East St. Louis Financial Advisory Authority	\$254.0	\$254.0	\$243.4	(\$10.6)	-4.2%
General	\$254.0	\$254.0	\$243.4	(\$10.6)	-4.2%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Environmental Protection Agency	\$1,203,186.6	\$1,092,252.7	\$1,339,078.2	\$135,891.6	11.3%
General	\$2,796.7	\$2,945.9	\$795.1	(\$2,001.6)	-71.6%
Other	\$1,144,854.0	\$1,028,455.8	\$1,278,032.3	\$133,178.3	11.6%
Federal	\$55,535.9	\$60,851.0	\$60,250.8	\$4,714.9	8.5%

- The FY 05 budget provides just over \$1 billion from the Water Revolving Fund for low interest loans for water infrastructure projects. This appropriation represents an increase of +\$223.4 million (+28.6%) above the FY 04 appropriation of \$779.8 million OSF. The total FY 05 appropriation includes a new appropriation of \$425.0 million OSF, which is an increase of +\$75.0 million (+21.4%) over the FY 04 new appropriation of \$350.0 million OSF. The program provides low interest loans to units of local government for construction of drinking water and wastewater facilities.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Guardianship and Advocacy Commission	\$8,599.5	\$8,220.0	\$8,234.3	(\$365.2)	-4.2%
General	\$8,406.3	\$8,032.0	\$8,046.6	(\$359.7)	-4.3%
Other	\$193.2	\$188.0	\$187.7	(\$5.5)	-2.8%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Historic Preservation Agency	\$22,253.3	\$24,465.0	\$24,741.7	\$2,488.4	11.2%
General	\$13,739.3	\$13,260.0	\$13,504.2	(\$235.1)	-1.7%
Other	\$8,514.0	\$11,205.0	\$11,237.5	\$2,723.5	32.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Commerce Commission	\$50,116.0	\$121,487.0	\$125,878.8	\$75,762.8	151.2%
General	\$408.0	\$408.0	\$391.9	(\$16.1)	-3.9%
Other	\$49,708.0	\$121,079.0	\$125,486.9	\$75,778.9	152.4%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Emergency Management Agency	\$407,293.0	\$476,131.0	\$478,117.2	\$70,824.2	17.4%
General	\$7,899.0	\$4,883.0	\$5,420.3	(\$2,478.7)	-31.4%
Other	\$29,439.1	\$27,014.0	\$28,462.6	(\$976.5)	-3.3%
Federal	\$369,954.9	\$444,234.0	\$444,234.3	\$74,279.4	20.1%

- IEMA is being appropriated \$281.1 million in federal funds for Terrorism Preparedness and Training. This is an increase of +\$84.2 million (+42.0%) from the FY 04 appropriation of \$196.9 million. The program coordinates between State, Federal, and Local Governments in their efforts on preparing for the consequences of an act of terrorism involving a weapon of mass destruction.
- The FY 05 budget appropriates \$436.6 thousand to IEMA for Kankakee, LaSalle, Putnam, and Will counties from the Build Illinois Bond Fund for costs associated with the Utica Tornado disaster that occurred earlier this year.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Labor Relations Board	\$1,665.0	\$1,958.0	\$1,941.6	\$276.6	16.6%
General	\$1,665.0	\$1,958.0	\$1,941.6	\$276.6	16.6%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Educational Labor Relations Board	\$1,469.0	\$1,463.0	\$1,458.7	(\$10.3)	-0.7%
General	\$1,469.0	\$1,463.0	\$1,458.7	(\$10.3)	-0.7%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Industrial Commission	\$13,746.0	\$15,471.0	\$16,320.1	\$2,574.1	18.7%
General	\$4,023.0	\$0.0	\$0.0	(\$4,023.0)	-100.0%
Other	\$9,723.0	\$15,471.0	\$16,320.1	\$6,597.1	67.9%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Law Enforcement Training Standards Bd	\$14,968.0	\$12,987.0	\$13,687.6	(\$1,280.4)	-8.6%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$14,968.0	\$12,987.0	\$13,687.6	(\$1,280.4)	-8.6%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Medical District Commission	\$4,213.0	\$200.0	\$192.0	(\$4,021.0)	-95.4%
General	\$500.0	\$200.0	\$192.0	(\$308.0)	-61.6%
Other	\$3,713.0	\$0.0	\$0.0	(\$3,713.0)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Metropolitan Pier and Exposition Auth.	\$124,605.0	\$128,581.0	\$128,581.0	\$3,976.0	3.2%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$124,605.0	\$128,581.0	\$128,581.0	\$3,976.0	3.2%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Prisoner Review Board	\$1,486.4	\$1,363.4	\$1,342.6	(\$143.8)	-9.7%
General	\$1,486.4	\$1,363.4	\$1,342.6	(\$143.8)	-9.7%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Procurement Policy Board	\$0.0	\$0.0	\$262.0	\$262.0	100.0%
General	\$0.0	\$0.0	\$262.0	\$262.0	100.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Property Tax Appeal Board	\$2,082.0	\$1,714.1	\$2,314.9	\$232.9	11.2%
General	\$2,082.0	\$1,714.1	\$2,314.9	\$232.9	11.2%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Southwestern Illinois Development Auth.	\$697.4	\$2,065.0	\$2,064.7	\$1,367.3	196.1%
General	\$697.4	\$2,065.0	\$2,064.7	\$1,367.3	196.1%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Sports Facilities Authority	\$34,741.0	\$36,131.0	\$36,131.0	\$1,390.0	4.0%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$34,741.0	\$36,131.0	\$36,131.0	\$1,390.0	4.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Employees' Retirement System	\$15,271.0	\$18,891.5	\$163.6	(\$15,107.4)	-98.9%
General	\$121.0	\$161.5	\$163.6	\$42.6	35.2%
Other	\$15,150.0	\$18,730.0	\$0.0	(\$15,150.0)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- The difference between the Governor's Introduced level of contribution and the Certified Level for the retirement systems is \$215 million in present value savings as a result of the Pension Bonding Initiative. (Actual present value savings totaled \$860 million—OMB applied one-fourth of it to FY 05). Each Retirement System contribution was reduced by their "share" of the \$215 million in savings. In the final budget, the \$215 million has been restored and the Systems will be appropriated at their Certified Contribution level.
- The only exception to the above is the State Employees' Retirement System. The difference between the Governor's Introduced SERS contribution and the Certified amount was a result of both the \$215 million in savings as well as a -\$311million difference for the certified ERI contribution. (The ERI contribution was to have been \$380 million, the Governor's introduced budget only provided \$70 million). The final budget restores the SERS share of the \$215 million, as was done for all other Systems. However, it still only provides \$70 million for the ERI contribution.
- Lines reduced because the appropriations in individual agency appropriation bills were increased over this reduction.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Finance Authority	\$250.0	\$250.0	\$240.0	(\$10.0)	-4.0%
General	\$250.0	\$250.0	\$240.0	(\$10.0)	-4.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Fire Marshal	\$16,541.2	\$14,775.0	\$18,805.9	\$2,264.7	13.7%
General	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Other	\$16,355.2	\$14,775.0	\$18,506.1	\$2,150.9	13.2%
Federal	\$186.0	\$0.0	\$299.8	\$113.8	61.2%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Police Merit Board	\$930.4	\$785.0	\$772.4	(\$158.0)	-17.0%
General	\$930.4	\$785.0	\$772.4	(\$158.0)	-17.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Upper Illinois River Valley Dev. Auth.	\$356.0	\$513.0	\$512.6	\$156.6	44.0%
General	\$356.0	\$513.0	\$512.6	\$156.6	44.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Violence Prevention Authority	\$5,280.0	\$5,877.0	\$5,773.4	\$493.4	9.3%
General	\$3,304.0	\$3,304.0	\$3,172.2	(\$131.8)	-4.0%
Other	\$1,976.0	\$2,573.0	\$2,601.2	\$625.2	31.6%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Other Agencies Totals	\$2,378,866.8	\$2,424,823.2	\$2,666,320.0	\$287,453.2	12.1%
General	\$83,441.0	\$76,442.4	\$76,044.8	(\$7,396.2)	-8.9%
Other	\$1,764,639.0	\$1,738,198.8	\$1,980,336.4	\$215,697.4	12.2%
Federal	\$530,786.8	\$610,182.0	\$609,938.8	\$79,152.0	14.9%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Board of Education	\$7,659,182.8	\$7,939,763.7	\$8,059,216.3	\$400,033.5	5.2%
General	\$5,509,166.8	\$5,693,604.6	\$5,808,459.8	\$299,293.0	5.4%
Other	\$76,210.0	\$29,509.0	\$31,441.7	(\$44,768.3)	-58.7%
Federal	\$2,073,806.0	\$2,216,650.1	\$2,219,314.8	\$145,508.8	7.0%

- \$364.0 million in new dollars are earmarked for K-12 education. Approximately \$25.6 million in additional funding, being reallocated within the budget of the State Board of Education will bring the

total new allocation for priority programs to \$389 million. The Governor's introduced level would have provided for \$400 million new dollars for K-12 and an increase in the foundation level of \$250 per child.

- The FY 05 budget supports and increase of \$154 in the foundation level increasing it from \$4,810 to \$4,964 per child. The budget provides \$3.7 billion for GSA, an increase of approximately \$230 million from FY 04 estimated expenditures. Within the GSA line is funding for both the poverty grant funding and GSA Hold Harmless. \$30 million is reserved for GSA Hold Harmless, a decrease from the FY 04 level of \$38 million which can be attributed to an increase in the foundation level because fewer districts are falling into the HH category.
- The GSA level contained in the budget also provides for 100% hold harmless for the Poverty Grant formula changes. Under a previous agreement, Phase II of the grant change would have only provided for a 66% hold harmless level meaning that some school districts would have lost poverty dollars.
- Included in the K-12 allocation is an additional \$95 million for reimbursements to schools for mandated programs. This represents an increase of 7.2% over the FY 04 level of \$1.304 billion. The FY 05 level increase to \$1.34 billion providing for a reimbursement rate of 96.9%. Six programs are funded at 100%.
- The FY 05 budget includes \$64.6 million for bilingual education, an increase of \$2 million over the FY 04 level of \$62.6 million. This increase is split evenly between Chicago and other school districts statewide.
- The School Safety/ADA Block Grant will receive an increase of \$12 million bringing the total FY 05 appropriation to \$54.8 million. This represents a 28% increase over the FY 04 level of \$42.8 million. Grants are awarded to school districts on a per pupil basis based on the districts' best three months average daily attendance (ADA).
- A new initiative for FY 05, the budget provides \$10.0 million for grants to aid fast growing school districts with very specific growth criteria. Grants are awarded on a per pupil basis according to the criteria. The program was not included in the Governor's introduced level.
- The FY 05 budget includes a total of \$243.3 million for the Early Childhood Block Grant program administered by ISBE. This level represents a \$30 million increase from the FY 04 level of \$213.3 million, an increase of +14.1%. It is estimated that the level will be able to serve another 8,000 children from the un-served population (approximately \$3.0 thousand per child). The Governor's introduced budget did not include an increase for the Early Childhood Block Grant.
- In order to ensure that no school district receives less funding that it did in FY 04 from the designated priority grant programs, \$7.7 million is provided in the budget for Transitional Assistance grants. This is the second year of transitional assistance, in FY 04 \$5.2 million was provided for the grant line.
- Approximately \$24 million was reallocated within the lines of the State Board of Education. Reallocations were taken from the following lines: Standards and Assessments (-\$6.3 million), Tech for Success (-\$5.8 million), ROE School Services (-\$380 thousand), Charter Schools (-\$300 thousand), Summer Bridges (-\$2.5 million), Reading Improvement (-\$3 million), Transitional Assistance (-\$2.3 million), Career/Tech Education (-\$2.0 million), and Early Intervention (-\$1 million).

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Teachers' Retirement System	\$1,097,261.0	\$913,549.7	\$1,041,386.7	(\$55,874.3)	-5.1%
General	\$1,049,901.0	\$869,359.7	\$1,041,386.7	(\$8,514.3)	-0.8%
Other	\$47,360.0	\$44,190.0	\$0.0	(\$47,360.0)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Elem. & Sec. Education Totals	\$8,756,443.8	\$8,853,313.4	\$9,100,603.0	\$344,159.2	3.9%
General	\$6,559,067.8	\$6,562,964.3	\$6,849,846.5	\$290,778.7	4.4%
Other	\$123,570.0	\$73,699.0	\$31,441.7	(\$92,128.3)	-74.6%
Federal	\$2,073,806.0	\$2,216,650.1	\$2,219,314.8	\$145,508.8	7.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Board of Higher Education	\$83,829.7	\$22,828.1	\$48,918.9	(\$34,910.8)	-41.6%
General	\$64,519.7	\$19,828.1	\$43,418.9	(\$21,100.8)	-32.7%
Other	\$4,500.0	\$0.0	\$0.0	(\$4,500.0)	-100.0%
Federal	\$14,810.0	\$3,000.0	\$5,500.0	(\$9,310.0)	-62.9%

- The FY 05 budget for the Public Universities represents a decrease of -\$8.6 million (-0.7%) from the FY 04 appropriation level of \$1.315 billion (all funds). GRF appropriations increase by +\$1,235.6 thousand (+0.1%) as compared to FY 04. This also represents a +\$28.6 million from the Governor's introduced level of \$1.28 billion (all funds). University GRF operations were restored to the FY 04 level.
- The FY 05 budget contains and additional \$15 million for education related expenses to the City Colleges of Chicago to help the district cover the loss of revenue experience from the disparities in the Equalization Grant Formula and address deficit spending. Funds will be granted from the Illinois Community College Board.
- The 2nd year (of 3 years) of the Credit Hour Hold Harmless Grant is appropriated \$5.5 million. This is consistent with the Governor's introduced level and is \$1 million below the IBHE recommendation of \$6.5 million. The Hold Harmless Grant was appropriated in FY 04 to implement a revised Credit Hour formula to distribute equitable funding among college districts under a new funding formula. The Equalization Grant, Base Operating Grant and State Adult Education were all appropriated at the FY 04 level.
- The FY 05 budget as amended appropriates \$2.9 million GRF for the Golden Apple Scholars of Illinois Program, which is a reduction of -\$614.3 thousand (-17.5%) below the FY 04 appropriation of \$3.5 million GRF. The Governor's introduced budget proposed the elimination of funding for Golden Apple. The program provides professional and financial assistance to education students

who agree to teach 5 years within 8 year of graduation in a “high need” Illinois School. Each year 100 high school seniors and college sophomores are selected as scholars.

- The FY 05 budget as amended appropriates \$339.6 million all funds for the Monetary Award Program. This appropriation represents a decrease of -\$2.8 million (-0.8%) from the FY 04 appropriation of \$342.4 million all funds. The GRF appropriation of \$398.7 million is level with the FY 04 appropriation. Although ISAC was appropriated \$3.7 million in federal funds through the LEAP program in FY 04, the Commission did not receive the funding because of failure to meet maintenance of effort requirements. In FY 05, ISAC estimates appropriated funding will provide awards for 143,000 students, which is an increase of 1,000, students (+0.7%) in FY 04. While the statutory maximum MAP Grant is \$4,968; all grants were reduced by 10% in FY 04 resulting in a maximum award of \$4,471.2 thousand. In FY 05, ISAC plans to maintain the 10% reduction factor for students with an Expected Family Contribution (EFC) of \$0 to \$3,000. Awards to students with an EFC over \$3,000 will be subject to an 11% reduction, resulting in a maximum award of \$4,422. Approximately 25% of MAP applicants will be subject to the 11% reduction factor.
- The FY 05 budget provides for level funding for two grant programs administered by the Board of Higher Education that had been eliminated or dramatically reduced in the Governor’s budget original introduced budget: State Matching Grants at \$9.5 million GRF and Health Service Education Grants at \$17 million GRF.

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Chicago State University	\$42,850.7	\$37,551.6	\$38,885.3	(\$3,965.4)	-9.3%
General	\$40,450.7	\$37,551.6	\$38,885.3	(\$1,565.4)	-3.9%
Other	\$2,400.0	\$0.0	\$0.0	(\$2,400.0)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Eastern Illinois University	\$54,400.4	\$46,659.0	\$47,611.5	(\$6,788.9)	-12.5%
General	\$47,610.0	\$46,657.0	\$47,609.5	(\$0.5)	0.0%
Other	\$6,790.4	\$2.0	\$2.0	(\$6,788.4)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Veto	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Governors State University	\$24,180.0	\$23,697.0	\$24,280.1	\$100.1	0.4%
General	\$24,180.0	\$23,697.0	\$24,280.1	\$100.1	0.4%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Community College Board	\$415,456.8	\$396,296.1	\$415,326.3	(\$130.5)	0.03%
General	\$339,722.7	\$330,044.9	\$345,677.0	\$5,954.3	1.8%
Other	\$25,342.0	\$15,809.0	\$15,000.0	(\$10,342.0)	-40.8%
Federal	\$50,392.1	\$50,442.2	\$54,649.3	\$4,257.2	8.4%

- \$15 million (GRF) provided to the City Colleges of Chicago to offset inequity in the Equalization Grant formula.
- \$160.0 thousand provided for the operations of the Illinois Valley Community College.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Math and Science Academy	\$16,409.0	\$17,883.0	\$17,882.9	\$1,473.9	9.0%
General	\$14,359.0	\$15,833.0	\$15,832.9	\$1,473.9	10.3%
Other	\$2,050.0	\$2,050.0	\$2,050.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois State University	\$80,482.0	\$78,843.0	\$80,452.0	(\$30.0)	0.0%
General	\$80,452.0	\$78,843.0	\$80,452.0	\$0.0	0.0%
Other	\$30.0	\$0.0	\$0.0	(\$30.0)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Illinois Student Assistance Commission	\$707,716.9	\$653,128.9	\$650,392.4	(\$57,324.5)	-8.1%
General	\$398,954.9	\$396,049.4	\$391,600.8	(\$7,354.1)	-1.8%
Other	\$530.0	\$1,365.0	\$1,445.0	\$915.0	172.6%
Federal	\$308,232.0	\$255,714.5	\$257,346.6	(\$50,885.4)	-16.5%

- \$2 million in grants under the Illinois Consortium for Educational Opportunity Act were transferred back into the Board of Higher Education (GRF).
- \$2.1 million in grants for Cooperative Work Study Programs were transferred back into the Board of Higher Education (GRF).
- Illinois Future Teacher Corps Scholarships were reduced by (\$2.9 million) in GRF.

- Illinois State Scholar Scholarships (Golden Apple) were increased to \$3,020.0 thousand (GRF).

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Northeastern Illinois University	\$41,230.4	\$38,296.0	\$39,227.7	(\$2,002.7)	-4.9%
General	\$39,078.0	\$38,296.0	\$39,227.7	\$149.7	0.4%
Other	\$2,152.4	\$0.0	\$0.0	(\$2,152.4)	-100.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Northern Illinois University	\$101,809.0	\$100,249.0	\$102,285.0	\$476.0	0.5%
General	\$101,799.0	\$100,239.0	\$102,274.9	\$475.9	0.5%
Other	\$10.0	\$10.0	\$10.1	\$0.1	1.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Southern Illinois University	\$217,204.0	\$212,860.0	\$217,428.7	\$224.7	0.1%
General	\$217,204.0	\$212,860.0	\$217,428.7	\$224.7	0.1%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
University of Illinois	\$782,088.8	\$684,968.0	\$700,445.7	(\$81,643.1)	-10.4%
General	\$696,901.1	\$682,973.0	\$698,451.1	\$1,550.0	0.2%
Other	\$85,187.7	\$1,995.0	\$1,994.6	(\$83,193.1)	-97.7%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Western Illinois University	\$56,101.0	\$55,271.0	\$56,393.1	\$292.1	0.5%
General	\$56,091.0	\$55,269.0	\$56,391.1	\$300.1	0.5%
Other	\$10.0	\$2.0	\$2.0	(\$8.0)	-80.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Universities Retirement System	\$314,841.0	\$236,604.7	\$273,250.7	(\$41,590.3)	-13.2%
General	\$296,080.0	\$217,916.0	\$47,352.0	(\$248,728.0)	-84.0%
Other	\$18,761.0	\$18,688.7	\$225,898.7	\$207,137.7	1104.1%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

- This budget reflects the full funding requirement for SURS, as certified by the system, and an increase in the other State funds used to pay the appropriation.

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
State Universities Civil Service System	\$1,254.0	\$1,254.0	\$1,253.6	(\$0.4)	0.0%
General	\$1,254.0	\$1,254.0	\$1,253.6	(\$0.4)	0.0%
Other	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Federal	\$0.0	\$0.0	\$0.0	\$0.0	0.0%

	FY 04 Final Including Supp./Vetoes	FY 05 Introduced	FY 2005 Final Budget As Passed/Signed	\$ Change FY 04 to FY 05 Final	% Change FY 04 to FY 05 Final
Higher Education Totals	\$2,939,853.7	\$2,606,389.4	\$2,714,033.9	(\$225,819.8)	-7.7%
General	\$2,418,656.1	\$2,257,311.0	\$2,150,135.6	(\$268,520.5)	-11.1%
Other	\$147,763.5	\$39,921.7	\$246,402.4	\$98,638.9	66.8%
Federal	\$373,434.1	\$309,156.7	\$317,495.9	(\$55,938.2)	-15.0%

SUMMARY OF FY 2005 BUDGET IMPLEMENTATION BILLS

- P.A. 93-0838 (SB 2205) EDUCATION BUDGET IMPLEMENTATION BILL
- P.A. 93-0839 (SB 2206) STATE FINANCE BUDGET IMPLEMENTATION BILL
- P.A. 93-0840 (SB 2207) REVENUE BUDGET IMPLEMENTATION BILL
- P.A. 93-0841 (SB 2208) HUMAN SERVICES BUDGET IMPLEMENTATION BILL



P.A. 93-0838 -- (SB 2205)
EDUCATION BUDGET IMPLEMENTATION

Description of Change	Reason	ILCS #
Establishes in statute 3 federal funds for ISBE: *SBE Federal Dept. of Education Fund; *SBE Federal Agency Services Fund; and *SBE Federal Dept. of Agriculture Fund.	ISBE has been converting non-appropriated funds. The budget currently has 6 funds appropriated to capture federal funds; however, none of these has been expressly created in statute. ISBE would like to convert these 6 funds into 3 funds and establish authorizing language in statute.	30 ILCS 105/62-65 New
Prohibits ISBE from testing in subject areas that supercede those required by NCLB	ISBE currently tests in subject areas, such as the social sciences, P.E. and health, fine arts, and writing that are not required by NCLB. The agreed budget reflects a \$6.3 million reduction to remove these testing requirements.	105 ILCS 5/2-3.64
Extends Transitional Assistance for FY05	This assistance was only provided as a one-time grant for FY04 to ensure no school district received less funding in FY04 than they received in FY03. This provision extends that assistance to FY05 and has been appropriated at \$7.4 million in the agreed budget.	105 ILCS 5/2-3.131
Increases, in statute, the foundation level to \$4,964 for the 2004-2005 school year.	The budget agreement appropriates a \$154 per student increase for the 2004-2005 school year and the statute must be changed in order to reflect that increase. This provision also ensures that the BIMP language supercedes the \$250 per student increase provided in HB 4266, should that bill become law.	105 ILCS 5/18-8.05
Extends the poverty grant hold harmless at 100% for FY05.	The budget agreement includes \$16.5 million to keep the poverty grant at 100% instead of decreasing it to 66%.	105 ILCS 5/18-8.05
Establishes the Fast Growth Grant Program	Creates the statutory authority for a new grant program, which has been appropriated \$10 million under the budget agreement	110 ILCS 947/45
Moves expenditure authority for the National Guard Grant Fund from the Dept. of Military Affairs to the Illinois Student Assistance Commission.	The Illinois Student Assistance Commission currently administers the grant program.	110 ILCS 947/ 45

P.A. 93-0839 – (SB 2206)
STATE FINANCE ACT BUDGET IMPLEMENTATION

Description of Change	Reason	ILCS #
State Facility Closure Act	To better evaluate the fiscal and economic implications for closures of State facilities. Also provide opportunity for public input and evaluation of budgetary impacts.	25 ILCS 155/3
Amends the Intergovernmental Cooperation Act to prohibit intergovernmental and interagency agreement or contract if it circumvents appropriations as related to health care and employee benefit contracts.	To provide additional budgetary oversight on the expenditure of funds appropriated for health benefits contracts.	5 ILCS 22014.5 New
Illinois Economic and Fiscal Commission review of health benefits programs for State employees.	To provide additional budgetary oversight on the expenditure of funds appropriated for health benefits contracts.	5 ILCS 37515 from ch. 127, par. 525
Abolishes Illinois Aquaculture Development Fund on August 31, 2004 and transfers remaining balance to GRF.	To effect a change proposed by the Governor for the State's FY05 Budget.	20 ILCS 215/5.5
Worker's Compensation Consolidation at CMS. Changes to Worker's Comp Revolving Fund.	To implement the governmental consolidations undertaken by the Governor and included in the FY05 Budget.	30 ILCS 105/62-64 New 20 ILCS 405/ 405-411 New
Codify consolidations authorized under Executive Order 2003-10, i.e., Professional Services, IT, Facilities Management.	To implement the governmental consolidations undertaken by the Governor and included in the FY05 Budget.	20 ILCS 405/405-293 New
Merit Comp/Salary Grade Employee Layoff provisions.	In light of the State's current fiscal condition, additional reductions are highly likely. Provides additional employee rights and benefits to Merit Comp and Salary Grade State employees.	20 ILCS 415/12f New
Sweep entire balance of Technology Innovation and Commercialization Fund in GRF.	To implement the FY05 Budget.	20 ILCS 605/ 605-365
Authorizes appropriation from IL Military Family Relief Fund for benefits under survivors Compensation Act	Again, to implement the FY05 Budget and to rightfully pay for the benefits due Illinois military servicemen and servicewomen and their families.	20 ILCS 2805/2
Debt Responsibility Act.	To provide additional budgetary oversight on the expenditure of bond funds, as well as the solicitation and sale of bonds on behalf of the State.	25 ILCS 50/1 25 ILCS 65/4 30 ILCS 105/9 30 ILCS 330/2 30 ILCS 330/8 30 ILCS 330/9 30 ILCS 330/11 30 ILCS 330/16 30 ILCS 330/2.5 New 30 ILCS 330/15.5 New 30 ILCS 330/21 New 30 ILCS 355/14 30 ILCS 425/3 30 ILCS 355/14 30 ILCS 425/3 30 ILCS 355/14 30 ILCS 425/3 30 ILCS 425/6 30 ILCS 425/8

		30 ILCS 425/8.3 New 30 ILCS 425/8.5 New 30 ILCS 425/9 30 ILCS 425/15
\$750,000 transfer from Efficiency Initiative Fund to Comptroller's Administration Fund.	To compensate Comptroller's Office for expenses related to efficiency initiatives and agency consolidations and reorganization.	30 ILCS 105/62- 27.1 New
\$7 million to Conservation 2000 for FY05 and \$14 million thereafter.	Again, to implement the FY05 Budget.	30 ILCS 105/62- 32
Appropriation authorization from State Pension Fund to the State's several retirement systems.	Annual transfers from the State Pension Fund to the Judge's Retirement System, Universities Retirement System, and the General Assembly Retirement System.	30 ILCS 105/ 8.12
Fund Sweeps: \$210,419 million from various funds to GRF.	To implement the FY05 Budget.	30 ILCS 105/ 8.43 New
Fund Transfers: \$25,277 million: Unclaimed Property to Pensions Fund; \$94.37 million: Pensions Fund to Retirement Systems; \$49,775 million: School Technology Revolving Fund to Common School Fund.	To implement the FY05 Budget.	30 ILCS 105/843 New
Additional Fund transfers: \$80 million: Tobacco Settlement to GRF; \$1.2 million: GRF to Violence Prevention; \$6.445 million: GRF to Presidential Library & Museum Fund.	Again, to implement the FY05 Budget.	30 ILCS 105/8g
Chargeback language change - with 2-year sunset and excludes chargebacks for Road Fund, State Construction Account; Mandatory Arbitration Fund and 911 Fund.	To limit the expenditure of certain funds.	30 ILCS 105/8h
Sweeps Board of Higher Education State Projects Fund to Communications Revolving Fund.	To benefit and be attributed to Illinois Century Network, which is being transferred to CMS.	30 ILCS 105/8m
Authorization for Road Fund expenditures for IDOT operating expenses relating to administration of public transportation programs.	To implement the FY05 Budget.	30 ILCS 105/8.3
Extend Road Fund appropriation cap to State Police for another fiscal year.	To implement the FY05 Budget.	30 ILCS 105/8.3
Authorizes \$130.5 million FY05 Road Fund transfer to SOS.	To implement the FY05 Budget.	30 ILCS 105/8.3
Allow 2% transfer between any lines, including personal services, employee retirement contributions paid by employer, and State Contributions to retirement systems.	To allow additional flexibility to agencies for the FY05 Budget.	30 ILCS 105/ 13.2
Provides no appropriation may be expended for prescription drug benefits under the State Employees Group Insurance Program unless the program allows all drug benefits to be provided on the same terms and conditions by any willing (and authorized) provider.	This appropriation limitation is necessary to insure proper and adequate health care is available through the State's group insurance programs.	30 ILCS 105/14c New

Allow payments for employee retirement contributions to be paid from personal services appropriations.	To implement the FY05 Budget.	30 ILCS 105/14
Authorizes interfund transfers for internal service funds.	To implement the governmental consolidations undertaken by the Governor.	30 ILCS 105/25
SOS deposit acceleration to be made within 30 days of receipt.	To speed up the deposits of State funds, thereby more quickly earning interest on the deposits.... property cash management.	30 ILCS 230/5a New
Procurement Policy Board expedites and expands the Board's authority to review, study and conduct hearings with regards to State contracts.	To provide additional budgetary and fiscal oversight on contracts entered into by the State.	30 ILCS 500/5-5 30 ILCS 500/5-25 30 ILCS 500/40-15 30 ILCS 500/5-30 New 30 ILCS 500/20- 150 New 30 ILCS 500/25- 200 New 30 ILCS 500/30- 150 New 30 ILCS 500/35- 150 New 30 ILCS 500/40-55 New 30 ILCS 500/40- 150 New 30 ILCS 500/53- 150 New
Income Tax Refund Fund percentages change.	Periodic adjustment to the State's Income Tax Refund Fund to establish the percent of individual and corporate income tax receipts that are redirected to the payment of refunds to Illinois taxpayers.	35 ILCS 5/901
\$83.3 million one-time distribution (\$50 million increase) from Cigarette Tax receipts to Common School Fund.	To implement the FY05 Budget. Provides a one-time \$50 million increase in the amount of Cigarette Tax receipts to the Common School Fund.	35 ILCS 130/2
Moves the \$15 million payments from the Motor Fuel Tax collections to Vehicle Emissions Inspections from each January 1 and July 1, to each July 1 and October 1 for the next two fiscal years.	Federal funds for the Vehicle Emission Inspections program will not be available in July 2005, but will come later in the federal fiscal year requiring the change in timing of the State's transfers into the program.	35 ILCS 505/8
\$416,667 monthly GRF payment of Electricity Excise Tax receipts, with balance of receipts paid to Public Utility Fund.	To implement the FY05 Budget.	35 ILCS 640/ 2-9
Illinois Century Network and its employees and functions transferred from Board of Higher Education to CMS.	To implement the governmental consolidations undertaken by the Governor and included in the FY05 Budget.	40 ILCS 5/15-106 40 ILCS 5/15-107
Pension contributions - \$70 million FY05 payment with future level payments next year. Illinois Economic and Fiscal Commission hold hearings not later than the conclusion of the Fall Veto Session and issue alternative recommendations by December 31, 2004. SERS to certify in January 2005.	To implement the FY05 Budget and address future pension obligations for the State of Illinois.	40 ILCS 5/14-108.3 40 ILCS 5/16-133.3 40 ILCS 15/116

Transfer Wireless Emergency Telephone Safety from CMS to ICC.	To implement the governmental reorganization undertaken by the Governor and included in the FY05 Budget.	50 ILCS 751/17
Valley View Sanitary District authorization.	Authorize sanitary district to acquire privately owned public sewer and water utility, to continue sewer and water service to village residents, protecting the public health and safety of the current population.	70 ILCS 2405/ 17.2 New
Permanently diverts DCEO's share of the Used Tire Management Fund to GRF.	To implement the FY05 Budget.	415 ILCS 5/55.6
Authorizes use of the Mandatory Arbitration Fund for reimbursement of approved costs for pretrial services.	Authorization first provided for FY04 and is being extended another year.	725 ILCS 185/33 730 ILCS 110/15
DOC authorized to lease open bed space to federal government.	Federal government leases available State prison beds for illegal immigrant detainees pending deportation. Provides a revenue source to the State's Dept. of Corrections for otherwise empty bed space.	730 ILCS 513-2-2
Authorizes Administration Office of the Illinois Courts to permit counties and circuits to use probation and court services funds to pay salaries of probation officers and other court personnel. FY05 only.	To implement the FY05 Budget.	730 ILCS 110/ 15.1
Cemetery Consumer Protection Fund may be used to satisfy Receiver's fees ordered by Circuit Court before June 30, 2004	Again, a one-time provision to implement the expenditures authorized under the FY05 Budget.	815 ILCS 390/22
State Employees Group Insurance changes to accommodate severance package.	In light of the State's current fiscal condition, additional staff reductions are necessary. A voluntary severance package is included in the FY05 Budget for those State employees leaving State service. Employees accepting the severance package retain some health coverage.	5 ILCS 375/3 from Ch. 127, par. 523
Severance Package: Retirement Incentive	In light of the State's current fiscal condition, additional staff reductions are necessary. A voluntary severance package is included in the FY05 Budget for those State employees leaving State service.	30 ILCS 10514a.5 New 40 ILCS 5/14-104.12 New 40 ILCS 5/14-108.5 New 40 ILCS 5/14-130
Authorization for Illinois Economic and Fiscal Commission to hold closed meetings (as required in Health Contract Review provisions).	Necessary as part of an effort to provide additional budgetary and fiscal oversight on contracts entered into by the State.	Article 99 Section 99-995

**P.A. 93-0840 – (SB 2207)
REVENUE BUDGET IMPLEMENTATION**

INDUSTRIAL COMMISSION FEE		
Description of Change	Reason	ILCS #
Amends the Insurance Code. Lowers the Industrial Commission Fund Surcharge percentage from 1.5% to 1.01%, effective immediately. Fees are assessed upon the worker's compensation insurance premiums paid. Exempts certain self-insured companies from paying the surcharge, provided those companies have paid the Industrial Commission Operating Fund fee. Provides that the rate of 1.01% is to be collected from companies that were to pay their obligations on July 1, 2004.	Agreement to reduce the Industrial Commission Fee, paid by the employers for Worker's Compensation Insurance, to provide only the necessary funding for the actual budgetary costs of the Industrial Commission.	215 ILCS 5/416
Amends Workers Compensation Act. Lowers the Industrial Commission Operations Fund fee, mostly paid by self-insured employers. Reduced the percentage from .045% to .0075%. Fees are assessed based upon actual wages paid out by the employer (annually) as reported in the employer's annual self-insurance renewal. Provides that the .0075% rate is to be collected and satisfy any obligations that were to be paid on July 1, 2004.	Agreement to reduce the Industrial Commission Fee, paid by employers for Worker's Compensation Insurance, to provide only the necessary funding for the actual budgetary costs of the Industrial Commission.	820 ILCS 305/4d
SECRETARY OF STATE		
Amends Illinois Identification Card Act. Increases the fee, imposed by the Secretary of State's Office, upon ID cards. Original, renewal, and duplicate ID card fees are increased from \$4 to \$20. Corrected ID card fees are increased from \$2 to \$10. The original amount of the fees (\$4 and \$2 respectively) are to continue being deposited into the Road Fund, while the increased amounts (\$16 and \$8 respectively) are to be deposited into GRF as of January 1, 2005.	Fee increases are intended to help fill the FY05 budget shortfall. These fees are estimated to generate an additional \$2 million annually.	15 ILCS 335/2 15 ILCS 335/12
Amends the Illinois Vehicle Code. Beginning January 1, 2005 a penalty fee will be assessed to a past due/lapsed vehicle registration. For each delinquent vehicle registration fee, \$20.00 of that fee will go to GRF.	Illinois vehicle code does not contain any provision for a penalty fee for past due/lapse vehicle registration.	625 ILCS 5/2-119
Amends the Illinois Vehicle Code. Adds a fee of \$39.00 for a pair of	Current law fees are \$11.00 for each duplicate plate or \$14.00 for pair. (Sticker fee not	625 ILCS 5/2-119

duplicate license plates upon application of lost or destroyed plates. This includes a fee of \$20 for sticker.	addressed). Effective 1/1/05	
Amends the Illinois Vehicle Code. Creates a new section "Delinquent Registration Renewal Fee". Beginning on or after 1/1/05. SOS to impose a delinquent registration renewal fee of \$20.00 for all passenger vehicles (1 st and 2 nd division), one month past due. Exempts active duty military not in Illinois.	See reference above.	625 ILCS 5/3-821 625 ILCS 5/3-821.2
Amends the Illinois Vehicle Code. Under a section pertaining to DUI. Increases costs from \$100.00 to \$500.00, first offense. 2 nd or previous conviction, \$1000.00 (increased from \$200.00) equal distribution of find if more than one agency is responsible for arrest.	Current fines are \$100.00 to court clerk - 1 st offense. \$200.00 second offense.	625 ILCS 5/11-501
Amends the Illinois Vehicle Code. Under a section pertaining to DUI. Allocates 80% of State Police monies from DUI fines to be forwarded to the State Treasurer for GRF.	Current law provides that any fines collected as a result of a DUI arrest stemming from the actions of the Illinois State Police, all such monies are to be deposited in the State Police Fund to be used for law enforcement equipment that will assist in prevention of alcohol related crimes.	625 ILCS 5/11-501
LOTTERY LICENSE FEE		
Amends the Illinois Lottery Law. Imposes a one-time \$50 fee for new lottery license, as well as provides that the annual renewal fee shall be \$25 (current license fee is \$10 annually). In addition, any license granted "on-line" status shall pay a \$10 per week fee. The Department, by rule, may increase, decrease, or waive fees at their discretion.	License fee increases is intended to help fill the FY05 budget shortfall. There is currently no estimates as to how much additional revenue may be generated on an annual basis.	20 ILCS 1605/ 10.2
WATERCRAFT USE TAX		
Creates the Watercraft Use Tax Law. Provides that the State sales tax shall apply to most private sales of watercraft, based upon the fair market value of the watercraft. Applies to all watercraft (except canoes and kayaks) values at \$10,000 or more when sold. Provides that the tax shall be on the amount paid, and not fair market value, regarding transactions between immediate family members. Provides that the Dept. of Revenue shall adopt rules to administer the new tax and penalties for non-compliance, including verification of sales/	This new tax (or broadening of the existing sales tax base) is intended to help fill the FY05 budget shortfall. The additional revenue to be generated from this new tax is estimated at \$6 million annually.	Article 15 35 ILCS 120/1c 625 ILCS 45/3A-5

transfers. Amends the Retailers Occupation Tax Act and the Boat Registration and Safety Act so that they comply with the new tax.		
GRAPHIC ARTS TAX CREDIT		
Amends the four Sales Tax Acts. Re-instates the Graphics Arts tax credit, which allows businesses to be exempt from sales taxes on purchases of graphic arts machinery and equipment.	Intended to provide tax relief to certain Illinois businesses to promote economic and job growth throughout the State. The credit will reduce businesses taxes, as a whole, by \$4 million annually.	35 ILCS 105/3-5 35 ILCS 110/3-5 35 ILCS 115/3-5 35 ILCS 120/2-5
MANUFACTURER'S PURCHASE CREDIT		
Amends the four Sales Tax Acts. Re-instates Purchase Credit, allowing manufacturers to claim an income tax credit in the amount of 50% of any sales taxes paid during the tax year when purchasing machinery and equipment.	Intended to provide tax relief to certain Illinois businesses to promote economic and job growth throughout the State. The credit will reduce businesses taxes, as a whole, by \$20 million annually.	35 ILCS 105/3-85 35 ILCS 110/3-70 35 ILCS 115/9 35 ILCS 120/3
R & D INCOME TAX CREDIT		
Article 40: Illinois Income Tax Act. Re-instates the R&D income tax credit. Adds a provision that costs incurred after December 31, 2004 cannot be used unless part of a binding contract signed before December 31, 2004.	Intended to provide tax relief to certain Illinois businesses to promote economic and job growth throughout the State. The credit will reduce businesses taxes, as a whole, by \$15 million annually.	35 ILCS 5/201
NPDES FEE CHANGES		
Article 45: Environmental Protection Act. NPDES discharge fees. Exempts private sewage disposal systems under the Private Sewage Disposal Licensing Act. Makes changes to effective dates.	Intended to exempt small communities from being assessed a sewage disposal fee.	415 ILCS 5/12.5
"80/20" FOREIGN TAX HAVENS		
Amends the Illinois Income Tax Act. Requires taxpayers (individual, corporate, trust/estate and partnership) to add back to their income, as disclosed for taxpaying purposes, the following: a) interest income paid, and b) intangible expenses incurred, to a foreign person or firm that would be a member of the same unitary business group as the taxpayer but for the fact that the foreign person or firm's business activity is 80% or more of the foreign persons' or firm's total business activity.	To ensure that tax paying entities, (individuals, corporations, trusts/estates and partnership) pay their fair share of Illinois income taxes and to prevent incomes and profits from being shielded the application of the Illinois income tax laws by assigning those incomes and profits to foreign tax havens.	35 ILCS 5/203
Amends the Illinois Income Tax Act and makes exceptions for certain transactions.	These are legitimate transactions, the purpose of which is not to avoid or evade Illinois income tax and should not be subject to this Act.	35 ILCS 5/203

BUSINESS/NON-BUSINESS INCOME		
Amends the Illinois Income Tax Act and creates a new definition of business income to mean all income that may be treated as apportionable business income under the U.S. Constitution, net of the deduction allocable.	To ensure that all business income will be taxed and treated as business income and the taxes from business ventures will be accurately paid to the proper taxing authorities.	35 ILCS 5/1501
Amends the Illinois Income Tax Act and creates a new definition for investment partnerships meaning any entity that is treated as a partnership for federal tax purposes.	Allows taxable income if an investment partnership distributed to a nonresident partner to be treated as non-business income allocated to the nonresident partner state of residence, with certain exceptions.	35 ILCS 5/305
Amends the Illinois Income Tax Act and provides that, beginning January 1, 2005, that investment partnerships are exempt from the Personal Property Replacement Tax.	Allows these partnerships to pay less taxes to assist them in using the additional resources in the creation of new jobs.	35 ILCS 6/205
TAX SHELTER PROGRAM		
Article 35: Tax Shelter Voluntary Compliance Law. ADDS: subsection (b) "Reportable Transactions" under Sec. 501. Notice or Regulations Requiring Records, Statements and Special Returns. Disclosure under this subsection is required with respect to any transaction entered into after 2/28/2000. The amendment also provides for other disclosure dates.	To discourage businesses from using any type of "tax haven" or "tax avoidance shelter" when reporting their state taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).	Article 35 35-5 35 ILCS 5/501
Article 35: Tax Shelter Voluntary Compliance Law. Includes the "Reportable Transactions" under Sec. 501(b) supra. Under NOTICES OF DEFICIENCY. Provides that if a taxpayer fails to include such information as described under the Reportable Transactions, that a notice of deficiency may be issued not later than 6 years after the return is filed.	To discourage businesses from using any type of "tax haven" or "tax avoidance shelter" when reporting their state taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).	35 ILCS 5/905
Article 35: Tax Shelter Voluntary Compliance Law. Includes the "Reportable Transactions" under Sec. 501(b) supra. Under FAILURE TO FILE TAX RETURN. Provides that failure to disclose reportable transactions will result in a penalty fee of \$15,000 for each failure to comply. With respect to a "listed transaction" the penalty will be \$30,000 for each failure to comply. (The Department has authority to rescind a penalty pursuant to a list of factors.)	To discourage businesses for using any type of "tax haven" or "tax avoidance shelter" when reporting their state taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).	35 ILCS 5/1001 35 ILCS 5/1002

<p>Article 35: Tax Shelter Voluntary Compliance Law. ADDS: technical language to the Section pertaining to Penalties, so that the Reportable Transaction language logically is incorporated into the statute. Provides that an Assessment of penalty under Section 1005(b) "Reportable Transaction Penalty" shall be deemed assessed upon the assessment to the tax to which such penalty relates and shall be collected and paid on notice and demand in the same manner as the tax.</p>	<p>To discourage businesses from using any type of "tax haven" or "tax avoidance shelter" when reporting their state taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).</p>	<p>35 ILCS 5/1005</p>
<p>Article 35: Tax Shelter Voluntary Compliance Law. ADDS: Reportable Transaction Penalty to Section 1005 Penalty for Underpayment of Tax. Defines Reportable transaction understatement. Identifies which subsection applies. Provides a "reasonable cause exception". Provides for a penalty of 20% of the amount equal to the amount of the understatement. Provides effective dates. Provides for targeted 100%, 150% interest rate penalties.</p>	<p>To discourage businesses from using any type of "tax haven" or "tax avoidance shelter" when reporting their State taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).</p>	<p>35 ILCS 5/1005</p>
<p>Article 35: Tax Shelter Voluntary Compliance Law. ADDS: A new Section: "Failure to register tax shelter or maintain list". Failure to comply with the specified Sections creates penalties. The amount of the penalties is specified as per Section violation.</p>	<p>To discourage businesses from using any type of "tax haven" or "tax avoidance shelter" when reporting their state taxable income. Allows businesses to report unclaimed taxable income without penalty for a period of time (similar to a tax amnesty program).</p>	<p>35 ILCS 5/1007 New</p>

P.A. 93-0841 – (SB 2208)
HUMAN SERVICES BUDGET IMPLEMENTATION

Description of Change	Reason	ILCS #
Emergency rulemaking authority	Allows immediate implementation of emergency rules as related to budget initiatives contained in the Human Services BIMP. Also allows the DPA to implement emergency rules to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act.	5 ILCS 100/5-45
Modify Community Mental Health Medicaid Trust Fund (#0718) to ensure 50% if the additional federal Medicaid matching funds resulting from fee-for-service conversions are reinvested in community mental health services.	Enacts the provision of the Memorandum-of-Understanding between the Administration and the General Assembly regarding the distribution and appropriation of additional federal Medicaid reimbursements for community developmental disability services generated by the fee-for-service conversion.	20 ILCS 1705/18.4
Creates the Community Developmental Disability Services Medicaid Trust Fund and provides for the reinvestment of 1/3 of the additional federal Medicaid matching funds resulting from fee-for-service conversion are reinvested in community developmental disability services.	Enacts the provision of the Memorandum-of-Understanding between the Administration and the General Assembly regarding the distribution and appropriation of additional federal Medicaid reimbursements for community developmental disability services generated by the fee-for-service conversion.	20 ILCS 1705/18.5 New
Allows payments relating to children's mental health Screening and Support Services (SASS) initiative to be made from the Family Care Fund. This implements SB 1951 (PA 93-0495), the Children's Mental Health Act passed last year.	The SASS initiative is a partnership among DHS, DCFS, and DPA to ensure all children have screenings prior to inpatient psychiatric hospitalization. Each agency will make payments to DPA, and DPA will pay for the screenings. The Family Care Fund has sufficient appropriations to permit this without a budget increase.	30 ILCS 105/62- 58
Allows transfers to GRF to \$160 million in revenues resulting from 2 years of the Hospital Provider Assessment. Transfers are limited to \$80 million per fiscal year.	Enacts the agreement between the General Assembly and the Governor that permits \$160 million from the Hospital Assessment Plan to be transferred to GRF.	30 ILCS 105/8.55 New
Allow disclosure of income tax information to Department of Aging.	The "Circuit Breaker" program and related appropriations are being transferred to the Department of Aging, which will require this data exchange to verify whether a person qualifies.	35 ILCS 5/917
Modify nursing home regulatory fees to avoid non-compliance with federal laws regarding Medicaid-eligible provider taxes.	IDPA has determined that fee increases enacted last year are in conflict with federal Medicaid provider tax standards, so the amounts must be adjusted to ensure compliance.	210 ILCS 45/3- 103
Eliminate DPH Technical Advisory Council procedures to permit generic drug substitutes for brand name drugs more quickly.	Provides potential Medicaid drug savings of \$20 million to \$25 million at DPA.	225 ILCS 85/25
Allow DPA to pay for the purchase or lease-purchases of oxygen equipment.	Current law requires oxygen equipment to be rented, even though a purchase may be more economical. This will provide budgetary savings for DPA.	305 ILCS 5/5-5

Freeze Medicaid nursing home reimbursement rates for FY05.	Continues the general "freeze" of annual inflation adjustments to rates. Other targeted rate increases have been provided over this period, including across-the-board 3% increase beginning January 1, 2005.	305 ILCS 5/5-5.4
LTC rate increases funded by the Hospital Assessment	Allows for a 3% LTC rate increase if the hospital assessment is approved in FY05.	305 ILCS 5/5-5.4
Increases Medicaid nursing home per diem rates by 3% effective January 1, 2005. Applies to Skilled and Intermediate Care facilities	Across-the-Board rate increase for LTC facilities reimbursed directly by IDPA. Separate and apart from any other rate adjustment resulting from the additional funds generated by the Hospital Assessment Plan.	305 ILCS 5/5-5.4
Restores "bed hold" LTC Medicaid reimbursement discontinued in FY04 related to the temporary hospitalization of nursing home residents.	Requires LTC payments at 75% of the daily per diem rate for up to 10 days for facilities with 90% or more Medicaid residents and at 93% occupancy. \$5 million (gross) fiscal impact.	305 ILCS 5/5-5.4C New
Technical clean-ups relating to Hospital Assessment Program enacted under PA 93-659.	Revises/recalibrates provisions of the Public Aid Code to adjust for delayed implementation – originally scheduled for July 1, 2004, pending federal approval. Agreed by Illinois Hospital Association.	305 ILCS 5/5S-4
Allow Medicaid payments by DPA and other agencies to be made from the Health and Human Services Medicaid Trust Fund, created in PA 93-659 as part of the Hospital Assessment Program.	PA 93-659 directed revenues to the Medicaid Trust Fund, but did not define the Fund's purpose. This provision is needed to allow the Fund to be used for Medicaid payments to nursing homes and DD providers as included in the Governor's budget.	305 ILCS 5/12-10.7 New
Allow recoupment over 2 years of advance payments to DHS medical providers converting to fee-for-service reimbursement.	Current law limits the Section 25 exemption to DPA lines and LTC-DD within DHS. This change is limited to substance abuse only.	30 ILCS 105/25
Hospital Assessment bed data collection authorization.	Allows DPA to correct hospital bed data for certain hospitals under the Hospital Assessment Plan.	305 ILCS 5/5A-2
Automatic enrollment of "Circuit Breaker" participants in Medicare Discount Card Program.	Required by federal law. Coordinates Medicare Discount Card Program with Circuit Breaker Pharmaceutical Assistance Program.	320 ILCS 25/6

GLOSSARY & DESCRIPTION OF FUNDS



GLOSSARY

Activity Measure -information or data used to count the delivery of state services; for instance, the number of people served and the number of cases closed.

All Funds -every fund appropriated to or spent by an agency.

Annualize -to provide full year funding in the next fiscal year when a program is started or a person is hired part way through the current fiscal year.

Appropriation -spending authority from a specific fund given by the General Assembly and approved by the Governor for a specific amount, purpose and time period.

Assessments -a levy imposed for a specific purpose, typically the medical assessment program under which the Department of Public Aid levies a fee on long-term care and other providers to help fund Medicaid liability.

Attrition -a natural reduction in caseload or staff; for example, from retirement or resignation.

Available Fund Balance -the total amount of money in a fund at a particular point in time, typically at the beginning of a month or the year.

Basis of Accounting -the method of accounting used to track and report state revenues and expenditures; for example, cash, budgetary or accrual.

Bond Fund -a fund that receives proceeds from the sale of bonds to be used for capital projects.

Bond Rating -an assessment of the credit risk with respect to a specific bond issue.

Bond Retirement and Interest Fund -a fund used to repay principal and interest on bonds or other debt obligations, typically spent pursuant to a continuing and irrevocable appropriation.

Budgetary Balance -available cash balance on June 30, minus lapse period spending for the fiscal year just ended.

Build Illinois -a state economic development and public infrastructure program begun in 1986 and primarily funded by dedicated state sales tax revenue bonds.

Capital -buildings, structures, equipment and land. Acquisition, development, construction and improvement of capital are typically funded through bond funds.

Case Management -monitoring and oversight of the delivery of services, which may include coordination of all services to a client.

Caseload -the number of clients being served at a point in time, sometimes used in the context of clients per staff.

Cash Flow -the amount of cash available for use during a period of time, calculated by subtracting spending from the sum of the receipts and the beginning balance.

Census -population measure, typically of clients in a facility or program.

Certificate of Participation -similar to bonds or other debt instruments, a security issued by the state or a third party that gives the holder a share of the stream of annual appropriated lease payments made by the state.

Client -a person or family receiving services, typically from a human service agency.

Commodities -line item for consumable items used in connection with current agency operations; for instance, household, medical or office supplies; food for those in institutions; coal, bottled and natural gas; and equipment costing less than \$100.

Common School Fund -one of four funds that comprise the state general funds. It is used to fund Elementary and Secondary Education. If revenues to the fund from the lottery, bingo, public utility, cigarette and sales taxes and from investment income, among others, are insufficient to make monthly general state aid payments, the Common School Fund receives automatic transfers from the General Revenue Fund.

Consent Decree -an agreement between both parties in a lawsuit that binds them and determines their rights and obligations. While made under sanction of the court, it does not bind the court, and it is not a judicial sentence.

Continuing Appropriation -statutory authority for the Comptroller and Treasurer to spend funds in the event the legislature fails to appropriate or appropriates an insufficient amount for a specified purpose. Examples of continuing appropriations are for debt service on state bonds or payments to the state retirement systems.

Contractual Services -line item for services provided by a non-state employee or vendor including, utilities; medical services for those in institutions; professional, technical or artistic consulting; and property and equipment rental.

Debt Service -payment of principal, interest and other obligations associated with the retirement of debt.

Dedicated Funds -revenues assessed and collected for a specific state program.

Divisions -organizational units within agencies designated as such for programmatic or administrative convenience.

Education Assistance Fund -one of four funds that comprise the state general funds. It is used to fund Elementary, Secondary and Higher Education. It receives 7.3 percent of the state income tax net of refunds, as well as wagering taxes paid to the state by riverboat casinos.

Electronic Data Processing -line item for lease or purchase of computer or other data processing equipment and related services including supplies, services and personnel.

Employee Retirement Contributions Paid by State (Pension Pick-Up) -line item for payment of an employee's required contribution to the State Employees' Retirement System, which an agency has chosen or contracted to make on behalf of the employee.

Entitlement -program benefits that must be provided in a timely fashion to those who meet eligibility criteria and that may not be taken away without due process.

Equipment -line item for non-consumable items of tangible personal property used in connection with current agency operations; for instance office furniture, vehicles or machinery, and scientific or other major instruments and apparatus.

Executive Branch -distinguished from the legislative and judicial branches of state government, it is charged with the detail of carrying out and effectuating the law through the day-to-day operations and activities of state government. The Governor, as chief executive officer of the state, is responsible for the operation and administration of state agencies.

Executive Order -a decree or mandate issued by the Governor for the purpose of interpreting or implementing a provision of the law. Executive orders often are used to reorganize and assign functions

among executive agencies, create advisory and special commissions and boards or direct state agencies regarding policy.

Expenditure -state spending. Agencies submit vouchers to the Comptroller's Office, which prepares a state check (warrant) and maintains accounting records. Warrants are presented to the Treasurer, who maintains and invests state funds.

Federal Aid -funding provided by the federal government.

Fiscal Year -Illinois state government's fiscal year is July 1 through June 30. This is the period during which obligations are incurred, encumbrances are made and appropriations are expended. The federal government's fiscal year is October 1 through September 30.

Full Faith and Credit -a pledge or promise to repay general obligation debt; typically includes all of an issuer's taxing powers.

Full- Time Equivalent -a calculated measure of full-time employment for comparison purposes, in which each full-time employee works 37.5 hours per week for 52 weeks per year.

Fund -an account established to hold money for specific programs, activities or objectives.

General Funds -(usually lower-case) refers to the following group of funds, inclusively: the General Revenue Fund, the Education Assistance Fund, the Common School Fund, and the General Revenue - Common School Special Account Fund.

General Obligation Bonds -bonds issued for capital purposes as direct legal obligations secured by general tax revenues and guaranteed by the full faith and credit of the state.

General Revenue -Common School Special Account Fund -one of four funds that comprise the state general funds. It is used for accounting purposes to receive 25 percent of state sales tax and subsequently transfer these moneys to the Common School Fund.

General Revenue Fund -the largest of four funds that comprise the state general funds. It receives the majority of undedicated tax revenues, mostly income and sales taxes, for use generally to operate and administer state programs.

General State Aid -an unrestricted formula-driven grant that comprises the largest portion of state assistance to local school districts. The amount of funds a district receives depends on its financial need measured by three factors: its average daily attendance, its equalized assessed valuation of property and its local tax measured by its statutory tax rate.

Grant -an award or contribution to be used either for a specific or a general purpose, typically with no repayment provision.

Group Insurance -line item for life and health insurance program for all state employees, retirees and their dependents.

Headcount -a statement of the number of employees for some period of time, typically either the actual number of staff working or a calculated full-time equivalent.

Highway Fund -a fund that receives special dedicated revenues related to transportation; for example, the motor fuel tax or federal highway trust funds, to be used to support the construction and maintenance of transportation facilities and activities.

Hiring Lag -the- savings in personal services and benefits associated with the time period between an employee leaving the job and a replacement being hired.

Illinois FIRST -a \$12 billion, multi-year public works initiative begun in 1999 and funded by a combination of local, state and federal resources.

Income Tax Surcharge -a temporary increase of 0.5 percent in the state personal income tax and 0.8 percent in the corporate income tax established in July 1989 to fund education, local governments and property tax relief. Subsequently, in July 1991, one-half of the surcharge was made permanent and dedicated to education. The remaining one-half was made permanent in July 1993.

Infant Mortality -measure of infant deaths during the first year of life per 1000 live births.

Judicial Branch -distinguished from the legislative and executive branches of state government, it is charged with interpreting and applying laws.

Lapse -the portion of an appropriation that is not spent during the authorized period, typically the fiscal year, including the lapse period.

Lapse Period -the two-month period following the fiscal year (July 1 to August 31) when agencies can liquidate liabilities incurred before the end of that fiscal year (June 30). Public Act 89-511, effective in fiscal year 1997, reduced the lapse period from three months to two months.

Lapse Period Spending -spending that occurs during the lapse period from the previous year's appropriation.

Legislative Branch -distinguished from the judicial and executive branches of state government, it is charged with making and enacting the law, including appropriations.

Legislative Transfer -reallocation of appropriation amounts among line items by the General Assembly during the fiscal year. Distinguished from a two- percent transfer, which may be accomplished by the executive branch without participation of the legislative branch.

Line Item -specific purpose of an appropriation; for instance, personal services, retirement, printing or travel.

Liquidate -to settle or pay a debt or to convert assets into cash.

Local Government Distributive Fund -receives 1/10 of the income tax proceeds to the general funds, via a transfer, for distribution to units of local government based on population. Funds may be used for any purpose.

Lump Sum -appropriation line for a general program purpose without specific line items identified.

Managed Care -the process of coordinating and controlling all services provided to a client to assure efficient and effective results.

Mandate -a law or regulation that generally should be followed, whether or not funding is provided. The State Mandates Act permits certain regulations and laws to be ignored if funding is not provided.

Match -contribution to program required to receive a program grant, may be either money, "hard match", or services, "soft match".

Medicaid -public assistance financed jointly by the state and federal governments to provide medical care for individuals who meet certain eligibility criteria.

Moral Obligation -a duty that is not binding or enforceable by law, typically debt service on bonds issued by others that the state agrees to consider funding if the issuer is unable to pay. There is no legal guarantee the state will make such payments.

Other Funds -all state and federal funds except the four general funds.

Other Operations -administrative non-grant expenses of state agencies except salaries and payments for fringe benefits; for example, contractual services, travel, printing and telecommunications.

Per Diem -by the day. An amount of so much for each day.

Performance Measure -information or data used to determine the quality and outcomes of state services; for instance, the number of people who receive jobs following job counseling and employment services or the number of people who remain off drugs following treatment services.

Personal Services -line item for salary payments to employees. Phase-In -staged expenditure pattern, such as initiating a program, hiring employees or opening an institution over time (see Annualize).

Pilot Program -tentative model for future full scale development, typically a program operated in a limited area or targeted to a limited population to analyze its effectiveness before expanding its scope.

Position Title -name and description of a job.

Printing -line item for contractual services, materials and supplies used to produce and print information; for example, letterhead stationery, annual reports and forms.

Program Area -major organizational categories of state government, including education, human services, public safety, environment and business regulations, economic development and infrastructure and government services.

Reappropriation -an unspent appropriation that continues into the next fiscal year, typically for a capital or other multi-year project or liability.

Recommended -Governor's budget requests presented to the General Assembly for its approval.

Refunding Bonds -bonds issued to refinance other outstanding bonds, which generally were originally issued at higher interest rates.

Refunds -line item for return of funds to the rightful owner, typically return of overpaid taxes or fees.

Repair and Maintenance -line item for upkeep, restoration and improvement of equipment and facilities in connection with current agency operations.

Reserve -portion of appropriation intentionally set aside and not spent, either to increase lapse or as a contingency for increased liabilities in other line items.

Resources -all assets available for use by agencies, whether appropriated or not.

Retirement -line item for employer's share of contributions to the state retirement system.

Revenues -receipts from taxes, fees, assessments, grants and other payments used to fund programs.

Revolving Fund -receives intergovernmental payments charged for providing central operational services, such as computer, purchasing, state garage and telecommunications.

Road Fund -receives motor fuel tax and other transportation-related revenues for use to operate the Department of Transportation, Illinois State Police and the Secretary of State's Office and to build and maintain roads, bridges and other transportation facilities.

Social Security -line item for employer's share of contributions to the Federal Insurance Contributions Act (FICA) tax.

Special State Funds -all state funds except the general funds, bond-financed funds, debt service funds and state trust funds.

State Agency -government organization created by statute to administer and implement particular legislation.

Statute -a law enacted by the General Assembly and approved by the Governor.

Substitute Care -a program to place children away from their families in foster homes or residential facilities.

Supplemental Appropriation -additional spending authority given by the General Assembly during the fiscal year, following passage of the initial budget.

Transfer -reallocation of resources, typically movement of money from one fund to another or shift of appropriation authority among line items by the legislative or the executive branch.

Trust Fund -receives revenues assessed and collected for a specific state program.

Two Percent Transfer -reallocation of appropriation amounts by the Governor during the fiscal year. Limited to two percent of an agency's appropriation by fund for specific operations lines. Distinguished from a legislative transfer, which requires approval by the legislative branch.

VOIDS -checks (warrants) that are not cashed.

Voucher -document requesting payment submitted to the Comptroller, who then writes and issues a warrant.

Warrant - check issued by the Comptroller to a third party who cashes it with the Treasurer.

Zero Coupon Bonds -bonds without interest coupons for semi-annual payment. Interest accrues over the life of the bond and is paid on maturity along with the principal.

DESCRIPTION OF FUNDS

There are approximately 650 funds in the Illinois accounting system. These funds are separated into two categories --Appropriated and Non-Appropriated Funds.

The Appropriated Funds category is further broken into eight fund groups: General, Highway, Special State, Bond Financed, Debt Service, Federal Trust, Revolving and State Trust Funds. The Non- Appropriated Funds category is composed primarily of Federal and State Trust Funds, and includes a few Special State Funds.

General Funds receive the major portion of tax revenues and pay for the regular operating and administrative expenses of most state agencies. Components of the general funds are the General Revenue Fund, the Education Assistance Fund, the Common School Fund and the General Revenue-Common School Special Account Fund.

Highway Funds receive and distribute special assessments related to transportation, such as the motor fuel tax, and support the construction and maintenance of transportation facilities and activities of the state.

University Funds receive revenues such as fees, tuition and excess income from auxiliary enterprises at state universities and colleges, including related foundations and associations. Prior to fiscal year 1998, the General Assembly appropriated these funds for the support, operation and improvement of state-supported institutions of higher education. Starting in fiscal year 1998, the university funds became locally held funds and, together with other funds administered by the universities, are not subject to appropriation.

Special State Funds are designated in Section 5 of the Finance Act as special funds in the State Treasury and not elsewhere classified. They represent a segregation of accounts restricted to the revenues and expenditures of a specific source.

Bond Financed Funds receive and administer the proceeds of various state bond issues.

Debt Service Funds account for the resources obtained and accumulated to pay interest and principal on debt obligations.

Federal Trust Funds are established pursuant to grants and contracts between state agencies and the federal government. The funds are administered for specific purposes established by the terms of the grants and contracts.

Revolving Funds finance the operations of state agencies that render services to other state agencies on a cost reimbursement basis. Appropriation of these funds is dependent upon intra-governmental service requirements and appropriations of other state agencies.

State Trust Funds are established by statute or under statutory authority for specific purposes.

Other Trust Funds receive and account for resources for subsequent disbursement to a designated recipient. Escrow funds are an example of an Other Trust Fund.

BACKGROUND

The Illinois Economic and Fiscal Commission, a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

- 1) Preparation of annual revenue estimates with periodic updates;
- 2) Analysis of the fiscal impact of revenue bills;
- 3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
- 4) Periodic assessment of capital facility plans; and
- 5) Annual estimates of public pension funding requirements and preparation of pension impact notes; and
- 6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes three primary reports. The "Revenue Estimate and Economic Outlook" describes and projects economic conditions and their impact on State revenues. "The Illinois Bond Watcher" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. The Commission also periodically publishes special topic reports that have or could have an impact on the economic well being of Illinois.

These reports are available from:

Illinois Economic and Fiscal Commission
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
(217) 782-3513 (FAX)

Reports can also be accessed from our Webpage:

http://www.legis.state.il.us/commission/ecfisc/ecfisc_home.html