



# Commission on Government Forecasting and Accountability

**MONTHLY BRIEFING**

**MAY 2005**

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**PENSION: Provisions of SB 0027 (Public Act 94-0004)**  
Tim Blair, Pension Manager

SB 0027 passed both chambers and became Public Act 94-0004 upon signature by Governor Blagojevich on June 1, 2005. The Act makes several changes to the Illinois Pension Code. Specifically, the Act reduces the required FY 2006 and FY 2007 State contributions to the State-funded retirement systems and makes various changes in the Downstate Teachers', State Universities, State Employees' and the Chicago Teachers' Articles of the Pension Code.

**Changes in Funding Provisions**

P.A. 94-0004 changes the funding plan that was created in 1994 by P.A. 88-0593 by setting the State contribution levels for FY 2006 and FY 2007, rather than requiring the State to make contributions based on actuarial calculations contained in the funding plan. In addition, the separate funding of the liability created by the 2002 SERS Early Retirement Incentive was eliminated. Table 1 provides a comparison of the FY 2006 certified contributions and FY 2007 projected contributions with the State contributions required by P.A. 94-0004.

P.A. 94-0004 changes the provisions of the current funding plan to specify the ramp up to contributing at a level percent of payroll (in FY 2010) which will resume in FY 2008.

**Changes in Benefit Provisions**

P.A. 94-0004 makes several changes to the substantive provisions of the State Employees' Retirement System, Teachers' Retirement System, State Universities Retirement System and the Chicago Teachers' Pension Fund.

Table 1						
Certified and Projected Contributions vs. Public Act 94-0004 Contributions (in millions \$)						
	FY 2006			FY 2007		
System	Certified Contributions	P.A. 94-0004	Reduction	Projected Contributions	P.A. 94-0004	Reduction
TRS	\$ 1,058.5	\$ 534.6	\$ 523.9	\$ 1,233.1	\$ 738.0	\$ 495.1
SERS	690.3	203.8	486.6	832.0	344.2	487.8
SURS	324.9	166.6	158.2	391.9	252.1	139.8
JRS	38.0	29.2	8.8	44.5	35.2	9.3
GARS	5.5	4.2	1.3	6.3	5.2	1.1
Total	\$ 2,117.1	\$ 938.4	\$ 1,178.7	\$2,507.9	\$1,374.7	\$1,133.2

### State Employees' Retirement System

#### Alternative formula Changes

Currently, all employees of the Department of Corrections are covered by the SERS alternative formula. P.A. 94-0004 provides that for employees starting after July 1, 2005, only Department of Corrections employees who are headquartered at a correctional facility, parole officers, members of an apprehension unit, members of an intelligence unit, and DOC investigators will be covered by the alternative formula. New employees included in other groups currently covered by the alternative formula will continue to be eligible for the SERS alternative formula.

### State Universities Retirement System

#### Money Purchase Retirement Option Changes

P.A. 94-0004 eliminates the money purchase formula for employees who become members of SURS after July 1, 2005. Beginning in FY 2006, the Act requires the Comptroller (rather than

the SURS Board of Trustees) to determine the interest rate to be used when crediting interest to the accounts of current employees.

#### Salary Increase Payments

P.A. 94-0004 provides a mechanism by which the liability associated with salary increases above a certain level may be shifted to the universities providing those salary increases. The Act provides that during the years used to determine final average salary, the employer must pay to SURS an amount equal to the present value of the increase in benefits resulting from salary increases above 6%. The employer contribution required by P.A. 94-0004 may be paid in a lump sum within 30 days of the receipt of the bill from SURS. The Act specifies that SURS must calculate the contribution amount using the same actuarial assumptions and tables used for the most recent actuarial valuation.

P.A. 94-0004 applies to salaries paid under contracts or collective bargaining agreements entered into, amended, or renewed after June 1, 2005 (the effective date of the Amendatory Act).

## Teachers' Retirement System

### Salary Increase Payments

P.A. 94-0004 provides a mechanism by which the liability associated with salary increases above a certain level may be shifted to the school districts providing those salary increases. The Act provides that during the years used to determine final average salary, the employer must pay to TRS an amount equal to the present value of the increase in benefits resulting from salary increases above 6%. The employer contribution required by P.A. 94-0004 may be paid in a lump sum within 30 days of the receipt of the bill from TRS. The Act specifies that TRS must calculate the contribution amount using the same actuarial assumptions and tables used for the most recent actuarial valuation.

**P**.A. 94-0004 applies to salaries paid under contracts or collective bargaining agreements entered into, amended, or renewed after June 1, 2005 (the effective date of the Amendatory Act).

### Money Purchase Retirement Option Changes

P.A. 94-0004 eliminates the money purchase formula for employees who become members of TRS after July 1, 2005.

### Sick Leave Service Credit

Currently, members of TRS may establish up to 2 years of service credit for unused and uncompensated sick leave without making contributions. P.A. 94-0004 provides that if days granted by an employer are in excess of the normal annual sick leave allotment, the employer is required to contribute to TRS the normal cost of the benefits which are based on this excess sick leave.

### Extension of Current Early Retirement Option

An Early Retirement Option (ERO) for members of TRS was created in 1980 and has been extended every 5 years since its inception. Most recently, Public Act 91-0017 extended the TRS ERO option until June 30, 2005. If an employee exercises the ERO option (i.e. retires before age 60 with less than 34 years of service) employee and employer contributions are required to avoid discount. The employee contribution is 7% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution is 20% of salary for each year less than age 60. Public Act 92-0582 removed the employee contribution for members with 34 years of service and Public Act 91-0017 removed the employer contribution requirement when employees retire with 34 years of service.

P.A. 94-0004 allows TRS members to participate in the current ERO if the member retires between June 30, 2005 and July 1, 2007. The member must have notified his or her employer of the intent to participate in the ERO prior to June 1, 2005 (the effective date of the Amendatory Act) under the terms of a contract or collective bargaining agreement in effect prior to June 1, 2005.

**A** member's employer is required to provide to TRS a copy of the member's notification, an affidavit signed by the member and employer verifying the notification, and any additional documentation that TRS may require.

### New Early Retirement Option

P.A. 94-0004 creates a new ERO effective July 1, 2005. If an employee exercises the new ERO option (retires before age 60) employee and employer contributions are required to avoid discount. The employee contribution is 11.5% of salary for each year less than age 60 or 35 years of service (whichever is less) and the employer contribution is 23.5% of salary for each year less than age 60. In addition, all active TRS members are required to contribute 0.4% of salary towards the cost of ERO. This contribution would be refunded, without interest, if the member does not utilize the ERO, if the member takes a refund from TRS, if the member dies, or if the ERO is terminated.

**B**y June 30, 2012 (and every 5 years thereafter), TRS is required to review the System's ERO experience to determine if the required contributions adequately fund the ERO. The TRS Board of Trustees must submit the results to the Commission on Government Forecasting and Accountability, who must then recommend to the General Assembly (by February 1<sup>st</sup>) if the required ERO contributions should be adjusted. If the General Assembly does not adjust the required contributions as recommended, the ERO would be terminated at the end of that fiscal year.

### **Chicago Teachers' Pension Fund**

#### Extension of Current Early Retirement Option

Public Act 91-0017 extended the Early Retirement Option in the Chicago

Teachers' Pension Fund until June 30, 2005. If an employee exercises that option by retiring before age 60 with less than 34 years of service, employee and employer contributions are required to avoid a reduction in annuity. The employee contribution is 7% of salary for each month less than age 60 or 35 years of service (whichever is less), and the employer contribution is 20% of salary for each year less than age 60. No employee or employer contributions are required for members with 34 years of service. Currently, each employer has the authority to determine whether it should provide an ERO for its employers.

**P**A. 94-0004 extends the ERO option to June 30, 2010. The Act also specifies that the employer may not limit the number of ERO participants to less than 200 (rather than 30% of eligible members). The Act also allows the employer and collective bargaining agent to agree to set the limit higher than 200, and to base the allocation for participation on a basis other than seniority.

#### Application of New Benefits

P.A. 94-0004 requires every new benefit increase to identify and provide for additional funding at least sufficient to fund the resulting annual increase in cost as it accrues to the System. The Commission on Government Forecasting and Accountability is required to analyze and determine if adequate additional funding has been provided for the benefit increase and report that analysis to the Public Pension Division of the Department of Financial and Professional Regulation. The Division is required to report any funding inadequacies to the Governor and State

Comptroller. Unless the funding inadequacy is corrected by the General Assembly, the benefit increase would expire at the end of the fiscal year.

In addition, P.A. 94-0004 provides that all benefit increases will expire 5 years after the effective date of the increase, unless an earlier date is specified in the legislation that provides the benefit increase.

#### **Advisory Task Force on Pension Benefits**

P.A. 94-0004 creates an Advisory Task Force on Pension Benefits for New Employees. The Task Force would consist of 15 members, 8 of which would be appointed by the Governor. Four of the Governor's appointees must be members of labor organizations, with 2 representing primarily teachers and 2 representing primarily State employees. In addition, each legislative leader is allowed to appoint 1 member of the Task Force. The Executive Directors of TRS, SERS and SURS are also members of the Task Force.

The Task Force is allowed to request actuarial data from any of the State-funded retirement systems. It is charged with making recommendations on changing age and service requirements, automatic annual increases and employee contribution rates for future members of the retirement systems. These recommendations must be submitted to the

Governor and General Assembly by November 1, 2005.

#### **FISCAL IMPACT**

The overall fiscal impact of P.A. 94-0004 has not yet been calculated. The bill reduces the required State contributions to the retirement systems by \$1,178.7 million in FY 2006 and \$1,133.2 in FY 2007. The impact of reducing these contributions and eliminating the separate 2002 SERS ERI funding on the required FY 2008 through FY 2045 contributions has not yet been calculated. Generally, reducing contributions in the early years of a funding plan increases the contributions that will be required in later years. But, the bill also makes several changes to the Pension Code which may reduce the growth in accrued liabilities. A reduction in the growth rate of the accrued liabilities will result in lower required annual State contributions over the life of the funding plan.

The Commission on Government Forecasting and Accountability will request the five State-funded retirement systems calculate the effect of P.A. 94-0004 on the current and projected financial condition of the systems. In addition, the Commission will request the systems calculate the effect of the Act on the required annual State contributions over the remainder of the funding plan. These results will be compiled and released as a report in the summer of 2005.

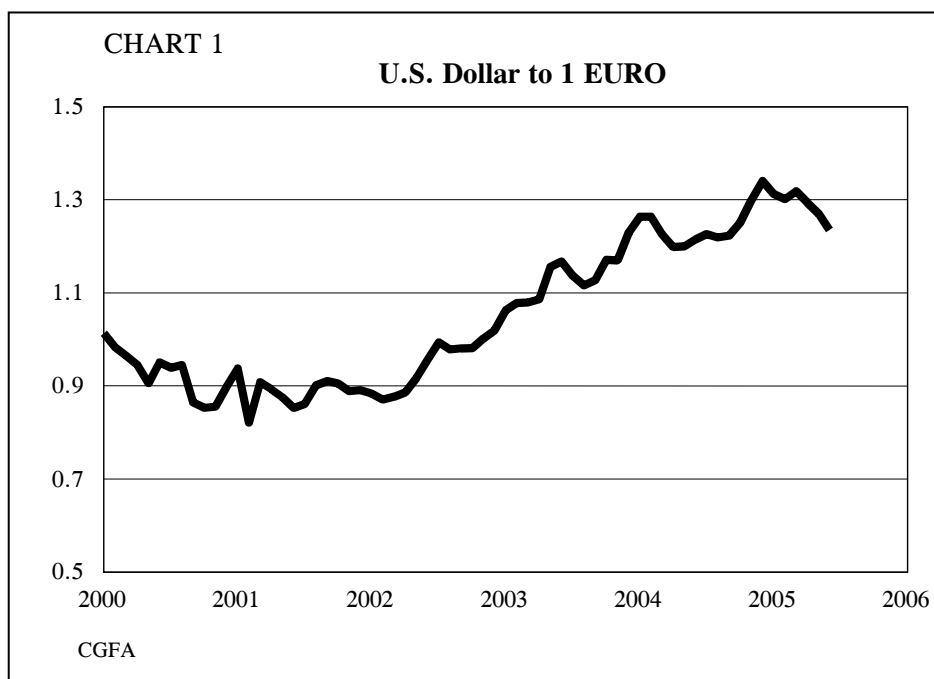
## ECONOMY

### Effects of French Vote on the U.S.

Edward H. Boss, Jr., Chief Economist

The 'NON' vote of the new European constitution by the French on May 29th, coupled with the likelihood of rejection by the Dutch in the days ahead, could doom the quest for continental unity that requires unanimous approval by all 25 members of the European Union. The no vote follows earlier approval by nine members of the EU through parliamentary vote. Interesting-

ly, the French decided upon the referendum option rather than parliamentary vote, a plan that apparently backfired. An initial effect of the vote was a decline in the value of the Euro relative to the U.S. dollar, which had been on a strong strengthening trend since late 2002. As shown in Chart 1, the Euro had risen to a high of \$1.36 at year-end 2004, but fell to a seven month low of \$1.25 in the New York market on Friday May 27<sup>th</sup>, opening at \$1.23 on Tuesday following the Memorial Day Holiday.



The public reaction to the ratification of the EU constitution undoubtedly reflects disapproval by the French of its government's handling of the economy as well as fears that the new constitution would further harm French living standards by unleashing economic competition and stimulating immigration from poorer countries in Eastern Europe. In April, the French

unemployment rate was 10.1 %, about double the U.S. rate of 5.2%. At the same time, the unemployment rate was 11.8% in Germany, reflecting the economic slowdown occurring in Europe. Indeed, the European Central Bank is expected to cut its 2005 growth estimate for the region when they meet on June 2nd for the third time in six months, from 1.6% to 1.4 %.

A weakening in the Euro, i.e. strengthening value of the dollar, would have some positive short-term effects on the U.S. economy. For example, it would lower inflationary pressures in the U.S. as imports from Europe would become less expensive, reduce the cost of U.S. citizens traveling abroad, and could even be a factor in determining when the Federal Reserve ends its current anti-inflationary stance through raising short-term interest rates. At the same time, a stronger dollar would not immediately deter U.S. exports to Europe, which have been improving. This is due to what economists call the “J” curve effect, which notes that in the short term, a depreciation of an exchange rate can worsen rather than improve that country’s overall balance of payments. The fall in the Euro also would seem to end any talk of OPEC switching from the dollar to the Euro as the base upon which oil is priced, as well as keeping the Euro from becoming an important reserve currency in which other countries keep that currency as a part of their own country’s reserves. Thus, the U.S. is

likely to continue to be the main currency serving both functions.

While few Americans may shed tears over the recent problems of the Chirac government in France stemming from the no vote, over the longer term a closer EU-US partnership would be beneficial to both nations. A more unified Europe that would limit a nation’s ability to run fiscal deficits, allow EU citizens to sell their goods and services to the EU with the same ease as they could in their home market, and a central bank that would fight inflation and defend the value of its currency would promote growth and productivity. In other words, create an economic pie that would be bigger. Such unity also could be helpful in strengthening the economies of newly emerging democracies. It is not clear, however, that the lengthy current rendition of the constitution voted down was the answer to this goal or rather just the creation of a giant bureaucracy. Even so, the No vote appears to be a rejection of market-oriented reforms and toward a greater nationalist view of economic policy that preserves current social democratic policies.

<b>INDICATORS OF ILLINOIS ECONOMIC ACTIVITY</b>			
<b>INDICATORS</b>	<b>April 2005</b>	<b>March 2004</b>	<b>April 2004</b>
Unemployment Rate (Average)	5.9%	5.6%	6.2%
Annual Rate of Inflation (Chicago)	11.9%	5.0%	3.2%
		<b>% CHANGE</b>	<b>% CHANGE</b>
	<b>LATEST</b>	<b>OVER PRIOR</b>	<b>OVER A</b>
	<b>MONTH</b>	<b>MONTH</b>	<b>YEAR AGO</b>
Civilian Labor Force (thousands) (April)	6,496	0.7%	1.8%
Employment (thousands) (April)	6,111	0.4%	2.1%
New Car & Truck Registration (April)	60,495	45.1%	11.8%
Single Family Housing Permits (April)	4,471	7.5%	3.5%
Total Exports (\$ mil) (March)	3,232	24.7%	21.7%
Chicago Purchasing Managers Index (May)	54.1	-17.5%	-20.4%

**FY 2006 Fund Sweeps**  
Lynnae Kapp, Bond Analyst

The State Finance Budget Implementation Bill, SB 661 as enrolled, made a number of changes to the State Finance Act including two types of special transfers to the General Revenue Fund in FY 2006--statutory fund sweeps from 215 funds in the amount of \$160 million and sweeps of funds that will be repealed. The statutory fund

sweeps are to be made in equal quarterly installments on July 1<sup>st</sup> (or as soon as possible), October 1<sup>st</sup>, January 1<sup>st</sup> and April 1<sup>st</sup>. When any of the funds have insufficient amounts due to these transfers, the Comptroller is to transfer back to the fund amounts immediately necessary for expenditure obligations. The fund will then re-transfer this amount back to the General Revenue Fund as soon as fund receipts will allow or by June 30, 2006.

<b>FY06 TOTAL FUND SWEEPS</b>		
<b>No.</b>	<b>FUND</b>	<b>AMOUNT TRANSFERRED</b>
0046	Aeronautics Fund	\$2,186
0146	Aggregate Operations Regulatory Fund	\$32,750
0153	Agrichemical Incident Response Trust Fund	\$419,830
0440	Agricultural Master Fund	\$17,827
0309	Air Transportation Revolving Fund	\$181,478
0669	Airport Land Loan Revolving Fund	\$1,669,970
0422	Alternate Fuels Fund	\$1,056,833
0738	Alternative Compliance Market Account Fund	\$53,120
0386	Appraisal Administration Fund	\$250,000
0416	Armory Rental Fund	\$111,538
0702	Assisted Living and Shared Housing Reg. Fund	\$24,493
0795	Bank and Trust Company Fund	\$3,800,000
0215	CDB Revolving Fund	\$453,054
0344	Care Provider Fund for Persons with a Developmental Disability	\$2,378,270
0567	Charter Schools Revolving Fund	\$650,721
0757	Child Support Administrative Fund	\$1,117,266
0147	Coal Mining Regulatory Fund	\$127,583
0312	Communications Revolving Fund	\$12,999,839
0113	Community Health Center Care Fund	\$104,480
0288	Community Water Supply Lab Fund	\$716,232
0844	Continuing Legal Education Trust Fund	\$23,419
0380	Corporate Franchise Tax Refund Fund	\$500,000
0434	Court of Claims Admin and Grant Fund	\$24,949
0335	Criminal Justice Information Projects Fund	\$18,212
0582	DCFS Special Purposes Trust Fund	\$77,835
0635	Death Certificate Surcharge Fund	\$1,134,341
0363	Dept. of Business Services Special Operations Fund	\$2,000,000
0094	DCFS Training Fund	\$1,408,106
0523	Dept. of Corrections Reimbursement and Education Fund	\$2,208,323
0382	Dept. of Insurance State Trust Fund	\$18,009
0251	Dept. of Labor Special State Trust Fund	\$359,895
0830	Dept. of Aging State Projects Fund	\$10,059



		<b>AMOUNT</b>
<b>No.</b>	<b>FUND</b>	<b>TRANSFERRED</b>
0888	Design Professionals Admin and Investigation Fund	\$51,701
0921	DHS Recoveries Trust Fund	\$1,591,834
0642	DHS State Projects Fund	\$89,917
0167	Div. Of Corporations Registered LLP Fund	\$150,000
0884	DNR Special Projects Fund	\$301,649
0821	Dram Shop Fund	\$110,554
0031	Drivers Education Fund	\$30,152
0728	Drug Rebate Fund	\$17,315,821
0878	Drug Traffic Prevention Fund	\$22,123
0368	Drug Treatment Fund	\$160,030
0276	Drunk and Drugged Driving Prevention Fund	\$51,220
0548	Drycleaner Environmental Response Trust Fund	\$1,137,971
0098	DuQuoin State Fair Harness Racing Trust Fund	\$3,368
0502	Early Intervention Services Revolving Fund	\$1,044,935
0023	Economic Research and Information Fund	\$49,005
0996	Educational Labor Relations Board Fair Share Trust Fund	\$40,933
0315	Efficiency Initiatives Revolving Fund	\$6,178,298
0173	Emergency Planning and Training Fund	\$28,845
0240	Emergency Public Health Fund	\$139,997
0114	Emergency Response Reimbursement Fund	\$15,873
0398	EMS Assistance Fund	\$40,923
0610	Energy Assistance Contribution Fund	\$89,692
0571	Energy Efficiency Trust Fund	\$1,300,938
0336	Environmental Lab Certification Fund	\$62,039
0944	Environ Protection Permit and Inspect Fund	\$180,571
0845	Environ Protection Trust Fund	\$2,228,031
0154	EPA Court Trust Fund	\$338,646
0074	EPA Special State Projects Trust Fund	\$284,263
0145	Explosives Regulatory Fund	\$23,125
0314	Facilities Management Revolving Fund	\$4,803,971
0118	Facility Licensing Fund	\$22,958
0720	Family Care Fund	\$22,585
0520	Federal Asset Forfeiture Fund	\$1,871
0369	Feed Control Fund	\$478,234
0290	Fertilizer Control Fund	\$207,398
0021	Financial Institution Fund	\$2,448,690
0071	Firearm Owner's Notification Fund	\$3,960
0014	Food and Drug Safety Fund	\$421,401
0022	General Professions Dedicated Fund	\$3,975,808
0555	Good Samaritan Energy Trust Fund	\$7,191
0647	Governor's Grant Fund	\$1,592
0739	Group Worker's Compensation Pool Insolvency Fund	\$136,547
0297	Guardianship and Advocacy Fund	\$27,289
0282	Hazardous Waste Occup. Licensing Fund	\$14,939
0840	Hazardous Waste Research Fund	\$125,209
0524	Health Facility Plan Review Fund	\$165,972
0938	Hearing Instrument Dispenser Examining and Disciplinary Fund	\$102,842
0746	Home Inspector Admin Fund	\$244,503

		<b>AMOUNT</b>
<b>No.</b>	<b>FUND</b>	<b>TRANSFERRED</b>
0688	IEMA State Projects Fund	\$13
0982	IL Beach Marina Fund	\$177,801
	IL Capital Revolving Loan Fund	\$4,024,106
0731	IL Clean Water Fund	\$1,835,796
0339	IL Community College Board Contracts and Grants Fund	\$9
0024	IL Dept. of AG Lab Services Revolving Fund	\$174,795
0974	IL Equity Fund	\$119,193
0296	IL Executive Mansion Trust Fund	\$56,154
0905	IL Forestry Development Fund	\$1,389,096
0753	IL Future Teachers Corps Scholarship Fund	\$4,836
0085	IL Gaming Law Enforcement Fund	\$650,646
0390	IL Habitat Endowment Trust Fund	\$3,641,262
0238	IL Health Facilities Planning Fund	\$23,066
0538	IL Historic Sites Fund	\$134,366
0927	IL National Guard Armory Construction Fund	\$31,469
0595	IL Rural Rehab Fund	\$8,190
0175	IL School Asbestos Abatement Fund	\$183,191
0438	IL State Fair Fund	\$50,176
0954	IL State Podiatric Disciplinary Fund	\$317,239
0677	ISAC Contracts and Grants Fund	\$5,589
0452	IL Tourism Tax Fund	\$647,749
0127	IL Underground Utility Facilities Damage Prevention Fund	\$2,175
0036	IL Veterans' Rehab Fund	\$218,940
0049	Industrial Hygiene Reg and Enforcement Fund	\$3,564
0371	Innovations in Long-term Care Quality Demonstration Grants Fund	\$565,494
0997	Insurance Financial Regulation Fund	\$800,000
0242	ISAC Accounts Receivable Fund	\$26,374
0161	ISBE GED Testing Fund	\$146,196
0159	ISBE Teacher Certificate Institution Fund	\$122,117
0931	JJ Wolf Memorial for Conservation Investigation Fund	\$8,137
0441	Kaskaskia Commons Permanent Fund	\$79,813
0858	Land Reclamation Fund	\$30,582
0975	Large Business Attraction Fund	\$340,777
0769	Lawyers Assistance Program Fund	\$198,207
0536	LEADS Maintenance Fund	\$76,981
0924	LT Governor's Grant Fund	\$188
0430	Livestock Management Facilities Fund	\$47,800
0762	Local Initiative Fund	\$1,940,646
0969	Local Tourism Fund	\$132,876
0285	Long Term Care Monitor/Receiver Fund	\$427,850
0420	MAP Reserve Fund	\$879,700
0377	McCormick Place Expansion Project Fund	\$0
0740	Medicaid Buy-In Program Revolving Fund	\$318,894
0237	Medicaid Fraud and Abuse Prevention Fund	\$60,306
0808	Medical Special Purposes Trust Fund	\$930,668
0043	Military Affairs Trust Fund	\$68,468
0649	Motor Carrier Safety Inspection Fund	\$147,477
0289	Motor Fuel and Petroleum Standards Fund	\$19,673

		<b>AMOUNT</b>
<b>No.</b>	<b>FUND</b>	<b>TRANSFERRED</b>
0323	Motor Vehicle Review Board Fund	\$250,000
0156	Motor Vehicle Theft Prevention Trust Fund	\$1,415,361
0951	Narcotics Profit Forfeiture Fund	\$39,379
0069	Natural Heritage Endowment Trust Fund	\$557,264
0375	Natural Heritage Fund	\$3,336
0914	Natural Resources Information Fund	\$64,596
0831	Natural Resources Restoration Trust Fund	\$63,002
0574	Off-Highway Vehicle Trails Fund	\$244,815
0774	Oil Spill Response Fund	\$167,547
0308	Paper and Printing Revolving Fund	\$48,476
0962	Park and Conservation Fund	\$3,050,154
0562	Pawnbroker Regulation Fund	\$94,131
0576	Pesticide Control Fund	\$420,223
0573	Petroleum Resources Revolving Fund	\$85,540
0517	Police Training Board Service Fund	\$1,540
0277	Pollution Control Board Fund	\$23,004
0207	Pollution Control Board Trust Fund	\$410,651
0712	Post Transplant Maintenance and Retention Fund	\$75,100
0776	Presidential Library and Museum Operating Fund	\$727,250
0192	Professional Regulation Evidence Fund	\$2,817
0317	Professional Services Fund	\$46,222
0341	Provider Inquiry Trust Fund	\$207,098
0421	Public Aid Recoveries Trust Fund	\$7,610,631
0340	Public Health Lab Services Revolving Fund	\$92,276
0896	Public Health Special State Projects Fund	\$816,202
0256	Public Health Water Permit Fund	\$17,624
0993	Public Infrastructure Construction Loan Revolving Fund	\$63,802
0546	Public Pension Regulation Fund	\$222,433
0248	Racing Board Fingerprint License Fund	\$16,835
0067	Radiation Protection Fund	\$212,010
0850	Real Estate License Admin Fund	\$1,500,000
0388	Regulatory Evaluation and Basic Enforcement Fund	\$64,221
0291	Regulatory Fund	\$55,246
0564	Renewable Energy Resources Trust Fund	\$14,033
0213	Response Contractors Indemnification Fund	\$126
0048	Rural/Downstate Health Access Fund	\$4,644
0244	Savings and Residential Finance Regulatory Fund	\$5,200,000
0130	School District Emergency Financial Assistance Fund	\$2,130,848
0569	School Technology Revolving Loan Fund	\$19,158
0431	Second Injury Fund	\$151,493
0295	SoS Interagency Grant Fund	\$40,900
0185	SoS Special License Plate Fund	\$520,200
0483	SoS Special Services Fund	\$2,500,000
0362	Securities Audit and Enforcement Fund	\$3,400,000
0292	Securities Investors Education Fund	\$100,000
0274	Self Insurers Admin Fund	\$286,964
0535	Sex Offender Registration Fund	\$7,647
0389	Sexual Assault Services Fund	\$12,210

		<b>AMOUNT</b>
<b>No.</b>	<b>FUND</b>	<b>TRANSFERRED</b>
0387	Small Business Environmental Assistance Fund	\$13,686
0866	Snowmobile Trail Establishment Fund	\$3,124
0078	Solid Waste Management Fund	\$6,587,173
0229	Sports Facilities Tax Trust Fund	\$1,112,590
0361	State Appellate Defender Special State Projects Fund	\$23,820
0514	State Asset Forfeiture Fund	\$71,988
0039	State Boating Act Fund	\$401,824
0417	State College and University Trust Fund	\$139,439
0152	State Crime Lab Fund	\$44,965
0835	Sate Fair Promotional Activities Fund	\$8,734
0303	State Garage Revolving Fund	\$639,662
0537	State Offender DNA ID System Fund	\$81,740
0658	Sate Off-set Claims Fund	\$1,487,926
0040	State Parks Fund	\$1,045,889
0376	State Police Motor Vehilce Theft Prevention Fund	\$164,843
0246	State Police Vehicle Fund	\$22,899
0705	State Police Whistleblower Reward and Protection Fund	\$199,699
0265	State Rail Freight Loan Repayment Fund	\$1,147,727
0903	State Surplus Property Revolving Fund	\$388,284
0703	State Whistleblower Reward and Protection Fund	\$1,592
0745	State's Attorneys Appellate Prosecutor's County Fund	\$70,101
0525	Statewide Grand Jury Prosecution Fund	\$7,645
0304	Statistical Services Revolving Fund	\$4,847,783
0089	Subtitle D Management Fund	\$169,744
0370	Tanning Facility Permit Fund	\$64,571
0384	Tax Compliance and Admin Fund	\$429,377
0310	Tax Recovery Fund	\$113,591
0016	Teacher Certificate Fee Revolving Fund	\$982,399
0111	Toxic Pollution Prevention Fund	\$28,534
0261	Underground Resources Conservation Enforcement Fund	\$294,251
0418	University Grant Fund	\$23,881
0294	Used Tire Management Fund	\$1,918,500
0651	Watershed Park Fund	\$19,786
0163	Weights and Measures Fund	\$1,078,121
0124	Workers Compensation Benefit Trust Fund	\$266,574
0332	Workers Compensation Revolving Fund	\$520,285
0301	Working Capital Revolving Fund	\$1,404,868
0128	Youth Alcoholism and Substance Abuse Prevention Fund	\$29,995
0910	Youth Drug Abuse Prevention Fund	\$4,091
	<b>Total</b>	<b>\$160,213,387</b>

The following table lists the 23 funds to be repealed. Most of the funds have dwindling cash balances and nine

are basically defunct. The total combined cash balance of these funds as of May 31, 2005 was approximately \$1 million.

FY06 TOTAL FUND SWEEPS OF REPEALED FUNDS	
No.	FUND
0017	Keep IL Beautiful Fund
0099	MFEA Reconstructio Fund
0119	IL Rural Bond Bank Trust Fund
0126	New Technology Recovery Fund
0162	ISBE School Bus Driver Permit Fund
0171	Solid Waste Management Revolving Loan Fund
0217	State Postsecondary Review Program Fund
0234	Tourism Attraction Development Matching Grant Fund
0247	Patent and Copyright Fund
0255	Credit Enhancement Development Fund
0325	Community MH and DD Services Provider Participation Fee Trust Fund
0348	Nursing Home Grant Assistance Fund
0393	By-product Material Safety Fund
0423	ISAC Higher EdNet Fund
0544	School Technology Revolving Fund
0610	Energy Assistance Contribution Fund
0628	IL Building Commission Revolving Fund
0634	IL Aquaculture Development Fund
0672	Homelessness Prevention Fund
0684	DCFS Refugee Assistance Fund
0729	IL Century Network Special Purposes Fund
0972	Build IL Purposes Fund
N/A	DORS State Project Fund (DHS State Proj 642?)

**Riverboat Changes**

Eric Noggle, Sr. Revenue Analyst

At the end of the Spring Session, the House and Senate amended the Riverboat Gambling Act by approving SB 0316, as amended by House Amendments 1 and 2. Highlights of the legislation are provided below:

**Reduces the Admission Tax:** Under SB 0316 HA 1 & 2, the admission tax

is reduced from \$3 to \$5 per admission to \$2 to \$3 per admission. The precise amount for each riverboat is dependent on a riverboat’s admission totals for the previous calendar year. As is under current law, the local governments receive \$1 of each admission tax collected, with the State receiving the remaining revenues.

**Hold Harmless Provision to Wagering Tax:** On July 1, 2005,

under current statute, the wagering tax graduated rate schedule is set to decline from a 70% maximum tax rate to a maximum tax rate of 50%. SB 0316 HA 1 & 2 does not alter this statutory rate schedule. However, the legislation does provide that, in addition to the

amounts collected from the wagering tax rate, each riverboat must pay to the Illinois Gaming Board the amount, if any, by which the base amount for the licensed owner exceeds the amount of wagering tax paid. The base amount for each riverboat is as follows:

Riverboat	Minimum Wagering Tax (Base Amount)
Alton	\$31 million
East Peoria	\$43 million
Rock Island	\$0
Joliet Empress	\$86 million
Metropolis	\$45 million
Joliet Harrah's	\$114 million
Aurora	\$86 million
East St. Louis	\$48.5 million
Elgin	\$198 million

SB 0316 HA 1 & 2 provides that this “hold harmless” provision terminates on the earliest of: (i) July 1, 2007, (ii) the first day that riverboat gambling operations are conducted pursuant to a dormant license (10<sup>th</sup> riverboat license), (iii) the first day that riverboat gambling operations are conducted in Illinois in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a license under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices.

**Fiscal Impact:** If SB 0316 HA 1 & 2 becomes law, the State would be guaran-

teed to receive at least \$651.5 million from the riverboats; *plus* approximately \$5 million from the wagering tax revenues from the Rock Island riverboat (which has no obligated base amount); *plus* approximately \$31 million from the admission tax. **Therefore, at a minimum, the State can expect to receive at least \$688 million in FY 2006 and FY 2007, with the potential for more if receipts exceed base amounts outlined in the bill.** Local governments would continue to receive 5% of a riverboat’s adjusted gross receipts and \$1 per admission, or approximately \$109 million.

## **CMS – Status of Facility Closures**

Nicole Krneta-Rogers  
Revenue-Bond Analyst

On February 23, 2005 and February 24, 2005, the Commission on Government Forecasting and Accountability held a meeting on the closing of four Department of Human Services facilities and one Department of Revenue facility. The Commission recommended keeping open one Department of Human Services facility (610 W. Root Street, Chicago). The Commission also recommended closing two Department of Human Services facilities (100 N. Western Avenue, Chicago and 901-25 W. Monroe Street, Chicago) and a Department of Revenue facility (245 W. Roosevelt Road, West Chicago). These recommendations were based on testimonies of service recipients and state agencies, cost-savings measures and geographical considerations.

According to a letter regarding the status of facility closures from Central Management Services, their intent is not to close the

Department of Human Services facility located at 610 West Root Street, Chicago. Effective June 30, 2005 the Department of Human Services facility located at 100 North Western Avenue, Chicago will be closed. Employees will relocate to the existing Department of Human Services located at 2650 West Fulton, Chicago.

Currently, the Department of Human Services facility located at 901-25 West Monroe Street, Chicago remains open, however, the intent is to close this facility. Employees will relocate to existing space at 2036 South Michigan Avenue in Chicago. To date, formal notification relative to a desired closure date has not been made. Effective May 31, 2005, the Department of Revenue facility located at 245 West Roosevelt Road, Chicago was closed. Employees will relocate to the Des Plaines Regional Office Building, the Rockford Regional Office Building and/or the James R. Thompson Center. To date, formal notification relative to the Department of Human Services located at 300 West Pershing, Chicago has not been made.

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## **REVENUE**

### **May Receipts Down Due to Lower Federal Sources**

Jim Muschinske, Revenue Manager

General revenues fell by \$64 million in May, excluding short-term borrowing and related transfers. The larger most-closely tied economic sources, such as income taxes and sales taxes, again posted a strong month. However, an expectedly low month for federal sources more than offset the positive

performance of those sources. May had one more receipting day than last year.

For the month, gross personal income taxes generated gains of \$147 million, or \$143 million net of refunds, while sales tax receipts increased by \$41 million. Gross corporate income tax receipts rose by \$28 million, or \$24 million net of refunds. The Cook County IGT added \$15 million in growth, while public utility managed \$6 million in gains. Interest income

increased by \$3 million and insurance taxes and fees added \$2 million.

A few sources experienced declines in May. Other sources were down by \$25 million, inheritance tax fell by \$8 million, and corporate franchise taxes and fees were \$2 million lower.

Overall transfers (excluding those related to the short-term borrowing in March) were up \$41 million. Other transfers increased by \$33 million due to the timing of a number of transfers, lottery transfers were up \$7 million, and riverboat transfers and direct receipts managed only a \$1 million gain. As expected, federal sources suffered a significant decline of \$304 million as reimbursable spending on Medicaid bills slowed.

Based on information provided from the Comptroller's Office, as of June 1, 2005 \$504 million in bills are awaiting payment, of which \$68.6 million are Medicaid bills. May ended with a general funds balance of \$360 million, of which the General Revenue Fund represented \$103 million (the remaining balance of \$257 million was comprised of education funds).

### **Year to Date**

With one month left in the fiscal year, excluding Budget Stabilization Fund and Pension Contribution Fund transfers and short-term borrowing and related transfers, receipts are up \$623 million. With few exceptions, virtually all revenue sources have experienced gains over the same period of last year.

Gross personal income tax contributed the most to this year's gain with receipts up \$576 million, or \$640 million net of refunds. Sales tax revenue continues to perform well and added \$256 million in new revenues. Gross corporate income tax is up \$85 million or \$158 million net of refunds. Inheritance tax, although dipping in May, has contributed \$80 million in gains. Other sources contributed \$50 million in gains and cigarette taxes added \$50 million due to a temporary distribution change. All other sources experiencing gains added an additional \$45 million.

A few sources thus far have experienced declines with insurance taxes and fees down \$13 million, public utility taxes off \$12 million, and vehicle use tax \$2 million.

Overall transfers (excluding those related to the recent short-term borrowing) are down \$87 million. While riverboat transfers and direct receipts are up \$32 million and lottery transfers are ahead by \$36 million, those gains are offset by a \$155 million decline in all other transfers due to lower chargebacks, yet to occur fee transfers, and miscellaneous other transfers that will not be repeated this fiscal year. Federal related sources are down by \$542 million through May.

### **May FY 2005 Revision and FY 2006 Update**

On May 5<sup>th</sup>, 2005, the Commission released a revised FY 2005 estimate and updated its FY 2006



outlook. Despite downward adjustments to a number of areas, due to strong performance of the more closely tied economic sources such as income and sales tax, the FY 2005 estimate was

increased \$100 million. Details of those changes are accessible on the Commission's website under report "REVISED- FY 2006 Revenue Estimate".

**GENERAL FUNDS RECEIPTS: MAY**

*FY 2005 vs. FY 2004  
(\$ million)*

<b>Revenue Sources</b>	<b>MAY FY 2005</b>	<b>MAY FY 2004</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$833	\$686	\$147	21.4%
Corporate Income Tax (regular)	64	36	\$28	77.8%
Sales Taxes	548	507	\$41	8.1%
Public Utility Taxes (regular)	79	73	\$6	8.2%
Cigarette Tax	33	33	\$0	0.0%
Liquor Gallonage Taxes	9	9	\$0	0.0%
Vehicle Use Tax	3	3	\$0	0.0%
Inheritance Tax (Gross)	18	26	(\$8)	-30.8%
Insurance Taxes and Fees	3	1	\$2	200.0%
Corporate Franchise Tax & Fees	15	17	(\$2)	-11.8%
Interest on State Funds & Investments	8	5	\$3	60.0%
Cook County IGT	82	67	\$15	22.4%
Other Sources	33	58	(\$25)	-43.1%
<b>Subtotal</b>	<b>\$1,728</b>	<b>\$1,521</b>	<b>\$207</b>	<b>13.6%</b>
<b>Transfers</b>				
Lottery	49	42	\$7	16.7%
Riverboat transfers & receipts	54	53	\$1	1.9%
Other	62	29	\$33	113.8%
<b>Total State Sources</b>	<b>\$1,893</b>	<b>\$1,645</b>	<b>\$248</b>	<b>15.1%</b>
<b>Federal Sources</b>	<b>\$244</b>	<b>\$548</b>	<b>(\$304)</b>	<b>-55.5%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$2,137</b>	<b>\$2,193</b>	<b>(\$56)</b>	<b>-2.6%</b>
<b>Nongeneral Funds Distribution:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$84)	(\$80)	(\$4)	5.0%
Corporate Income Tax	(\$15)	(11)	(\$4)	36.4%
<b>Subtotal General Funds</b>	<b>\$2,038</b>	<b>\$2,102</b>	<b>(\$64)</b>	<b>-3.0%</b>
<b>Short-Term Borrowing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>HPF and HHSMTF Transfers</b>	<b>\$6</b>	<b>\$0</b>	<b>\$6</b>	<b>N/A</b>
<b>Budget Stabilization Fund Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Pension Contribution Fund Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>Total General Funds</b>	<b>\$2,044</b>	<b>\$2,102</b>	<b>(\$58)</b>	<b>-2.8%</b>

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

2-Jun-05

**GENERAL FUNDS RECEIPTS: YEAR TO DATE**  
**FY 2005 vs. FY 2004**  
(\$ million)

<b>Revenue Sources</b>	<b>FY 2005</b>	<b>FY 2004</b>	<b>CHANGE FROM FY 2004</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$8,097	\$7,521	\$576	7.7%
Corporate Income Tax (regular)	1,292	1,207	\$85	7.0%
Sales Taxes	6,030	5,774	\$256	4.4%
Public Utility Taxes (regular)	965	977	(\$12)	-1.2%
Cigarette Tax	416	366	\$50	13.7%
Liquor Gallonage Taxes	132	114	\$18	15.8%
Vehicle Use Tax	30	32	(\$2)	-6.3%
Inheritance Tax (Gross)	281	201	\$80	39.8%
Insurance Taxes and Fees	279	292	(\$13)	-4.5%
Corporate Franchise Tax & Fees	159	148	\$11	7.4%
Interest on State Funds & Investments	63	52	\$11	21.2%
Cook County IGT	410	405	\$5	1.2%
Other Sources	374	324	\$50	15.4%
<b>Subtotal</b>	<b>\$18,528</b>	<b>\$17,413</b>	<b>\$1,115</b>	<b>6.4%</b>
<b>Transfers</b>				
Lottery	540	504	\$36	7.1%
Riverboat transfers & receipts	626	594	\$32	5.4%
Other	724	879	(\$155)	-17.6%
<b>Total State Sources</b>	<b>\$20,418</b>	<b>\$19,390</b>	<b>\$1,028</b>	<b>5.3%</b>
<b>Federal Sources (incl. \$434m MPRF transfer)</b>	<b>\$4,296</b>	<b>\$4,838</b>	<b>(\$542)</b>	<b>-11.2%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$24,714</b>	<b>\$24,228</b>	<b>\$486</b>	<b>2.0%</b>
<b>Nongeneral Funds Distribution:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$816)	(\$880)	\$64	-7.3%
Corporate Income Tax	(\$314)	(\$387)	\$73	-18.9%
<b>Subtotal General Funds</b>	<b>\$23,584</b>	<b>\$22,961</b>	<b>\$623</b>	<b>2.7%</b>
<b>Short-Term Borrowing</b>	<b>\$765</b>	<b>\$0</b>	<b>\$765</b>	<b>N/A</b>
<b>HPF and HHSMTF Transfers</b>	<b>\$1,002</b>	<b>\$0</b>	<b>\$1,002</b>	<b>N/A</b>
<b>Budget Stabilization Fund Transfer</b>	<b>\$276</b>	<b>\$226</b>	<b>\$50</b>	<b>22.1%</b>
<b>Pension Contribution Fund Transfer</b>	<b>\$0</b>	<b>\$1,395</b>	<b>(\$1,395)</b>	<b>N/A</b>
<b>Total General Funds</b>	<b>\$25,627</b>	<b>\$24,582</b>	<b>\$43</b>	<b>4.3%</b>
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
CGFA				2-Jun-05

**GENERAL FUNDS GROWTH NEEDED TO MEET ESTIMATE**

**FY 2005 ESTIMATE vs. FY 2004 ACTUAL**

(\$ million)

	May-05*		AMOUNT		GROWTH	%
Revenue Sources	ESTIMATE	FYTD	NEEDED	FYTD	NEEDED	CHANGE
	FY 2005	2005	FY 2005 EST.	2004		
<b>State Taxes</b>						
Personal Income Tax	\$8,700	\$8,097	\$603	\$7,521	(\$111)	-15.5%
Corporate Income Tax (regular)	1,477	1,292	\$185	1,207	\$13	7.6%
Sales Taxes	6,585	6,030	\$555	5,774	(\$2)	-0.4%
Public Utility Taxes (regular)	1,060	965	\$95	977	(\$7)	-6.9%
Cigarette Tax	450	416	\$34	366	\$0	0.0%
Liquor Gallonage Taxes	150	132	\$18	114	\$5	38.5%
Vehicle Use Tax	33	30	\$3	32	\$0	0.0%
Inheritance Tax (Gross)	305	281	\$24	201	\$3	14.3%
Insurance Taxes and Fees	327	279	\$48	292	(\$22)	-31.4%
Corporate Franchise Tax & Fees	180	159	\$21	148	\$6	40.0%
Interest on State Funds & Investments	65	63	\$2	52	(\$1)	-33.3%
Cook County IGT	433	410	\$23	405	\$0	0.0%
Other Sources	452	374	\$78	324	(\$37)	-32.2%
<b>Subtotal</b>	<b>\$20,217</b>	<b>\$18,528</b>	<b>\$1,689</b>	<b>\$17,413</b>	<b>(\$153)</b>	<b>-8.3%</b>
<b>Transfers</b>						
Lottery	602	540	\$62	504	(\$4)	-6.1%
Riverboat transfers & receipts	709	626	\$83	594	\$16	23.9%
Other	923	724	\$199	879	(\$81)	-28.9%
<b>Total State Sources</b>	<b>\$22,451</b>	<b>\$20,418</b>	<b>\$2,033</b>	<b>\$19,390</b>	<b>(\$222)</b>	<b>-9.8%</b>
<b>Federal Sources (incl. \$434m MPRF transfer)</b>	<b>\$4,519</b>	<b>\$4,296</b>	<b>\$223</b>	<b>\$4,838</b>	<b>(\$128)</b>	<b>-36.5%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$26,970</b>	<b>\$24,714</b>	<b>\$2,256</b>	<b>\$24,228</b>	<b>(\$350)</b>	<b>-13.4%</b>
<b>Nongeneral Funds Distribution:</b>						
<b>Refund Fund</b>						
Personal Income Tax	(\$877)	(\$816)	(\$61)	(\$880)	\$23	-27.4%
Corporate Income Tax	(359)	(\$314)	(\$45)	(387)	\$10	-18.2%
<b>Subtotal General Funds</b>	<b>\$25,734</b>	<b>\$23,584</b>	<b>\$2,150</b>	<b>\$22,961</b>	<b>(\$317)</b>	<b>-12.8%</b>
<b>Short-Term Borrowing*</b>	<b>\$765</b>	<b>\$765</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>HPF and HHSMTF Transfer*</b>	<b>\$997</b>	<b>\$1,002</b>	<b>(\$5)</b>	<b>\$0</b>	<b>(\$5)</b>	<b>N/A</b>
<b>Budget Stabilization Fund Transfer</b>	<b>\$276</b>	<b>\$276</b>	<b>\$0</b>	<b>\$226</b>	<b>\$0</b>	<b>N/A</b>
<b>Pension Contribution Fund Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,395</b>	<b>\$0</b>	<b>N/A</b>
<b>Total General Funds</b>	<b>\$27,772</b>	<b>\$25,627</b>	<b>\$2,145</b>	<b>\$24,582</b>	<b>(\$322)</b>	<b>-13.1%</b>
CGFA						2-Jun-05

**GENERAL FUNDS PERFORMANCE TO DATE**  
**GOVERNOR'S OFFICE OF MANANGEMENT AND BUDGET**

FY 2005 ESTIMATE vs. FY 2004 ACTUALS

(\$ million)

	*GOMB FEB-05 Estimate FY 2005	FYTD 2005	AMOUNT NEEDED FY 2005 Est.	FYTD 2004	GROWTH NEEDED	% CHANGE
<b>Revenue Sources</b>						
<b>State Taxes</b>						
Personal Income Tax	\$8,645	\$8,097	\$548	\$7,521	(\$166)	-23.2%
Corporate Income Tax (regular)	1,412	1,292	\$120	1,207	(\$52)	-30.2%
Sales Taxes	6,530	6,030	\$500	5,774	(\$57)	-10.2%
Public Utility Taxes (regular)	1,101	965	\$136	977	\$34	33.3%
Cigarette Tax	450	416	\$34	366	\$0	0.0%
Liquor Gallonage Taxes	145	132	\$13	114	\$0	0.0%
Vehicle Use Tax	35	30	\$5	32	\$2	66.7%
Inheritance Tax (Gross)	265	281	(\$16)	201	(\$37)	-176.2%
Insurance Taxes and Fees	371	279	\$92	292	\$22	31.4%
Corporate Franchise Tax & Fees	190	159	\$31	148	\$16	106.7%
Interest on State Funds & Investments	45	63	(\$18)	52	(\$21)	-700.0%
Cook County IGT	433	410	\$23	405	\$0	0.0%
Other Sources	451	374	\$77	324	(\$38)	-33.0%
<b>Subtotal</b>	<b>\$20,073</b>	<b>\$18,528</b>	<b>\$1,545</b>	<b>\$17,413</b>	<b>(\$297)</b>	<b>-16.1%</b>
<b>Transfers</b>						
Lottery	588	540	\$48	504	(\$18)	-27.3%
Gaming Fund Transfer	700	626	\$74	594	\$7	10.4%
Other	945	724	\$221	879	(\$59)	-21.1%
<b>Total State Sources</b>	<b>\$22,306</b>	<b>\$20,418</b>	<b>\$1,888</b>	<b>\$19,390</b>	<b>(\$367)</b>	<b>-16.3%</b>
<b>Federal Sources (incl. \$434m MPRF transfers)</b>	<b>\$4,519</b>	<b>\$4,296</b>	<b>\$223</b>	<b>\$4,838</b>	<b>(\$128)</b>	<b>-36.5%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$26,825</b>	<b>\$24,714</b>	<b>\$2,111</b>	<b>\$24,228</b>	<b>(\$495)</b>	<b>-19.0%</b>
<b>Nongeneral Funds Distribution:</b>						
<b>Refund Fund</b>						
Personal Income Tax	(\$864)	(\$816)	(\$48)	(\$880)	\$36	-42.9%
Corporate Income Tax	(339)	(314)	(\$25)	(387)	\$30	-54.5%
<b>Subtotal General Funds</b>	<b>\$25,622</b>	<b>\$23,584</b>	<b>\$2,038</b>	<b>\$22,961</b>	<b>(\$429)</b>	<b>-17.4%</b>
<b>Short-Term Borrowing*</b>	<b>\$765</b>	<b>\$765</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>HPF and HHSMTF Transfer*</b>	<b>\$997</b>	<b>\$1,002</b>	<b>(\$5)</b>	<b>\$0</b>	<b>(\$5)</b>	<b>N/A</b>
<b>Budget Stabilization Fund Transfer</b>	<b>\$276</b>	<b>\$276</b>	<b>\$0</b>	<b>\$226</b>	<b>\$0</b>	<b>N/A</b>
<b>Pension Contribution Fund Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,395</b>	<b>\$0</b>	<b>N/A</b>
<b>Total General Funds</b>	<b>\$27,660</b>	<b>\$25,627</b>	<b>\$2,033</b>	<b>\$24,582</b>	<b>(\$434)</b>	<b>-17.6%</b>

\* The GOMB February forecast was made prior to the recent short-term borrowing and subsequent transfer from the Hospital Provider Fund. They are being included here to reflect actual activity.

CGFA

2-Jun-05