

***ILLINOIS ECONOMIC  
AND  
FISCAL COMMISSION***

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***AUTUMN UPDATE***

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***FY 2000 UPDATED ECONOMIC OUTLOOK***

***and***

***FY 2000 REVENUE ESTIMATE***



***NOVEMBER 1999  
703 STRATTON BUILDING  
SPRINGFIELD, ILLINOIS 62706***

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***ILLINOIS ECONOMIC and FISCAL COMMISSION***

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# ***NOVEMBER 1999 AUTUMN UPDATE***

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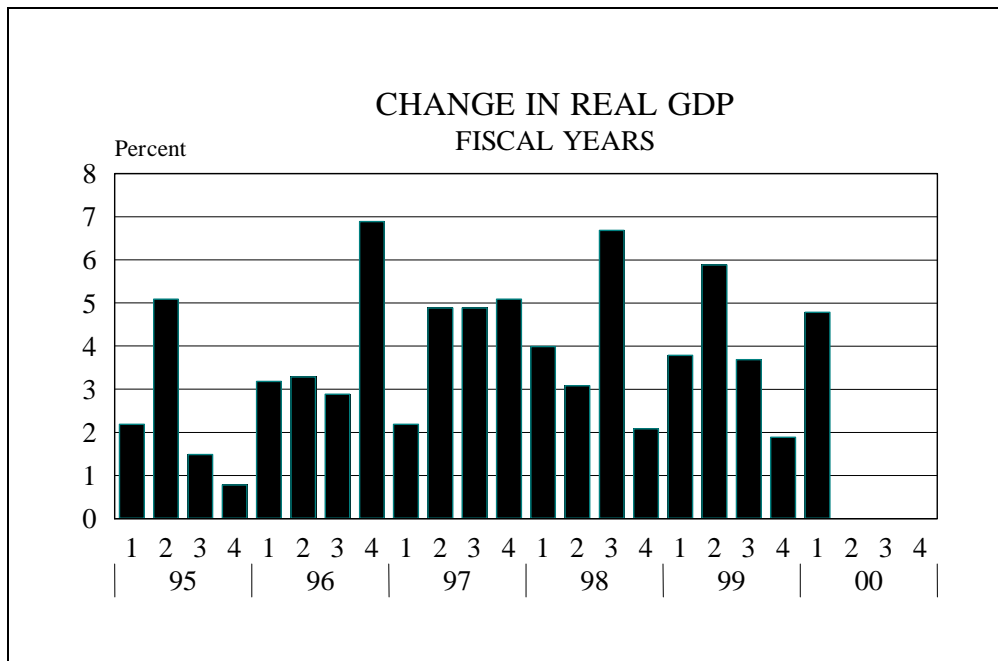
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## ***FY 2000 ECONOMIC OUTLOOK***

The U.S. economy reached its 104<sup>th</sup> consecutive month of advancement in November 1999, the longest peacetime expansion on record and rivaling the 106-month record expansion of the 1960s. Moreover, there is nothing apparent on the horizon to suggest any near-term end to this phenomenal experience. As shown in Chart 1, newly-revised data show the economy continuing to grow through the first quarter of FY 2000, with inflation-adjusted gross domestic product rising at a seasonally-adjusted annual rate of 4.8%.

While expectations are for continued growth throughout the fiscal year, some moderation in the rate of advance is anticipated. The Index of Leading Economic Indicators fell in September after recording no change in August, suggesting some moderation in growth may lie ahead. September factory orders dropped for the first time since April, while the National Purchasing Management's Survey showed growth in manufacturing slowing in October. On the policy front, agreement on the federal budget is nearing with spending growth likely to be restrained, while the Federal Reserve already has firmed credit conditions with three upward moves in interest rates in recent months. Finally, still unknown is how upsetting the Y2K problem will be on economic growth as this year ends and the new millennium begins.

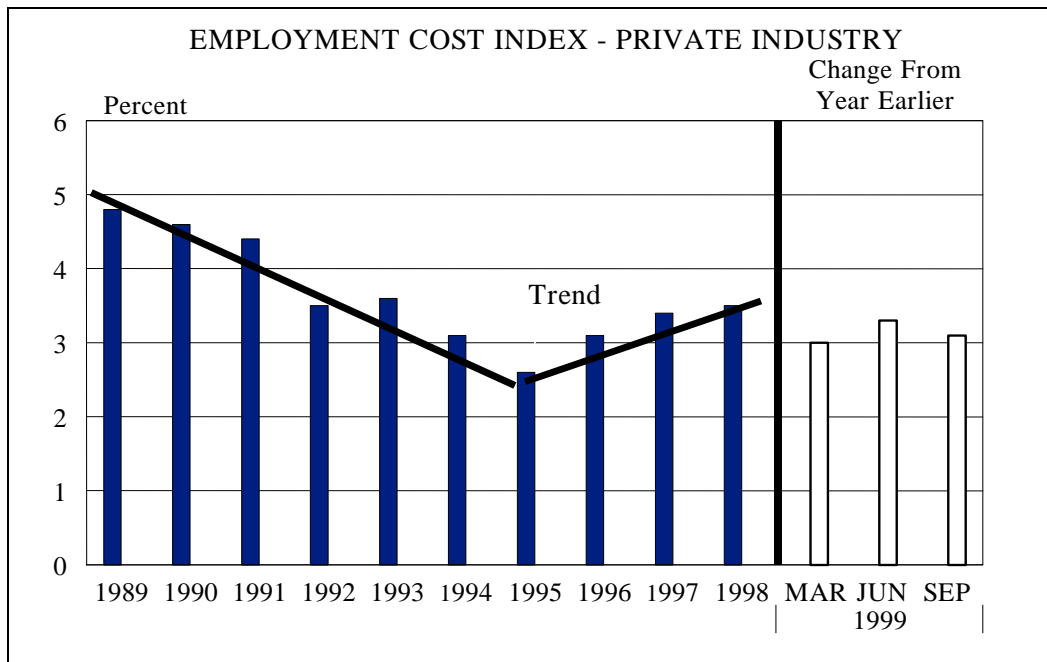
CHART 1



Despite possible disruptions to economic activity due to Y2K problems early next year, the major concern is that growth remains too rapid in an economy where scarce resources are at, or near, full utilization. Such continued domestic strength when coupled with improving economic conditions abroad raise potential inflationary pressures. Nowhere is this concern more pronounced than in the employment sector. The U.S. unemployment rate hit a 29-year low in October at 4.1%, raising concern that shortages in key areas will drive up labor costs. Still, to date there is no evidence of such shortage causing inflationary wage pressure.

The drop in October's unemployment rate was accompanied by tame wage gains, with average hourly wages increasing only one cent that month. Even more convincing of the lack of wage pressure is the performance of the Employment Cost Index. This measure shows the change in the cost of labor, both wages and salaries as well as benefits, free from the influence of employment shifts among occupations and industries. As shown in Chart 2, the percentage gain in the Employment Cost Index appeared to be on an uptrend after reaching a low in 1995. However, the gain in 1998 was little changed from 1997, and each quarter of calendar 1999 was below last year's rate of increase when measured from a year earlier. It should be pointed out that wage gains can be tempered by increases in productivity growth and, thus, mute any upward pressure on prices. The question remains as to how long productivity gains can continue to offset higher wages as the labor pool shrinks and less-skilled workers are pulled into the work force.

CHART 2



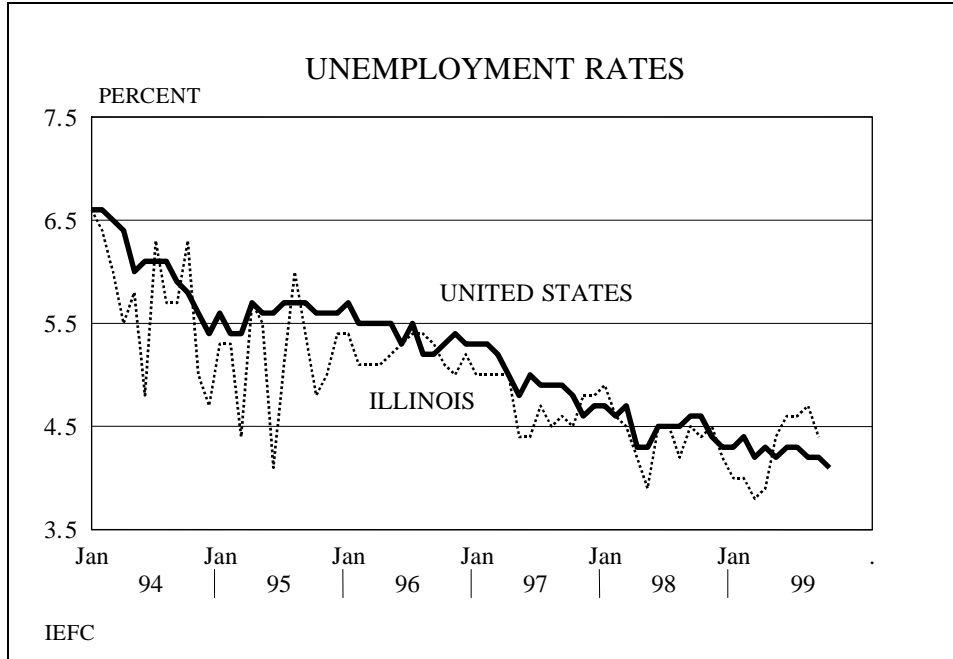
Even if inflationary pressures remain restrained, forces in motion suggest somewhat less vigorous growth over the remainder of the fiscal year. Rising mortgage interest rates have dulled housing activity. Sales of new single-family homes dropped 12.8% in September, the sharpest decline since 1994, and downward revisions were reported for each of the previous three months. When this is coupled with the drop in new factory orders and slowdown in manufacturing already mentioned, prospects are for more moderate growth in the months ahead.

Table 1 below shows actual growth in the U.S. economy and its major components, and other measures for fiscal years 1997-1999 together with a forecast for FY 2000 measured on the new base of 1996 dollars. As shown, overall growth in real gross domestic product is anticipated to rise 3.7% in FY 2000, down slightly from that of recent years. The bulk of the moderation is likely to be in personal consumption spending, particularly on durable goods such as home furnishings and autos. Business fixed investment gains are also likely to be less as manufacturing weakens and capacity utilization rates soften. Government spending is likely to remain at low rates of advance although exports should grow, reversing last year's slowdown, as world economic growth picks up further.

<b>TABLE 1. CONTROL and IIEFC FORECASTS – November 1999</b>				
<b>(% Change from Prior Year Levels)</b>				
	<b>FY'97</b>	<b>FY'98</b>	<b>FY'99</b>	<b>FY'00</b>
<b>REAL</b> (1996 \$)	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>IIEFC/DRI</b>
Gross Domestic Product	4.3%	4.4%	4.1%	3.7%
Personal Consumption	3.3%	4.5%	5.0%	4.6%
Durable	4.9%	9.9%	11.4%	8.6%
Nondurable	3.1%	3.3%	4.8%	4.1%
Services	3.1%	4.1%	3.9%	4.1%
Fixed Investment	9.7%	10.4%	9.9%	7.7%
Exports	10.3%	8.3%	1.1%	6.4%
Imports	12.0%	13.8%	10.3%	12.8%
Government	1.9%	2.1%	2.5%	2.6%
Federal	-0.4%	-0.4%	0.7%	1.7%
State & Local	3.4%	3.5%	3.5%	3.1%
<b><u>OTHER MEASURES</u></b>				
Personal Income	4.0%	4.7%	4.8%	4.1%
Disposable Income	3.2%	3.9%	4.2%	3.6%
Industrial Production	5.5%	5.6%	2.2%	3.1%
Consumer Prices	2.9%	1.8%	1.7%	2.5%
Unemployment Rate (Avg.)	5.2%	4.7%	4.4%	4.2%

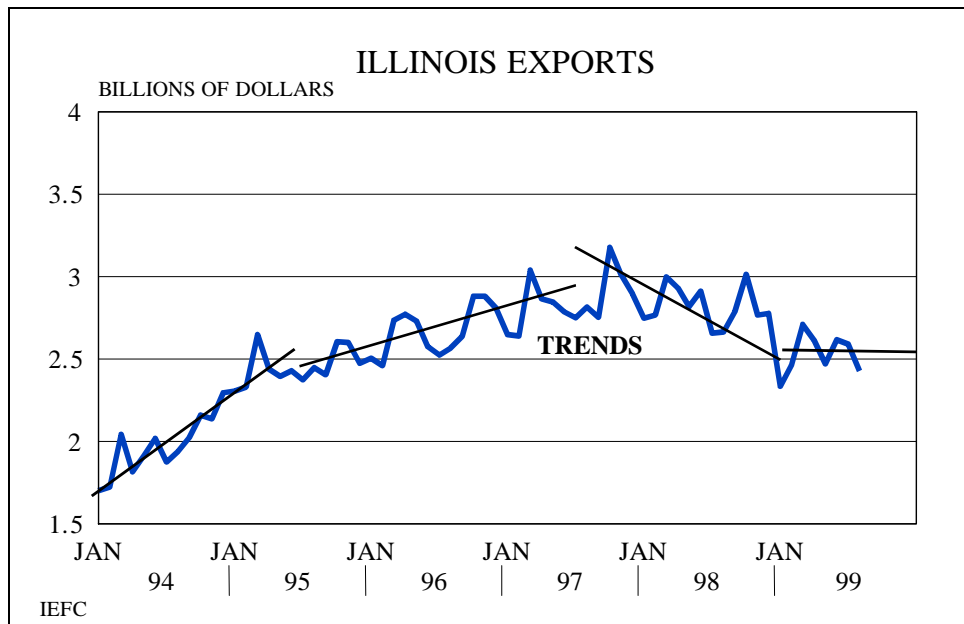
Illinois' economic expansion is showing some softening, with year-to-year employment growth less than half the national average. Indeed, after a prolonged period where the State unemployment rate was below that at the national level, it has held consistently above the overall rate since May. (See Chart 3 on the next page).

CHART 3



The manufacturing picture is mixed for the State. Electrical equipment and steel producers are doing well while chemical, agricultural, and construction equipment makers continue to cut back. Exports from the State continue to remain below year-ago levels, although some improvement has occurred since mid-year and conditions are expected to improve further in the quarters ahead. (See Chart 4).

CHART 4

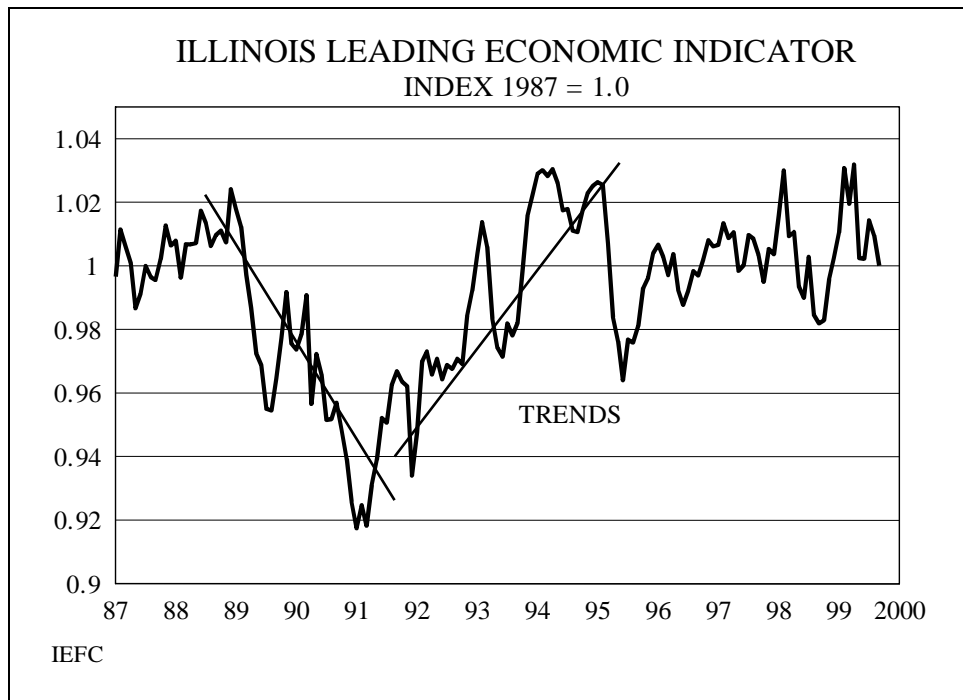


One major sector of strength has been Illinois' technology sector. According to a recent report by Regional Financial Associates, Inc. the number of technology companies in the State has grown by 66% since 1990 to more than 13,250 and account for as much as 15% of the State's gross domestic product. This sector will play a major role in Illinois' outlook.

While technology has shown continued strength, the agricultural sector has suffered its worst farm crisis in a decade due to low commodity prices, increased competition, and summer drought conditions. Federal and State aid will help alleviate some of these dire conditions, however, the sector will take some time to fully recover.

In conclusion, it is apparent that the expected moderation in the pace of economic activity for the nation as a whole will be felt, at least to some degree if not more so, at the State level as well. Even so, as shown in Chart 5, while Illinois' Leading Economic Indicator has fallen from its highs, the pattern is far different from which preceded the last recession. Thus, the outlook is for continued, albeit somewhat more modest, growth for the remainder of FY 2000.

CHART 5





## ***GENERAL FUNDS ESTIMATE AND REVISED FY 2000 ESTIMATE***

**As shown in Table 2 on page 8, while the estimates of several revenue sources have been adjusted, the Commission's overall estimate of general funds revenue remains unchanged at \$22,583 million.** The revised estimate continues to represent a \$909 million or 4.2% increase over FY 1999 actual receipts (see Table 3 on page 9). The Commission assumes that there will be no short-term borrowing during FY 2000.

Through the first four months of FY 2000, general funds revenues were up \$248 million or 3.6% (see Table 4 on page 10). With the exception of a small number of sources, overall receipts have performed as expected. Receipt growth must improve to 4.5% over the remainder of the fiscal year in order to reach the Commission's estimate. A description of the performance of the State's major revenue sources and the revisions made to the previous estimate are discussed below.

- Personal income tax receipts have performed close to expectations thus far in FY 2000. Receipts through October were up \$110 million or 5.1%. The estimate remains \$8,131 million or 4.5% over the previous year. The rate of growth is expected to slow slightly later in the fiscal year due to the second year phase-in of the doubling of the personal income tax exemption.
- Corporate income tax receipts continue to struggle in FY 2000. Receipts through October were off \$65 million or 19.8%. Approximately \$26 million of the year-to-date decline, however, can be attributed to an incorrect allocation of receipts, which will be corrected over the remainder of the year. Even taking that into consideration, receipts have performed significantly below expectations. It is unclear at this time what the precise cause of the decline can be attributed to. It may be a mixture of lower corporate profits coupled with the transition to apportionment of business income using a single sales formula. As a result, corporate tax receipts may begin to behave differently over the course of the fiscal year. Regardless of the precise cause of the decline in revenues, the estimate has been reduced by \$75 million to \$1,288 million.
- Sales tax receipts have performed quite strong over the course of the first third of FY 2000. Receipts are up \$128 million or 6.8% through October. While that rate of growth is not likely to be maintained over the remaining months of the fiscal year, the estimate has been increased \$10 million to \$5,883 million. The future holiday shopping season will play a large part in determining if subsequent future revisions will be warranted.
- Public utility tax receipts have performed exceptionally well thus far in FY 2000 as compared with the same period of a year ago. Through October receipts are up \$98 million or 36.3%. However, part of that increase can be attributed to the carrying over of receipts from FY 1999 into FY 2000. In addition, the first four months of last fiscal year were quite poor. As a result, while receipts are up significantly, the

growth rate is expected to moderate significantly. The revised estimate is \$1,080 million and reflects a \$30 million increase over the previous estimate.

- Inheritance tax receipts, one of the most erratic of all revenue sources, has outperformed expectations thus far in FY 2000. Revenues were up \$39 million or 44.8% through October. While it is unlikely that rate of growth can be sustained over the remaining months, the estimate has been raised \$35 million to reflect this strong performance to date. The revised estimate is \$335 million.
- Insurance tax receipts are off \$21 million or 30.0% through October. Some of the decrease is likely due to the timing of receipts, however, the estimate has been reduced by \$5 million to \$195 million.
- Interest on State funds and investments have not performed up to expectations and were off \$17 million or 20.2% through October. As a result, the estimate has been revised down \$9 million to \$208 million. Receipts should rebound somewhat as beginning monthly balances are similar to those of a year earlier and rates of return are at least as good. Based on the latest spending plan discussed in the Bureau of the Budget's October Quarterly Financial Report, the fiscal year ending balance should be very similar to last fiscal year (approximately \$1.323 billion based on IEFCA revenue estimates).
- Transfers to the general funds have performed very well thus far in FY 2000, up \$118 million or 28.9%. The principal reason was due to approximately \$76 million worth of transfers from the Income Tax Refund Fund in August that was somewhat higher than anticipated. However, the estimate of overall transfers remains unchanged at this time. The estimate of federal sources also remains unchanged at \$3,860 million. While federal receipts were off \$142 million or 10.3% through October, rates of growth are expected to rise over the remaining months to reach the estimate.

In total, the estimated general funds estimate remains \$22,583 million. In order to reach the estimate, receipts must increase 4.5% over the remaining eight months. This is up from the 3.6% rate of growth experienced to date.

**As shown in Table 5 on page 11, the Commission's revised FY 2000 general funds estimate of \$22,583 million is \$27 million below the Bureau of the Budget's October 1999 estimate of \$22,610 million. While the overall estimate is very similar, the Commission is slightly higher in its estimates of sales tax and some other minor sources. However, those items are more than offset, as the Commission is lower in its estimate of corporate income taxes as well as transfers to the general funds.**

#### **FY 2000 ALL APPROPRIATED FUNDS**

The FY 2000 estimate of all appropriated funds revenue is \$38,600 million (see Table 6 on page 12). The estimate represents an increase of \$2,550 million or 7.1% over the prior year.

**TABLE 2: ADJUSTMENTS TO THE  
FY 2000 GENERAL FUNDS ESTIMATE**  
(\$ million)

<b>Revenue Sources</b>	<b>NOV-99 REVISED ESTIMATE FY 2000</b>	<b>JULY-99 ESTIMATE FY 2000</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$8,131	\$8,131	\$0	0.0%
Corporate Income Tax (regular)	1,288	1,363	(\$75)	-5.5%
Sales Taxes	5,883	5,873	\$10	0.2%
Public Utility Taxes (regular)	1,080	1,050	\$30	2.9%
Cigarette Tax	400	400	\$0	0.0%
Liquor Gallonage Taxes	117	117	\$0	0.0%
Vehicle Use Tax	39	39	\$0	0.0%
Inheritance Tax (Gross)	335	300	\$35	11.7%
Insurance Taxes and Fees	195	200	(\$5)	-2.5%
Corporate Franchise Tax & Fees	120	120	\$0	0.0%
Interest on State Funds & Investments	208	217	(\$9)	-4.1%
Cook County Intergovernmental Transfer	152	152	\$0	0.0%
Other Sources	305	305	\$0	0.0%
<b>Subtotal</b>	<b>\$18,253</b>	<b>\$18,267</b>	<b>(\$14)</b>	<b>-0.1%</b>
<b>Transfers</b>				
Lottery	530	530	\$0	0.0%
Gaming Fund Transfer	272	272	\$0	0.0%
Other	490	490	\$0	0.0%
<b>Total State Sources</b>	<b>\$19,545</b>	<b>\$19,559</b>	<b>(\$14)</b>	<b>-0.1%</b>
<b>Federal Sources</b>	<b>\$3,860</b>	<b>\$3,860</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$23,405</b>	<b>\$23,419</b>	<b>(\$14)</b>	<b>-0.1%</b>
<b>Nongeneral Funds Distribution:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$577)	(\$577)	\$0	0.0%
Corporate Income Tax	(\$245)	(259)	\$14	-5.4%
<b>Total General Funds</b>	<b>\$22,583</b>	<b>\$22,583</b>	<b>\$0</b>	<b>0.0%</b>
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**TABLE 3: GENERAL FUNDS RECEIPTS**

*FY 2000 vs. FY 1999*

*(\$ million)*

<b>Revenue Sources</b>	<b>NOV-99 Revised Estimate FY 2000</b>	<b>Actual Receipts FY 1999</b>	<b>\$ CHANGE FY 1999-2000</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$8,131	\$7,778	\$353	4.5%
Corporate Income Tax (regular)	1,288	1,384	(\$96)	-6.9%
Sales Taxes	5,883	5,609	\$274	4.9%
Public Utility Taxes (regular)	1,080	1,019	\$61	6.0%
Cigarette Tax	400	403	(\$3)	-0.7%
Liquor Gallonage Taxes	117	57	\$60	105.3%
Vehicle Use Tax	39	38	\$1	2.6%
Inheritance Tax (Gross)	335	347	(\$12)	-3.5%
Insurance Taxes and Fees	195	208	(\$13)	-6.3%
Corporate Franchise Tax & Fees	120	117	\$3	2.6%
Interest on State Funds & Investments	208	212	(\$4)	-1.9%
Cook County Intergovernmental Transfer	152	218	(\$66)	-30.3%
Other Sources	305	190	\$115	60.5%
<b>Subtotal</b>	<b>\$18,253</b>	<b>\$17,580</b>	<b>\$673</b>	<b>3.8%</b>
<b>Transfers</b>				
Lottery	530	540	(\$10)	-1.9%
Gaming Fund Transfer	272	240	\$32	13.3%
Other	490	411	\$79	19.2%
<b>Total State Sources</b>	<b>\$19,545</b>	<b>\$18,771</b>	<b>\$774</b>	<b>4.1%</b>
<b>Federal Sources</b>	<b>\$3,860</b>	<b>\$3,718</b>	<b>\$142</b>	<b>3.8%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$23,405</b>	<b>\$22,489</b>	<b>\$916</b>	<b>4.1%</b>
<b>Nongeneral Funds Distribution:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$577)	(\$552)	(\$25)	4.5%
Corporate Income Tax	(245)	(263)	\$18	-6.8%
<b>Total General Funds</b>	<b>\$22,583</b>	<b>\$21,674</b>	<b>\$909</b>	<b>4.2%</b>
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**TABLE 4: GENERAL FUNDS RECEIPTS: YEAR TO DATE  
THROUGH OCTOBER  
FY 2000 vs. FY 1999  
(\$ million)**

<b>Revenue Sources</b>	<b>FY 2000</b>	<b>FY 1999</b>	<b>CHANGE FROM FY 1999</b>	<b>% CHANGE</b>
<b>State Taxes</b>				
Personal Income Tax	\$2,286	\$2,176	\$110	5.1%
Corporate Income Tax (regular)	263	328	(\$65)	-19.8%
Sales Taxes	1,999	1,871	\$128	6.8%
Public Utility Taxes (regular)	368	270	\$98	36.3%
Cigarette Tax	133	137	(\$4)	-2.9%
Liquor Gallonage Taxes	35	19	\$16	84.2%
Vehicle Use Tax	13	14	(\$1)	-7.1%
Inheritance Tax (Gross)	126	87	\$39	44.8%
Insurance Taxes and Fees	49	70	(\$21)	-30.0%
Corporate Franchise Tax & Fees	42	39	\$3	7.7%
Interest on State Funds & Investments	67	84	(\$17)	-20.2%
Cook County IGT	107	147	(\$40)	-27.2%
Other Sources	76	56	\$20	35.7%
<b>Subtotal</b>	<b>\$5,564</b>	<b>\$5,298</b>	<b>\$266</b>	<b>5.0%</b>
<b>Transfers</b>				
Lottery	129	135	(\$6)	-4.4%
Gaming Fund Transfer	123	95	\$28	29.5%
Other	275	179	\$96	53.6%
<b>Total State Sources</b>	<b>\$6,091</b>	<b>\$5,707</b>	<b>\$384</b>	<b>6.7%</b>
<b>Federal Sources</b>	<b>\$1,237</b>	<b>\$1,379</b>	<b>(\$142)</b>	<b>-10.3%</b>
<b>Total Federal &amp; State Sources</b>	<b>\$7,328</b>	<b>\$7,086</b>	<b>\$242</b>	<b>3.4%</b>
<b>Nongeneral Funds Distribution:</b>				
<b>Refund Fund</b>				
Personal Income Tax	(\$162)	(\$155)	(\$7)	4.5%
Corporate Income Tax	(50)	(63)	\$13	-20.6%
<b>Total General Funds</b>	<b>\$7,116</b>	<b>\$6,868</b>	<b>\$248</b>	<b>3.6%</b>

SOURCE Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.  
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**TABLE 5: FY 2000 IEFC-BoB GENERAL FUNDS ESTIMATES**

(\$ millions)

	<b>Oct-99 BoB FY 2000</b>	<b>Nov-99 IEFC FY 2000</b>	<b>Difference</b>
<b>Revenue Sources</b>			
<b>State Taxes</b>			
Personal Income Tax	\$8,127	\$8,131	\$4
Corporate Income Tax	\$1,315	\$1,288	(\$27)
Sales Taxes	\$5,860	\$5,883	\$23
Public Utility (regular)	\$1,090	\$1,080	(\$10)
Cigarette Tax	\$400	\$400	\$0
Liquor Gallonage Taxes	\$115	\$117	\$2
Vehicle Use Tax	\$39	\$39	\$0
Inheritance Tax (gross)	\$330	\$335	\$5
Insurance Taxes & Fees	\$190	\$195	\$5
Corporate Franchise Tax & Fees	\$120	\$120	\$0
Interest on State Funds & Investments	\$210	\$208	(\$2)
Cook County Intergovernmental Transfer	\$152	\$152	\$0
<u>Other Sources</u>	<u>\$299</u>	<u>\$305</u>	<u>\$6</u>
<b>Subtotal</b>	<b>\$18,247</b>	<b>\$18,253</b>	<b>\$6</b>
<b>Transfers</b>			
Lottery	\$540	\$530	(\$10)
Gaming Fund Transfer	\$275	\$272	(\$3)
<u>Other</u>	<u>\$515</u>	<u>\$490</u>	<u>(\$25)</u>
<b>Total State Sources</b>	<b>\$19,577</b>	<b>\$19,545</b>	<b>(\$32)</b>
<b>Federal Sources</b>	<b>\$3,860</b>	<b>\$3,860</b>	<b>\$0</b>
<b>Total Federal &amp; State Sources</b>	<b>\$23,437</b>	<b>\$23,405</b>	<b>(\$32)</b>
<b>Nongeneral Funds Distribution:</b>			
<b>Refund Fund</b>			
Personal Income Tax	(\$577)	(\$577)	\$0
Corporate Income Tax	(\$250)	(\$245)	\$5
<b>Total General Funds</b>	<b>\$22,610</b>	<b>\$22,583</b>	<b>(\$27)</b>

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**TABLE 6: ALL APPROPRIATED FUNDS REVENUE: Actuals FY 1998-FY 1999, Estimated FY 2000**

(millions)

<b>REVENUE SOURCES</b>	<b>ACTUAL RECEIPTS FY 1998</b>	<b>ACTUAL RECEIPTS FY 1999 Unofficial</b>	<b>\$ CHG. FROM FY 1998</b>	<b>% CHG. FROM FY 1998</b>	<b>Nov-99 Estimate FY 2000</b>	<b>\$ CHG. FROM FY 1999</b>	<b>% CHG. FROM FY 1999</b>
<b>State Taxes</b>							
Personal Income Tax	\$7,268	\$7,778	\$510	7.0%	\$8,131	\$353	4.5%
Corporate Income Tax							
Regular	\$1,402	\$1,385	(\$17)	-1.2%	\$1,288	(\$97)	-7.0%
Replacement	\$895	\$906	\$11	1.2%	\$870	(\$36)	-4.0%
Sales	\$6,119	\$6,523	\$404	6.6%	\$6,829	\$306	4.7%
<b>Public Utility</b>							
Regular	\$987	\$1,213	\$226	22.9%	\$1,300	\$87	7.2%
Replacement	\$206	\$210	\$4	1.9%	\$212	\$2	1.0%
Motor Fuel (gross)	\$1,325	\$1,355	\$30	2.3%	\$1,395	\$40	3.0%
Cigarette	\$464	\$499	\$35	7.5%	\$499	\$0	0.0%
Liquor Gallonage Taxes	\$62	\$62	\$0	0.0%	\$122	\$60	96.8%
Vehicle Use Tax	\$42	\$43	\$1	2.4%	\$42	(\$1)	-2.3%
Inheritance Tax	\$250	\$347	\$97	38.8%	\$350	\$3	0.9%
Insurance Taxes and Fees	\$124	\$241	\$117	94.4%	\$232	(\$9)	-3.7%
Horse Racing Taxes & Fees	\$43	\$42	(\$1)	-2.3%	\$29	(\$13)	-31.0%
Corporate Franchise Taxes	\$123	\$121	(\$2)	-1.6%	\$126	\$5	4.1%
Other Privilege Taxes	\$202	\$224	\$22	10.9%	\$235	\$11	4.9%
Riverboat Gambling Taxes & Fees	\$261	\$362	\$101	38.7%	\$405	\$43	11.9%
<b>SUBTOTAL</b>	\$19,773	\$21,311	\$1,538	7.8%	\$22,065	\$754	3.5%
<b>State Nontax Sources</b>							
Motor Vehicle & License Fees	\$747	\$773	\$26	3.5%	\$1,010	\$237	30.7%
Cigarette Settlement Distributions	N/A	N/A	N/A	N/A	\$411	N/A	N/A
Other Fees	\$270	\$266	(\$4)	-1.5%	\$283	\$17	6.4%
Provider assessment Fees	\$543	\$549	\$6	1.1%	\$432	(\$117)	-21.3%
Receipts From State Hospital Patients	\$25	\$23	(\$2)	-8.0%	\$24	\$1	4.3%
Interest on State Funds & Investments	\$261	\$292	\$31	11.9%	\$287	(\$5)	-1.7%
Reimbursements & Repayments	\$279	\$273	(\$6)	-2.2%	\$275	\$2	0.7%
Revolving Fund Receipts	\$261	\$267	\$6	2.3%	\$275	\$8	3.0%
Lottery (net gross)	\$835	\$847	\$12	1.4%	\$792	(\$55)	-6.5%
All Other Nonfederal Receipts	\$2,017	\$2,234	\$217	10.8%	\$2,348	\$114	5.1%
Income from Sale of Bonds	\$906	\$835	(\$71)	-7.8%	\$1,300	\$465	55.7%
Local Government Health Plan	\$46	\$57	\$11	23.9%	\$60	\$3	5.3%
<b>SUBTOTAL</b>	\$25,963	\$27,727	\$1,764	6.8%	\$29,562	\$1,835	6.6%
State Transfers In	\$39	\$37	(\$2)	-5.1%	\$38	\$1	2.7%
<b>TOTAL STATE SOURCES</b>	<b>\$26,002</b>	<b>\$27,764</b>	<b>\$1,762</b>	<b>6.8%</b>	<b>\$29,600</b>	<b>\$1,836</b>	<b>6.6%</b>
Federal Sources	\$7,970	\$8,286	\$316	4.0%	\$9,000	\$714	8.6%
<b>SUBTOTAL ALL APPROPRIATED</b>	<b>\$33,972</b>	<b>\$36,050</b>	<b>\$2,078</b>	<b>6.1%</b>	<b>\$38,600</b>	<b>\$2,550</b>	<b>7.1%</b>
<b>Short Term Borrowing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL ALL APPROPRIATED</b>	<b>\$33,972</b>	<b>\$36,050</b>	<b>\$2,078</b>	<b>6.1%</b>	<b>\$38,600</b>	<b>\$2,550</b>	<b>7.1%</b>

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## **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 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 two 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 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)