



Office of the Governor

2019 Operating Budget Highlights

OVERVIEW

A bipartisan agreement produced the State of Illinois' FY20 budget, including a \$40.1 billion spending plan that is not only balanced, but will also generate \$150 million in surplus that will be targeted to pay down a portion of the state's remaining bill backlog.

BUDGET HIGHLIGHTS – INVESTMENTS

Highlights of the budget, which was negotiated between the Governor and lawmakers, include the following elements of SB 262, SB 689 and SB 1814:

EDUCATION – RECORD INVESTMENTS IN K-12 AND EARLY CHILDHOOD

- Increases Evidence-Based Funding for K-12 education by \$378.6 million, historic funding for K-12 students across the state
- Increases Early Childhood Education funding by \$50 million, record high funding that moves Illinois toward the goal of enrolling every low-income child in a high-quality early childhood program
- Increases funding for Career and Technical Education programming by \$5 million, the first increase in more than a decade
- Increases funding for public universities by \$52.8 million, and community colleges by \$13.9 million, a 5 percent increase that will help hold down tuition and build a competitive workforce
- Increases the Monetary Award Program (MAP) funding by \$50 million, a 12.5 percent increase and part of the Governor's four-year goal to increase MAP funding for low-income students by 50 percent. This increase means an additional 15,000 students will receive grants
- Includes \$35 million for the second year of the bipartisan AIM HIGH grant pilot program, representing a 40 percent increase that is intended to help stem the outmigration of Illinois' high achieving students
- Provides \$23.8 million for a Competitive Grant Program for Student Support Services directed at improving the retention and graduation rates of low-income and minority students, supporting the students through targeted support services, bridge programs, counseling, and other evidence-based efforts

SOCIAL SERVICES – HEALTH CARE, PROTECTING VULNERABLE CHILDREN, SENIORS AND VETERANS

- Provides \$80 million in additional funding at DCFS for more than 300 additional staff, rate increases for providers and development of a comprehensive child welfare information system
- Expanded child care assistance eligibility through the Child Care Assistance Program at DHS, providing quality care to an additional 10,000 children. The threshold increases from 185 percent to 200 percent of the Federal Poverty Level (FPL), starting in October 2019. Once in the program, families will be allowed to remain eligible up to 225 percent FPL.
- Includes an additional \$6 million to Public Health to fund new lead screening cases tied to changes in the actionable levels of lead present in blood.
- Provides \$20.6 million to Veterans' Affairs to open the Chicago Veterans' Home in the spring of 2020 and \$230 million in funding to build a new Quincy Veterans' Home.
- Includes \$65.5 million for the Community Care Program (CCP) at the Department on Aging to address growth and service use and to improve quality care for seniors
- Includes \$107 million to DHS ensure rates for Developmental Disability, Child Care, Home Services and other community-based service providers are increased
- Includes \$29 million to DHS for grants to community providers statewide to encourage census participation.

CRIMINAL JUSTICE AND PUBLIC SAFETY – KEEPING FAMILIES SAFE

- Funds two Illinois State Police cadet classes and a Conservation Police Officer Trainee class
- Funds \$5 million for newly enacted Firearm Dealer License Certification Program operated through the State Police
- Increases operations funding by \$6.5 million operations for a School Safety Tip Line and 20 new crime scene investigators
- Includes increased funding to the Lt. Governor associated with the Justice, Equity, and Opportunity (JEO) Initiative to reform the criminal justice system

STRENGTHENING COMMUNITIES

- Includes appropriations necessary to enact the first year of legalization of adult use cannabis – including regulatory costs, amounts needed for expungement cost reimbursements, and grant programs
- Adds \$55M in additional funding for the Supreme Court to move to a 100% reimbursement for local probation officers
- Includes \$10 million to DoIT for the administration of the Illinois Century Network and broadband projects
- Includes new funding of \$2.5M for DCEO Technology Based Grant Program

PENSIONS

- Includes the full appropriations to the state retirement systems, funding the January 2019 certified requests from the systems
- Extends the current pension buyout system for an additional 3 years beyond the original 2021 sunset date.

LABOR CONTRACTS

- FY19 supplemental appropriations totaling approximately \$410 million were included to cover costs associated with unpaid union contract obligations dating back to FY16
- FY20 budget funds the expected contract costs of the tentative agreement with AFSCME.

BUDGET HIGHLIGHTS – CLOSING THE DEFICIT

After the administration reviewed the state's finances, the State entered the FY20 budget with a \$3.2 billion deficit. In addition to making key investments in long-term programs that will improve the state's health, the budget was balanced with several bipartisan revenue initiatives – some of which will improve the State's structural deficit going forward.

REVENUE

- \$850 million from improved revenue projections, based on strong economic revenue performance in the spring
- \$500 million from MCO assessment. This produces GRF budget relief by reducing the transfer required from GRF to the Healthcare Provider Relief Fund
- \$175 million from a tax amnesty program, with most of the funds coming from corporate and sales taxes
- \$94 million from decoupling from the federal deduction for repatriated income
- \$80 million from authorizing a marketplace facilitator to improve online sales tax collection at marketplaces
- \$15 million for an e-cigarette tax imposed at a rate of 14.5%

CASH FLOW MANAGEMENT

- Extends the ability for the Comptroller to do interfund borrowing to the general funds of balances in other state funds in excess of additional cash needs. Estimated to generate approximately \$100 million in liquidity in FY20.
- Authorizes \$1.2 billion in general obligation bonds to be issued to address bills that are over 90 days old (i.e. accruing interest). The size and timing of the issuance will depend on cash flow needs at the Comptroller's office.