Gov. Quinn’s Fiscal Strategy

Balance

Build

Grow
Balance

• Stabilizing Medicaid
• Rebalancing
• Facility closures
• Office consolidations and lease reductions
• Program eliminations
Build

• $31 Billion – Illinois Jobs Now!

• $12 Billion – Move Illinois (Tollway)

• $1 Billion – Clean Water Initiative

= $44 Billion in Capital and Thousands of Jobs
Illinois has added 136,300 jobs since December 2009 including 41,900 jobs in calendar year 2012.
What this budget is:
Balanced, Honest
& Difficult
Balanced

Revenues match expenditures

FY14

General Fund Revenues $35.6B
General Fund Spending $35.6B

All Funds Revenues $62.4B
All Funds Spending $62.4B
Revenue Growth vs. Pension Growth (millions)

FY13-14 Increase in State Revenue: $817M
FY13-14 Increase in Pension Contributions: $929M
Reducing Spending

Discretionary Spending (millions)

- 2008: $17,462
- 2012: $16,802
- 2013: $16,232
- 2014: $16,171

BUDGET.ILLINOIS.GOV

FY14 BUDGET
Honest

• Includes all actual costs

• Requires appropriations to match actual cost
General Funds
Pension Contributions

FY2008-FY2014 (billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tr>
<td>FY2008</td>
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<td>$5.1</td>
</tr>
<tr>
<td>FY2014</td>
<td>$6.0</td>
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Pension Cost Growth

**GENERAL FUND APPROPRIATIONS**

**2008**
- 6% for Pensions
- 94% for All other

**2014**
- 19% for Pensions
- 81% for All other

Pensions vs All other for Pension Cost Growth.
Difficult

• Subject all expenditures to annual review

• Make Transfers Out subject to annual review

• Adopt necessary statutory changes
Where is the money going?
### Education

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
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<tbody>
<tr>
<td>GRF</td>
<td>$12.2B</td>
<td>$12.7B</td>
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<td>(Pensions)</td>
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<td>(Pensions) $4.1B</td>
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- **Teacher pension costs increase by $842M**
- **Skyrocketing pension costs lead to reductions in K-20**
- **Maintain investments in MAP & Early Childhood**
Economic Development

<table>
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- Prioritizes job training at DCEO
- Maintains programs at Departments of Agriculture and Labor at FY13 levels
## Public Safety

**FY12**  
- GRF $1.6B  
- Other $3.1B  
- Total $4.7B  

**FY13**  
- GRF $1.5B  
- Other $3.1B  
- Total $4.6B  

**FY14**  
- GRF $1.6B  
- Other $3.0B  
- Total $4.6B  

- Maintain staffing levels at State Police and Department of Corrections  
  - 3 ISP cadet classes and 4 DOC cadet classes  

- Strengthen Redeploy Illinois
**Human Services**

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- Serving the growing elderly population
- Achieving efficiencies and paying old bills
- Rebalancing and strengthening mental health services
- Reforming Adult Protective Services
- Protecting Veterans’ services
Healthcare

- SMART Act Implementation
- Shift to Coordinated Care
- Access to Quality Healthcare

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Medicaid

Costs vs. Appropriations

FY 12

Cost $10.4B

APPROP $8.9B

FY 13

Cost $9.8B

APPROP $11.2B

FY 14

Cost $10.2B

APPROP $10.3B

Paying Old Bills

Smart Act

Budget.illinois.gov

FY14 Budget
Medicaid: Implementing Coordinated Care

Fiscal Year 2013

- Fee For Service: 92%
- Coordinated Care (HMOs, etc.): 8%

Fiscal Year 2014

- Fee For Service: 79%
- Coordinated Care (HMOs, etc.): 20%
- Affordable Care Act New Population (100% Federally Paid): 1%

Cost of Care (Medicaid)
Access to Quality Healthcare

• New Health Insurance Marketplace
  - Sign-up begins October 1, 2013
  - Coverage begins January 1, 2014
  - 500,000 eligible consumers

• New ACA low-income populations
  - Cook County waiver: 115,000 (FY14 est.)
  - Statewide: 162,000 (FY14 est.)
## Environment and Culture

<table>
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<tbody>
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<td>$55.7M</td>
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<tr>
<td>Other</td>
<td>$502.6M</td>
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- **Enhance conservation programs**
- **Maintain historic sites**
- **Protect environment and drinking water**
## Government Services

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<td>$13.4B</td>
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- Reduce group health costs
- Increase opportunities for minority & women-owned businesses
- Enhance revenue collections
Tentative Collective Bargaining Agreement

- Three-year contract (FY13-FY15)
- Unprecedented savings in group health insurance
- Retirees pay premiums for the first time
- Modest wage adjustments budgeted
Capital Investment

- Clean Water Initiative
- High-speed rail
- Public transit
- Schools
- Roads and bridges
- High-speed internet
Paying Old Bills

• Pay off Medicaid bills by end of FY14

• Pay off Aging bills by end of FY14

• Reduce DHS payables by $195M by end of FY14
Paying Old Bills

Total Bills on Hand

- 2012: $8.7B
- 2013: $7.5B
- 2014: $6.8B

Almost $2 billion of bills paid by end of FY2014