



STATE OF ILLINOIS  
EXECUTIVE OFFICE OF THE GOVERNOR  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
SPRINGFIELD 62706

**BRUCE RAUNER**  
GOVERNOR

**FISCAL YEAR 2017 SECOND QUARTER FINANCIAL REVIEW**

**GENERAL FUNDS CASH FLOW**

The table below sets forth General Funds Cash Flow second quarter and year-to-date comparisons between fiscal year 2016 (FY16) and FY17. This table reflects a FY17 cash balance of \$163 million, and pending vouchers and transfers at the Office of the Comptroller of \$6,197 million.

<b>GENERAL FUNDS CASH FLOW</b>				
<b>Second Quarter and Year-to-Date Review</b>				
(\$ in millions)				
	<b>FY16</b>	<b>FY17</b>	<b>FY16</b>	<b>FY17</b>
	<b>2nd Quarter</b>	<b>2nd Quarter</b>	<b>Year-to-Date</b>	<b>Year-to-Date</b>
<b>Beginning Backlog at Comptroller</b>	\$ (3,656)	\$ (4,197)	\$ (2,830)	\$ (3,444)
Beginning Cash Balance	\$ 291	\$ 309	\$ 621	\$ 246
<b>Revenues</b>				
Individual Income Tax	\$ 2,846	\$ 2,754	\$ 5,698	\$ 5,438
Corporate Income Tax	\$ 401	\$ 199	\$ 827	\$ 487
Sales Tax	\$ 2,091	\$ 2,086	\$ 4,143	\$ 4,188
Other Sources/Transfers In	\$ 1,112	\$ 1,153	\$ 2,302	\$ 2,282
<b>State Source Revenues</b>	<b>\$ 6,450</b>	<b>\$ 6,192</b>	<b>\$ 12,970</b>	<b>\$ 12,395</b>
Budget Stabilization Fund	\$ -	\$ -	\$ 125	\$ -
Federal Sources	\$ 743	\$ 282	\$ 1,296	\$ 1,006
<b>Total Revenues</b>	<b>\$ 7,194</b>	<b>\$ 6,474</b>	<b>\$ 14,391</b>	<b>\$ 13,401</b>
<b>Expenditures</b>				
Current Year Vouchers	\$ 6,426	\$ 7,543	\$ 12,891	\$ 13,341
Prior Year Vouchers	\$ -	\$ (42)	\$ 752	\$ 588
<b>Subtotal, Vouchers Presented</b>	<b>\$ 6,426</b>	<b>\$ 7,501</b>	<b>\$ 13,643</b>	<b>\$ 13,929</b>
Posted Transfers Out	\$ 643	\$ 592	\$ 1,272	\$ 1,243
Transfer to GO Bond Debt Service Fd	\$ 460	\$ 526	\$ 968	\$ 1,059
Prior Year Adjustments	\$ (6)	\$ (1)	\$ (7)	\$ 5
<b>Total Expenditures</b>	<b>\$ 7,523</b>	<b>\$ 8,619</b>	<b>\$ 15,876</b>	<b>\$ 16,237</b>
End of Quarter Cash Balance	\$ 298	\$ 163	\$ 298	\$ 163
<b>End of Quarter Backlog at Comptroller</b>	<b>\$ (3,992)</b>	<b>\$ (6,197)</b>	<b>\$ (3,992)</b>	<b>\$ (6,197)</b>

SOURCE: Illinois Office of the Comptroller Records.

NOTE: Backlog figures do not include bills held at agencies. For information on bills held at agencies please refer to the Backlog Report at [budget.illinois.gov](http://budget.illinois.gov).

General Funds' second quarter revenues totaled \$6,474 million, a decrease of \$720 million, or 10.0%, below the FY16 second quarter level, including a decrease of \$461 million, or 62.0%, in Federal Sources due primarily to decreases in reimbursable spending on Medicaid.

FY17 second quarter General Funds' expenditures totaled \$8,619 million, an increase of \$1,096 million, or 14.6%, above the FY16 second quarter level.

Note: Tables in this report may not add due to rounding

## GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES								
Second Quarter and Year-to-Date Review								
(in millions)								
	FY16 2nd Quarter	FY17 2nd Quarter	Dollar Change	Percent Change	FY16 YTD	FY17 YTD	Dollar Change	Percent Change
Gross Individual Income Tax	3,378	3,331	(47)	(1.4%)	6,767	6,579	(188)	(2.8%)
Income Tax Refund Fund	(329)	(382)	(53)	16.1%	(660)	(737)	(77)	11.7%
Fund for Advancement of Education	(101)	(97)	4	(4.2%)	(205)	(202)	3	(1.4%)
Commitment to Human Services Fund	(101)	(97)	4	(4.2%)	(205)	(202)	3	(1.4%)
<b>Net Individual Income Tax</b>	<b>2,846</b>	<b>2,754</b>	<b>(92)</b>	<b>(3.2%)</b>	<b>5,698</b>	<b>5,438</b>	<b>(260)</b>	<b>(4.6%)</b>
Gross Corporate Income	474	242	(232)	(49.0%)	976	590	(386)	(39.6%)
Income Tax Refund Fund	(72)	(42)	29	(41.0%)	(148)	(102)	46	(31.0%)
Fund for Advancement of Education	(0)	(0)	0	(59.5%)	(0)	(0)	0	(48.2%)
Commitment to Human Services Fund	(0)	(0)	0	(59.5%)	(0)	(0)	0	(48.2%)
<b>Net Corporate Income Tax</b>	<b>401</b>	<b>199</b>	<b>(202)</b>	<b>(50.4%)</b>	<b>827</b>	<b>487</b>	<b>(340)</b>	<b>(41.1%)</b>
<b>Sales</b>	<b>2,091</b>	<b>2,086</b>	<b>(5)</b>	<b>(0.3%)</b>	<b>4,143</b>	<b>4,188</b>	<b>45</b>	<b>1.1%</b>
Public Utility	220	205	(15)	(7.0%)	431	412	(19)	(4.4%)
Cigarette	88	84	(5)	(5.3%)	177	172	(5)	(2.7%)
Inheritance	116	59	(57)	(49.2%)	192	138	(54)	(28.2%)
Liquor	42	45	3	6.0%	86	89	3	3.7%
Insurance	69	59	(9)	(13.4%)	161	167	6	3.9%
Corporate Franchise	53	52	(1)	(2.1%)	111	109	(3)	(2.4%)
Investment Income	6	8	1	20.3%	10	15	5	45.2%
Cook County IGT	56	56	0	0.0%	56	56	0	0.0%
Other Sources	85	199	113	132.4%	205	313	108	53.0%
<b>TOTAL STATE REVENUES</b>	<b>736</b>	<b>766</b>	<b>30</b>	<b>4.0%</b>	<b>12,097</b>	<b>11,584</b>	<b>(513)</b>	<b>(4.2%)</b>
<b>Federal Revenues</b>	<b>743</b>	<b>282</b>	<b>(461)</b>	<b>(62.1%)</b>	<b>1,296</b>	<b>1,006</b>	<b>(290)</b>	<b>(22.4%)</b>
<b>Transfers In:</b>	<b>376</b>	<b>387</b>	<b>11</b>	<b>2.9%</b>	<b>873</b>	<b>811</b>	<b>(62)</b>	<b>(7.1%)</b>
Lottery	176	181	5	3.1%	312	346	35	11.1%
Gaming/Gaming Taxes	91	89	(2)	(2.1%)	171	166	(5)	(3.0%)
Other Transfers In	110	117	8	6.9%	390	299	(91)	(23.4%)
<b>TOTAL RECEIPTS</b>	<b>7,194</b>	<b>6,474</b>	<b>(720)</b>	<b>(10.0%)</b>	<b>14,266</b>	<b>13,401</b>	<b>(864)</b>	<b>(6.1%)</b>

SOURCE: Illinois Office of the Comptroller Records.

NOTE: Totals may not add due to rounding. Excludes Budget Stabilization Fund transfers into the General Funds.

**Income Taxes:** Individual Income Tax net receipts through the second quarter decreased by \$260 million, or 4.6% from the FY16 year-to-date level.

Corporate Income Tax net receipts through the second quarter decreased by \$340 million, or 41.1%, from the FY16 level.

**Sales Taxes:** Sales Tax receipts through the second quarter increased by \$45 million, or 1.1%, from the FY16 level.

**Public Utilities:** Public Utility receipts through the second quarter decreased by \$19 million, or 4.4%, from the FY16 level.

**Inheritance:** Inheritance receipts through the second quarter decreased by \$54 million, or 28.2%, from the FY16 level.

**All Other Sources:** All Other Sources are up \$108 million YTD, or 53.0%, from the FY16 level, due primarily to an \$83.7 million prior fiscal year overpayment to the State Employees' Retirement System that was refunded to the General Funds in November.

**Federal Revenues:** FY17 Federal Sources through the second quarter decreased by \$290 million, or 22.4%, compared to the FY16 level.

**Transfers-In:** Transfers-in decreased by \$62 million YTD, or 7.1%, compared to the FY16 level.

## GENERAL FUNDS REVENUES BUDGETED VERSUS ACTUALS SUMMARY

The table below sets forth General Funds year-to-date budgeted revenues versus year-to-date actual revenues for FY17. Total State Revenues (not including Transfers In) were \$604 million, or 5.0%, below the budgeted level. Federal revenues were \$653 million, or 39.3%, below the budgeted level.

GENERAL FUNDS REVENUES				
Year-to-Date Budgeted versus Actual				
(in millions)				
	FY17 YTD Budgeted	FY17 YTD Actual	Dollar Change	Percent Change
Gross Individual Income Tax	6,900	6,579	(321)	(4.7%)
Income Tax Refund Fund	(772)	(737)	36	(4.6%)
Fund for Advancement of Education	(207)	(202)	5	(2.5%)
Commitment to Human Services Fund	(207)	(202)	5	(2.5%)
<b>Net Individual Income Tax</b>	<b>5,713</b>	<b>5,438</b>	<b>(275)</b>	<b>(4.8%)</b>
Gross Corporate Income	902	590	(312)	(34.6%)
Income Tax Refund Fund	(156)	(102)	53	(34.4%)
Fund for Advancement of Education	(0)	(0)	0	(48.2%)
Commitment to Human Services Fund	(0)	(0)	0	(48.2%)
<b>Net Corporate Income Tax</b>	<b>746</b>	<b>487</b>	<b>(258)</b>	<b>(34.7%)</b>
<b>Sales</b>	<b>4,229</b>	<b>4,188</b>	<b>(42)</b>	<b>(1.0%)</b>
Public Utility	438	412	(25)	(5.8%)
Cigarette	177	172	(5)	(2.6%)
Inheritance	137	138	0	0.3%
Liquor	88	89	1	1.6%
Insurance	160	167	7	4.6%
Corporate Franchise	105	109	4	3.6%
Investment Income	10	15	5	52.2%
Cook County IGT	52	56	4	0.0%
Other Sources	335	313	(21)	(6.4%)
<b>TOTAL STATE REVENUES</b>	<b>12,188</b>	<b>11,584</b>	<b>(604)</b>	<b>(5.0%)</b>
<b>Federal Revenues</b>	<b>1,659</b>	<b>1,006</b>	<b>(653)</b>	<b>(39.3%)</b>
<b>Transfers In:</b>	<b>834</b>	<b>811</b>	<b>(23)</b>	<b>(2.7%)</b>
Lottery	343	346	3	0.9%
Gaming/Gaming Taxes	168	166	(3)	(1.5%)
Other Transfers In	322	299	(23)	0.0%
<b>TOTAL RECEIPTS</b>	<b>14,681</b>	<b>13,401</b>	<b>(1,280)</b>	<b>(8.7%)</b>

SOURCE: Illinois Office of the Comptroller Records and Governor's Office of Management and Budget.

**Income Taxes:** Individual Income Tax net receipts through the second quarter were \$275 million, or 4.8%, lower than the budgeted levels. Corporate Income Tax net receipts through the first quarter were \$258 million, or 34.7%, lower than budgeted levels.

**Sales Taxes:** Sales Tax receipts through the second quarter were \$42 million, or 1.0%, lower than budgeted levels.

**Public Utilities:** Public Utility receipts through the second quarter were \$25 million, or 5.8%, lower than budgeted levels.

**Other Sources:** Other Sources through the second quarter were \$21 million, or 6.4%, below budgeted levels.

**Federal Revenues:** FY17 Federal sources of revenue through the second quarter were \$653 million, or 39.3%, lower than budgeted revenues.

**Transfers-In:** Transfers-in through the second quarter were \$23 million, or 2.7%, lower than budgeted levels.

## GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth FY16 and FY17 second quarter and year-to-date General Funds spending from appropriations for those fiscal years. General Funds expenditures for the second quarter of FY17 totaled \$7,543 million, an increase of \$1,117 million, or 17.4%, from the FY16 level.

GENERAL FUNDS EXPENDITURES				
Second Quarter and Year-to-Date Review				
(in millions)				
Agency	FY16 Expend 2nd Quarter <sup>1</sup>	FY17 Expend 2nd Quarter	FY16 Expend YTD <sup>1</sup>	FY17 Expend YTD
Constitutional Officers <sup>2,3</sup>	\$ 74	\$ 74	\$ 135	\$ 158
DHFS	\$ 1,144	\$ 1,877	\$ 3,153	\$ 2,287
ISBE	\$ 1,843	\$ 1,958	\$ 3,202	\$ 3,403
DHS	\$ 802	\$ 810	\$ 1,482	\$ 1,518
Higher Education	\$ 6	\$ 105	\$ 12	\$ 700
SERS <sup>3</sup>	\$ 332	\$ 327	\$ 703	\$ 655
TRS <sup>3</sup>	\$ 963	\$ 1,027	\$ 1,935	\$ 2,063
SURS <sup>3</sup>	\$ 292	\$ 384	\$ 693	\$ 778
Corrections	\$ 220	\$ 260	\$ 399	\$ 493
CMS	\$ 5	\$ 103	\$ 8	\$ 161
DCFS	\$ 174	\$ 168	\$ 330	\$ 305
Aging	\$ 248	\$ 124	\$ 251	\$ 226
ISP	\$ 61	\$ 61	\$ 107	\$ 107
Revenue	\$ 19	\$ 23	\$ 35	\$ 39
DPH	\$ 11	\$ 13	\$ 22	\$ 24
DNR	\$ 9	\$ 9	\$ 16	\$ 17
IDOT	\$ -	\$ -	\$ -	\$ -
DCEO	\$ 2	\$ 2	\$ 4	\$ 3
All Others <sup>3</sup>	\$ 222	\$ 217	\$ 405	\$ 404
<b>Agency Totals</b>	<b>\$ 6,426</b>	<b>\$ 7,543</b>	<b>\$ 12,891</b>	<b>\$ 13,341</b>

Source: IOC Data Warehouse and GOMB.

<sup>1</sup> Represents YTD figures for the same time period last fiscal year.

<sup>2</sup> Constitutional Officers exclude Auditor General.

<sup>3</sup> Includes continuing appropriations.

## EMPLOYMENT HIGHLIGHTS

The table below shows recent employment highlights. Nationally, the unemployment rate in November of FY17 was 4.6%, down from 5.0% during the same period last fiscal year. Illinois' unemployment rate of 5.6% in November of FY17 reflected a decrease from the state's unemployment rate of 6.0% during the same period last fiscal year. Additionally, total nonfarm employment in Illinois increased 43,000 year-over-year, led by increases in Leisure and Hospitality and Professional and Business Services.

<b>EMPLOYMENT HIGHLIGHTS</b>			
<b>State and National Review</b>			
<b>EMPLOYMENT STATISTICS</b>	<b><u>September FY16</u></b>	<b><u>September FY17</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	5,972,900	6,016,300	43,400
Unemployment Rate, Illinois	5.9%	5.5%	(0.4)
Unemployment Rate, United States	5.1%	5.0%	(0.1)
Labor Force Participation Rate, Illinois	64.8%	65.1%	0.3
Labor Force Participation Rate, United States	62.4%	62.9%	0.5
<b>EMPLOYMENT STATISTICS</b>	<b><u>October FY16</u></b>	<b><u>October FY17</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	5,993,100	6,022,600	29,500
Unemployment Rate, Illinois	5.9%	5.6%	(0.3)
Unemployment Rate, United States	5.0%	4.9%	(0.1)
Labor Force Participation Rate, Illinois	64.8%	65.1%	0.3
Labor Force Participation Rate, United States	62.5%	62.8%	0.3
<b>EMPLOYMENT STATISTICS</b>	<b><u>November FY16</u></b>	<b><u>November FY17</u></b>	<b><u>Change</u></b>
Total Nonfarm Employment, Illinois	5,982,500	6,025,500	43,000
Unemployment Rate, Illinois	6.0%	5.6%	(0.4)
Unemployment Rate, United States	5.0%	4.6%	(0.4)
Labor Force Participation Rate, Illinois	64.9%	65.1%	0.2
Labor Force Participation Rate, United States	62.5%	62.7%	0.2
Source: Illinois Department of Employment Security and United States Department of Labor			