



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

BRUCE RAUNER
GOVERNOR

FISCAL YEAR 2017 FIRST QUARTER FINANCIAL REVIEW

GENERAL FUNDS QUARTERLY CASH FLOW

The table below sets forth General Funds Cash Flow first quarter comparisons between fiscal year 2016 (FY16) and FY17. This table reflects a final FY17 cash balance of \$309 million, and pending vouchers and transfers at the Office of the Comptroller of \$4.197 billion.

GENERAL FUNDS CASH FLOW			
First Quarter Comparison			
(\$ in millions)			
	FY16	FY17	
	1st Quarter	1st Quarter	
Beginning Backlog at Comptroller	\$ (2,830)	\$ (3,444)	
Beginning Cash Balance	\$ 621	\$ 246	
Revenues			
Individual Income Tax	\$ 2,852	\$ 2,684	
Corporate Income Tax	\$ 426	\$ 288	
Sales Tax	\$ 2,052	\$ 2,102	
Other Sources/Transfers In	\$ 1,189	\$ 1,129	
State Source Revenues	\$ 6,519	\$ 6,203	
Budget Stabilization Fund	\$ 125	\$ -	
Federal Sources	\$ 553	\$ 724	
Total Revenues	\$ 7,197	\$ 6,927	
Expenditures			
Current Year Vouchers	\$ 6,466	\$ 5,798	
Prior Year Vouchers	\$ 752	\$ 630	
Subtotal, Vouchers Presented	\$ 7,218	\$ 6,428	
Posted Transfers Out	\$ 629	\$ 651	
Transfer to GO Bond Debt Service Fd	\$ 509	\$ 532	
Prior Year Adjustments	\$ (3)	\$ 5	
Total Expenditures	\$ 8,353	\$ 7,616	
End of Month Cash Balance	\$ 291	\$ 309	
End of Month Backlog at Comptroller	\$ (3,656)	\$ (4,197)	

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.

General Funds' first quarter revenues totaled \$6,927 million, a decrease of \$270 million, or 3.8%, below the FY16 first quarter level, including \$125 million transferred in from the Budget Stabilization Fund that was not repeated in FY17.

FY17 first quarter General Funds' expenditures totaled \$7,616 million, a decrease of \$737 million, or 8.8%, below the FY16 first quarter level.

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

GENERAL FUNDS REVENUES SUMMARY

GENERAL FUNDS REVENUES								
First Quarter and Year-to-Date Review								
(in millions)								
	FY16 1st Quarter	FY17 1st Quarter	Dollar Change	Percent Change	FY16 YTD	FY17 YTD	Dollar Change	Percent Change
Gross Individual Income Tax	3,390	3,248	(142)	(4.2%)	3,390	3,248	(142)	(4.2%)
Income Tax Refund Fund	(331)	(354)	(24)	7.1%	(331)	(354)	(24)	7.1%
Fund for Advancement of Education	(103)	(105)	(1)	100.0%	(103)	(105)	(1)	100.0%
Commitment to Human Services Fund	(103)	(105)	(1)	100.0%	(103)	(105)	(1)	100.0%
Net Individual Income Tax	2,852	2,684	(169)	(5.9%)	2,852	2,684	(169)	(5.9%)
Gross Corporate Income	502	348	(154)	(30.7%)	502	348	(154)	(30.7%)
Income Tax Refund Fund	(76)	(60)	16	(21.6%)	(76)	(60)	16	(21.6%)
Fund for Advancement of Education	(0)	(0)	(0)	100.0%	(0)	(0)	(0)	100.0%
Commitment to Human Services Fund	(0)	(0)	(0)	100.0%	(0)	(0)	(0)	100.0%
Net Corporate Income Tax	426	288	(138)	(32.3%)	426	288	(138)	(32.3%)
Sales	2,052	2,102	50	2.5%	2,052	2,102	50	2.5%
Public Utility	211	208	(3)	(1.5%)	211	208	(3)	(1.5%)
Cigarette	88	88	(0)	(0.2%)	88	88	(0)	(0.2%)
Inheritance	77	79	3	3.3%	77	79	3	3.3%
Liquor	44	44	0	0.4%	44	44	0	0.4%
Insurance	92	108	16	16.8%	92	108	16	16.8%
Corporate Franchise	58	57	(2)	(2.6%)	58	57	(2)	(2.6%)
Investment Income	4	7	3	87.4%	4	7	3	87.4%
Cook County IGT	0	0	0	0.0%	0	0	0	0.0%
Other Sources	119	114	(5)	(4.0%)	119	114	(5)	(4.0%)
TOTAL STATE REVENUES	693	705	12	1.7%	693	705	12	1.7%
Federal Revenues	553	724	171	30.9%	553	724	171	30.9%
Transfers In:	496	424	(72)	(14.6%)	496	424	(72)	(14.6%)
Lottery	136	165	29	21.3%	136	165	29	21.3%
Gaming/Gaming Taxes	80	77	(3)	(4.2%)	80	77	(3)	(4.2%)
Fund Reallocations	0	0	0	0.0%	0	0	0	0.0%
Other Transfers In	280	182	(98)	(35.1%)	280	182	(98)	(35.1%)
TOTAL RECEIPTS	7,072	6,927	(146)	(2.1%)	7,072	6,927	(146)	(2.1%)

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 first quarter decreased by \$169 million, or 5.9% from the FY16 year-to-date level.

Corporate Income Tax net receipts through the first quarter decreased by \$138 million, or 32.3%, from the FY16 level.

Sales Taxes: Sales Tax receipts through the first quarter increased by \$50 million, 2.5%, from the FY16 level.

Public Utilities: Public Utility receipts through the first quarter decreased by \$3 million, 1.5%, from the FY16 level.

Inheritance: Inheritance receipts through the first quarter increased by \$3 million, 3.3%, from the FY16 level.

All Other Sources: All Other Sources are down \$5 million YTD, 3.9%, from the FY16 level.

Federal Revenues: FY17 Federal Sources of revenue through the first quarter increased by \$171 million, or 30.9%, compared to the FY16 level.

Transfers-In: Transfers-in decreased by \$72 million YTD, or 14.6%, 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 \$230 million, or 3.8%, below the budgeted level. Federal revenues were \$105 million, or 12.6%, 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	3,421	3,248	(173)	(5.1%)
Income Tax Refund Fund	(383)	(354)	29	(7.5%)
Fund for Advancement of Education	(103)	(105)	(2)	2.2%
Commitment to Human Services Fund	(103)	(105)	(2)	2.2%
Net Individual Income Tax	2,833	2,684	(149)	(5.3%)
Gross Corporate Income	442	348	(94)	(21.2%)
Income Tax Refund Fund	(76)	(60)	16	(21.7%)
Fund for Advancement of Education	(0)	(0)	(0)	12.9%
Commitment to Human Services Fund	(0)	(0)	(0)	12.9%
Net Corporate Income Tax	365	288	(77)	(21.1%)
Sales	2,095	2,102	7	0.3%
Public Utility	224	208	(16)	(7.1%)
Cigarette	88	88	(0)	(0.0%)
Inheritance	69	79	10	15.1%
Liquor	44	44	0	0.8%
Insurance	87	108	21	24.0%
Corporate Franchise	52	57	4	8.4%
Investment Income	4	7	3	67.5%
Cook County IGT	0	0	0	0.0%
Other Sources	148	114	(34)	(22.9%)
TOTAL STATE REVENUES	6,009	5,779	(230)	(3.8%)
Federal Revenues	829	724	(105)	(12.7%)
Transfers In:	455	424	(31)	(6.9%)
Lottery	163	165	2	1.2%
Gaming/Gaming Taxes	78	77	(2)	(2.0%)
Other Transfers In	214	182	(32)	0.0%
TOTAL RECEIPTS	7,293	6,927	(367)	(5.0%)

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

Income Taxes: Individual Income Tax net receipts through the first quarter were \$149 million, or 5.3%, lower than the budgeted levels. Corporate Income Tax net receipts through the first quarter were \$77 million, or 21.1%, lower than budgeted levels.

Sales Taxes: Sales Tax receipts through the first quarter were \$7 million, or 0.3%, higher than budgeted levels.

Public Utilities: Public Utility receipts through the first quarter were \$16 million, or 7.1%, lower than budgeted levels.

All Other Sources: All Other Sources through the first quarter were \$34 million, or 22.9%, below budgeted levels.

Federal Revenues: FY17 Federal Sources of revenue through the first quarter were \$105 million, or 12.7%, lower than budgeted revenues.

Transfers-In: Transfers-in through the first quarter were \$31 million, or 6.9%, lower than budgeted levels.

GENERAL FUNDS EXPENDITURES SUMMARY

The table below sets forth General Funds expenditures through the first quarter of FY16 and FY17 from appropriations for those fiscal years. General Funds expenditures through the end of the first quarter totaled \$5,798 million, a decrease of \$667 million, or 10.3%, from the FY16 level.

GENERAL FUNDS EXPENDITURES				
Year-to-Date Review				
(in millions)				
Agency	FY16 Expend YTD ¹	FY17 Expend YTD	Change	
Constitutional Officers ^{2,3}	\$ 61	\$ 84	\$ 23	
DHFS	\$ 2,010	\$ 409	\$ (1,600)	
ISBE	\$ 1,360	\$ 1,444	\$ 85	
DHS	\$ 679	\$ 708	\$ 29	
Higher Education	\$ 6	\$ 595	\$ 589	
SERS ³	\$ 370	\$ 327	\$ (43)	
TRS ³	\$ 972	\$ 1,036	\$ 64	
SURS ³	\$ 402	\$ 394	\$ (8)	
Corrections	\$ 179	\$ 233	\$ 54	
CMS	\$ 3	\$ 58	\$ 55	
DCFS	\$ 156	\$ 137	\$ (19)	
Aging	\$ 3	\$ 101	\$ 98	
ISP	\$ 46	\$ 46	\$ 0	
Revenue	\$ 16	\$ 16	\$ (0)	
DPH	\$ 10	\$ 11	\$ 1	
DNR	\$ 7	\$ 8	\$ 1	
IDOT	\$ -	\$ -	\$ -	
DCEO	\$ 1	\$ 2	\$ 0	
All Others ³	\$ 184	\$ 187	\$ 3	
Agency Totals	\$ 6,466	\$ 5,798	\$ (667)	

Source: IOC Data Warehouse and GOMB.

¹ Represents YTD figures for the same time period last fiscal year.

² Constitutional Officers exclude Auditor General.

³ Includes continuing appropriations.

EMPLOYMENT HIGHLIGHTS

The table below sets first quarter employment highlights. Nationally, the unemployment rate in September of FY17 was 5.0%, down from 5.1% during the same period last fiscal year. Illinois' unemployment rate of 5.5% in September of FY17 reflected a decrease from the state's unemployment rate of 5.9% during the same period last fiscal year. Additionally, total nonfarm employment in Illinois increased 43,400 year-over-year, led by increases in Leisure and Hospitality, Other Services, and Professional and Business Services.

EMPLOYMENT HIGHLIGHTS			
First Quarter Review			
EMPLOYMENT STATISTICS	<u>July FY16</u>	<u>July FY17</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	5,970,700	6,016,900	46,200
Unemployment Rate, Illinois	5.8%	5.8%	0.0
Unemployment Rate, United States	5.3%	4.9%	-0.4
Labor Force Participation Rate, Illinois	64.7%	65.4%	0.7
Labor Force Participation Rate, United States	62.6%	62.8%	0.2
EMPLOYMENT STATISTICS	<u>August FY16</u>	<u>August FY17</u>	<u>Change</u>
Total Nonfarm Employment, Illinois	5,968,600	6,008,900	40,300
Unemployment Rate, Illinois	5.6%	5.5%	-0.1
Unemployment Rate, United States	5.1%	4.9%	-0.2
Labor Force Participation Rate, Illinois	64.7%	65.2%	0.5
Labor Force Participation Rate, United States	62.6%	62.8%	0.2
EMPLOYMENT STATISTICS	<u>September FY16</u>	<u>September FY17</u>	<u>Change</u>
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
Source: Illinois Department of Employment Security and United States Department of Labor			