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CIVIC FEDERATION OPPOSES GOVERNOR RAUNER'S RECOMMENDED BUDGET

*Urges General Assembly and Governor not to pass or sign any appropriations for
FY2017 unless part of a comprehensive plan*

(CHICAGO) – In a report released today, the Civic Federation's Institute for Illinois' Fiscal Sustainability announced its opposition to Governor Rauner's recommended budget for FY2017 because it has an operating deficit of at least \$3.5 billion and presents an insufficiently detailed plan for closing the gap. The Institute's full 92-page report is available at www.civicfed.org.

According to the report, the \$3.5 billion deficit appears to be significantly understated, because it does not fully account for the actual cost of essential State services. Illinois' backlog of bills could grow as high as \$12.8 billion by the end of FY2017 under the plan.

"This budget as proposed would not move Illinois forward and would lead to further deterioration of the State's finances. It would generate billions in additional unpaid bills and continue to count on future years' revenues to pay for current, unmanaged obligations," said Civic Federation President Laurence Msall. "The Civic Federation cannot support a plan that does not provide the State of Illinois with a detailed and sustainable path to reduce and alleviate its ongoing financial crisis."

The Governor's recommended budget relies on one-time revenues and projected savings that are imprudent or unlikely to be realized. It includes emptying the State's only rainy day fund, reducing pension contributions by \$748 million, making \$198 million in unspecified cuts to the Community Care Program and reducing group health insurance payments by \$445 million in FY2017. Also built-in to the Governor's budget are expected proceeds from the sale of the James R. Thompson State office building in Chicago.

The Governor's proposed budget also does not address the continuing budget impasse in the current fiscal year, FY2016, although an operating deficit of \$4.4 billion in FY2016 is shown in the budget document.

"With its staggering backlog of unpaid bills, more than \$100 billion in unfunded pension liabilities and the worst credit rating of any state in the nation, Illinois has for too long been in an unenviable financial position," said Msall. "However, the current impasse and lack of action in Springfield are causing irreparable harm to our most vulnerable citizens and represent a new low in fiscal management for the General Assembly and the Governor."

In its analysis, the Federation calls on Governor Rauner and members of the General Assembly to recognize the urgent need to work together to end the FY2016 budget impasse and develop a comprehensive, sustainable plan for FY2017 and beyond.



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“The Federation urges legislators and the Governor not to pass or sign any appropriation bills—including early childhood, elementary or secondary education—until they are part of a comprehensive balanced budget for FY2017,” said Msall.

The Federation presented its comprehensive plan for the State of Illinois in February when it released [its State budget roadmap for FY2017](#). Spending controls are at the center of the Federation’s plan, but more revenue is needed to help reduce the operating deficit in FY2016, close the gap in FY2017 and pay down the backlog of bills.

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The Institute for Illinois’ Fiscal Sustainability at the Civic Federation is made possible by a generous grant from the John D. and Catherine T. MacArthur Foundation. The Institute’s mission is to improve the State’s decision-making process by providing timely fiscal policy analysis and recommendations to State officials, the media and the public through education and digital outreach. Please visit www.civicfed.org/ifs for more information.