The Turnaround Budget

This is a turnaround budget. It reduces spending while funding essential government services. The budget improves public safety, provides care for the most vulnerable and boosts funding for education while restructuring the core costs of state government that are holding Illinois back. It puts Illinois on a fiscally-sustainable path.

Major Points:

- Eliminates $6.2 billion structural deficit.
- Unlike the FY2015 budget, this budget uses honest accounting and is structurally balanced.
- Relies on no tax increases or borrowing.
- Includes $500 million to pay down unpaid bill backlog.
- Increases K-12 education spending by roughly $300 million
- Increases early childhood education funding by $25 million.
- Most money for education general state aid in Illinois history.
- Enacts true pension and benefit reform, saving the state nearly $3 billion in the first year.
- Looks at the state as a whole and treats all regions fairly.
- Focuses on core functions of government and delivers essential services.
- Submitted on time.

The Budget:

Invests in our children

- The budget increases funding for early childhood and pre-K-12 education.
- Leaves intact health and human services programs for children, including children of immigrants.
- Foster care services for children are not reduced.
- Child care dollars are prioritized to serve the youngest children to prepare them for school.

Prioritizes care for the most vulnerable

- Programs that serve our aging or disabled populations will focus on those with higher needs, rather than those most able to care for themselves.

Promotes public safety and reforms criminal justice system

- Increases corrections and juvenile justice budgets in order to improve conditions in state prisons and reduce the number of offenders in Illinois.

Focuses on programs that serve the entire state

- Public health and state police laboratories, licensing and permitting functions, inspections and statewide road maintenance were prioritized over services to specific populations.

Key Policy Points:

Criminal Justice

- Increases Department of Corrections staffing levels by 473 positions.
- Increases funding for Mental Health program in the Department of Corrections by $58.5 million.
- Increases funding for Adult Redeploy by over 50%.

Juvenile Justice

- Department of Juvenile Justice budget is increased by $14.7 million.
    - Increases educational staffing in our juvenile justice system by 60 positions.
    - Invests $5 million in Juvenile Redeploy.
    - Invests additional $3.1 million in Aftercare compared to FY15.

Department of Children and Family Services

- Improving and reforming the state's Department of Children and Family Services is a top priority of the administration.
- Adults who will no longer receive services from DCFS can receive services from other State agencies for which they are eligible.

Public Health

- Adds 50 nursing home surveyor staff to improve safety in nursing homes.

Medicaid

- Leaves intact health and human services programs for children, including children of immigrants.
- Minimizes services reductions to adult population.
- Re-institutes SMART Act reforms to save $320 million.
- Saves $75 million by reinstating aggressive review of eligibility.

PK-12 Education

- Increases early childhood education by $25 million.
- Puts about $300 million more into K-12 classrooms.
- Most money for education general state aid in Illinois history.

Higher Education

- Preserves funding for community colleges.
- Preserves funding for MAP grants.
- Continues to fund other grants including those for children of police officers, fire fighters, and correctional officers killed or disabled in the line of duty.
- The budget reductions are less than 6% of the universities' total budgets.
- The state universities have endowments totaling over $2.5 billion.
- Illinois is the 5th most populous state in the country but #4 in support for higher education. That remains true after these savings.

Department of Commerce and Economic Opportunity/Historic Preservation

- Folds Historic Preservation Agency into the Department of Commerce and Economic Opportunity.
- Establishes the Abraham Lincoln Presidential Library and Museum as an independent entity.
- Merges the Local Tourism Fund, International Tourism Fund, and the Chicago Travel Industry Promotion Fund into the Tourism Promotion Fund (TPF) to reduce the number of state funds.

Transportation

- Increases funding to road and state construction fund by $120 million to $1.85 billion.
- The reduction to RTA is 4.4 percent of its budget. State of Illinois will continue to provide $131 million of support for the RTA's Strategic Capital Improvement Bonds.
- The state subsidy for downstate transit will be what the agencies expended in FY2014, and the state remains the primary funder of downstate public transit system.

Local Governments

- The amount of money transferred to local governments has grown 42 percent over the past decade.
- The state currently transfers $6 billion every year to local governments.
- Those governments currently have cash reserves of over $15 billion.
- The reduction to local governments is 3 percent of their budgets.
- Even with the reduction, Iowa, Indiana, Missouri & Kentucky share less revenue with local governments as a percentage of their total budgets.

Bureaucracy

- Reins in total costs by nearly $3 billion.
    - *Pension Reform:*
        - Saves taxpayers over $2.2 billion in FY 2016.
        - Saves taxpayers over $100 billion over 30 years.
        - Immediately improves the state's unfunded liability by $25 billion.
        - State employees get to keep what they've already earned, but beginning July 1, all newly earned benefits will be equal to the benefits available to state employees hired after 2011.
        - Eliminates spiking.
        - Excludes police and fire.
        - Eliminates overtime in determining pension benefits.
        - Gives employees hired before 2011 a buyout option – a lump sum payment and a defined contribution plan in return for a voluntary reduction in cost-of-living adjustments.
        - The plan is constitutional as it does not reduce earned benefits.

    - *Group Health:*
        - Saves $700 million by bringing costs more in line with the taxpayers who pay for the state employee benefits.
        - The per employee premium cost of the program has more than the doubled over the past 15 years, and the per employee premium cost is currently 23 percent higher than the national average.