

WHY IS REVENUE A HUMAN SERVICES ISSUE?

The revenue side of the state budget is directly connected to the spending side. How much revenue (or income) the state has and estimates it will have in the coming year is the starting point of creating a budget and deciding how much it can spend on programs and services. Illinois' Constitution requires that the budgets proposed by the Governor and passed by the General Assembly be balanced – spending has to be covered by estimated revenue. Thus, an accurate prediction of how much money will come in throughout the year has a huge impact on the programs and services that are funded and available to Illinois residents.

HOW MUCH MONEY DOES ILLINOIS HAVE FOR FY12?

The Commission on Government Forecasting and Accountability (CoGFA) is the entity officially charged with producing revenue projections for the General Assembly. It has a good track record of producing accurate estimates in past years. For FY12, CoGFA has projected \$34.9 billion in revenue. Thus far, Illinois lawmakers have adopted revenue projections that fall below the estimate that CoGFA has produced. The Senate's projection has come closest to CoGFA's, at \$34.28 billion. The Governor's projection was \$33.93 billion, while the House is using an estimate of \$33.17 billion in revenue, over \$1.7 billion less revenue than the CoGFA estimate. Lower projections of revenue will mean lower levels of spending in FY12, which impacts human services as well as other categories of state spending.

As Illinois lawmakers move toward finalizing a final budget for FY12 it is essential that the budget be based on an accurate projection of revenue to ensure unnecessary cuts are avoided.