

Comptroller Daniel W. Hynes

DECEMBER 2000 ISSUE



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Health Care for Uninsured Children

Health care is an issue that affects everybody from the young to the old. Everything from pre-natal and well-baby care to immunizations, prescription drugs, and long-term care are all health services that are available to improve the health of the population. As the costs of obtaining these services continue to rise, the number of people who do not have health care insurance, especially children, has become an important concern to both the federal and state governments.

The Nation's Uninsured

An estimated 42.6 million people did not have health insurance during 1999. Nearly 40% of the uninsured have no regular source of health care and are predominantly workers and their families, many of whom have low incomes. Low-income Americans run the highest risk of being uninsured because

COVER STORY continued, page 7

FROM THE COMPTROLLER

Dear Readers:

Seasons Greetings! I sincerely hope that you have a joyous holiday season.

Looking back over the last twelve months, I am pleased to note some of our accomplishments. A Rainy Day Fund was established, phone hot-lines were in place in the Cemetery Care and Local Government Divisions, local official training sessions were conducted, and cemetery cleanup month was a success. But I also see some unfinished business to which we will devote our energy in 2001. During the current cash flow difficulties, it has become apparent that there are some problems with the fiscal processes in Illinois. Developing comprehensive, sensible, and innovative approaches to these processes to improve and stabilize the State's fiscal condition, and the passage of the cemetery care reform legislation, will be priorities in the year to come.

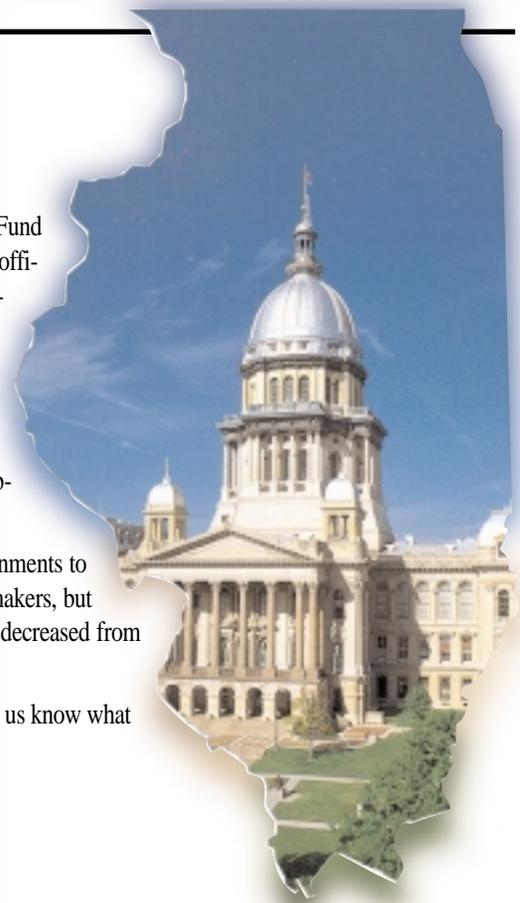
I want to thank all of you who have had kind words to say about this publication. The number of new subscribers has been very encouraging, and we will work hard to keep you informed in 2001.

This issue of *Fiscal Focus* highlights a health care issue that has led the federal government and state governments to unite: providing health insurance to children. There are a number of health care issues confronting policy-makers, but adequate health care for children is a top priority. The good news is that the number of uninsured children decreased from 1998 to 1999, and government programs appear to be partly responsible for this change.

As is our custom, I encourage you to answer the Fiscal Forum questions for this month, and to continue to let us know what you think. Our web site is www.ioc.state.il.us.

Sincerely,

Daniel W. Hynes
Comptroller



Fiscal Focus is one of the ways the Comptroller's Office strives to assist taxpayers and the people of Illinois. This monthly report is designed to provide fiscal information of general interest and in compliance with state statutes.

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Fiscal Smarts

CMS Health Care Spending

The Department of Central Management Services (CMS) oversees the administration of group health benefits for over 410,000 enrollees in four different insurance programs. Total health care spending by the Department for these four programs was \$1.056 billion in fiscal year 2000, \$354 million or 50.4% higher than the \$702 million expended in fiscal year 1996.

The largest of the four health care plans administered by CMS is the State Employees Group Insurance Program with approximately 340,000 employees enrolled. This plan provides health, dental and vision benefits to all full-time and eligible part-time State employees, including employees of all three branches of government and the university system as well as retirees who are eligible to participate in one of the five State retirement systems. Coverage is also

extended to their eligible dependents.

Payments of \$871.3 million in fiscal year 2000 for eligible participants of the State program were made from the Health Insurance Reserve Fund (HIRF). The largest source of funding for HIRF is a transfer from the General Revenue Fund, which totaled \$579.9 million in fiscal year 2000. Other major sources of funding include optional health insurance payroll deductions (\$129.6 million), payments from health facilities (\$74.0 million) and a transfer from the Road Fund (\$73.4 million). All active State employees make premium contributions based on salary and plan selection. Retirees make no premium contribution, unless retirement was on or after January 1, 1998 with less than twenty years of State service.

FISCAL SMARTS continued, page 6

HOW Illinois Stacks Up

Health Insurance Coverage Expands

The percentage of people without health insurance coverage throughout the year decreased nationally from 16.3% in 1998 to 15.5% in 1999. This decrease is the first decline since 1987 and reverses a 12-year trend of annual increases in the number and percent of uninsured. The percentage of uninsured people in Illinois followed the national pattern and decreased from 15.0% to 14.1% during that same period.

The percentages of uninsured people by state are estimates calculated by the U.S. Bureau of the Census from information collected in the Current Population Surveys done in March 1998, 1999 and 2000. According to the Bureau, employment-based insurance, the leading source of health insurance coverage, spurred the increase in insurance coverage. There was no change from 1998 to 1999 in the overall government provided health insurance coverage rate.

A total of 31 states witnessed improved insurance coverage rates with reductions in the uninsured ranging from 0.1% to 4.8%. Illinois' change of 0.9% placed it on the low end of the states showing improvement. One state, Virginia, showed no change in the percent of uninsured, while 18 states faced increases in their uninsured. For example, New Mexico's uninsured rate increased 4.7 percentage points, and the rates for Louisiana and Washington went up 3.5 percentage points.

Indiana's uninsured rate decreased 3.8 percentage points, from 14.4% in 1998 to 10.8% in 1999. Michigan's rate improved from 13.2% to 11.2%, and Minnesota went from 9.3% to 8.0%. The uninsured rate in Iowa changed from 9.3% to 8.3%, while Wisconsin had the smallest change among neighboring states going from 11.8% to 11.0%.

Other Estimates

- The proportion of uninsured children (under 18 years old) also decreased, down from 15.4% in 1998 to 13.9% in 1999. In terms of numbers, the estimate of uninsured children went from 11.1 million down to 10.0 million.

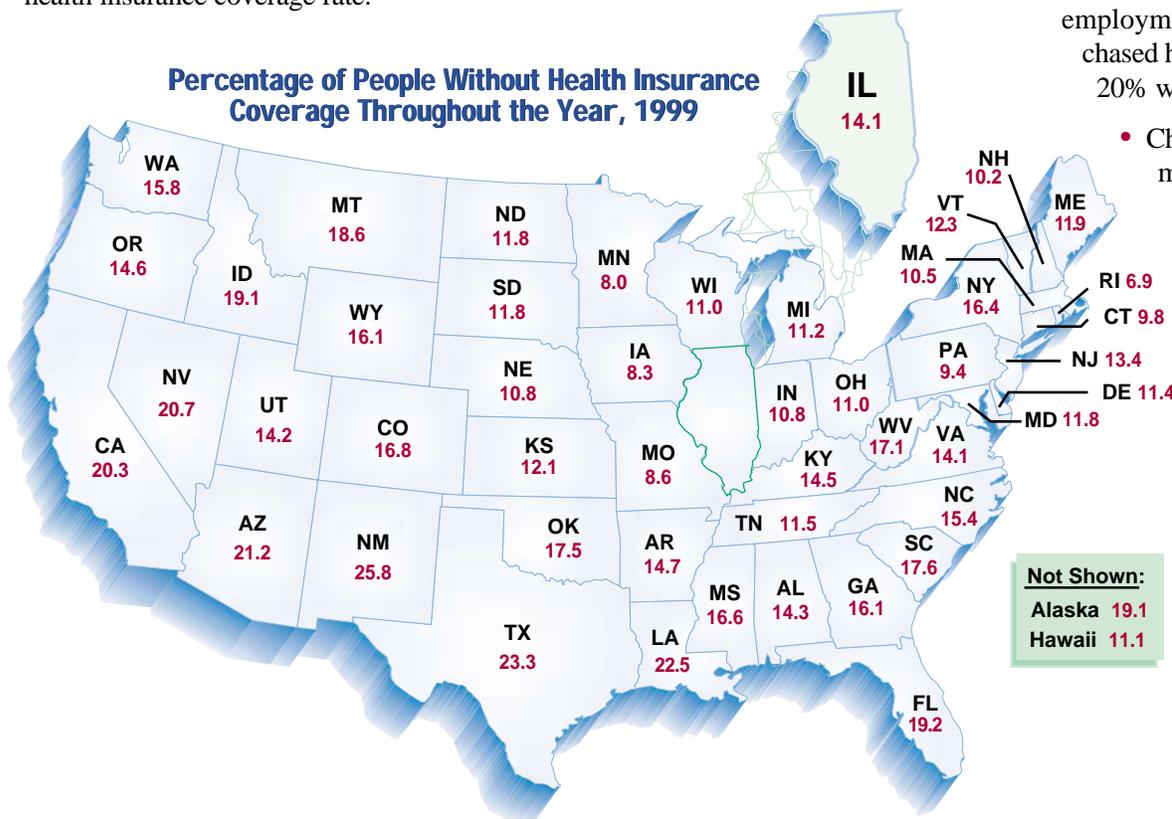
- While most children were covered by employment-based or privately purchased health insurance plans (68.9%), 20% were covered by Medicaid.

- Children 12 to 17 years old were more likely to be uninsured than those under age 12 (14.4% to 13.6%).

- Although Medicaid insured 12.9 million poor people, 10.4 million poor people still had no health insurance in 1999.

- For the entire population of 18 to 64 year olds, workers were more likely than nonworkers to have health insurance (82.6% to 73.5%). However, among the poor, workers were less likely than nonworkers to have health insurance (52.5% to 59.2%). ■

Percentage of People Without Health Insurance Coverage Throughout the Year, 1999



Not Shown:
Alaska 19.1
Hawaii 11.1

SOURCE: U.S. Bureau of the Census, Current Population Survey, March 2000.



Medicaid Provider Assessments and Intergovernmental Transfers

Periodic surges in the cost of providing services and fluctuating caseloads make Medicaid one of the least predictable General Revenue Fund programs. Since fiscal year 1992, some of the Medicaid burden has been taken off the General Revenue Fund through new revenue sources such as assessments on medical providers, contributions from local government and public university health care providers, and dedicated cigarette tax monies. Combined with federal matching funds, these new sources have provided additional funds for provider reimbursements and the expansion of state health care services.

Illinois first tapped provider assessments as a source of Medicaid matching funds in fiscal year 1992. The original assessments included an assessment on hospitals equal to the difference between a hospital's anticipated annualized spending and its total base-year Medicaid spending, and assessments on long-term care providers (nursing facilities and intermediate care facilities for the mentally retarded (ICFs/MR)) equal to 15% of prior year receipts. Due to changes in the federal law, the assessments were amended in fiscal year 1993 to become general levies on medical providers with no rela-

tion to Medicaid payments. The assessment on nursing facilities was abolished in fiscal year 1994 and replaced with a \$1.50 per bed per day nursing home license fee. This was supplemented by the dedication of a portion of the State cigarette tax to long-term care that year. Finally, the hospital provider assessment was eliminated effective July 1, 1997.

Assessment revenues from medical providers peaked at \$454 million in fiscal year 1993 (when assessment funds also received \$335 million in federal financial participation) and have since declined drastically with the elimination of the hospital provider assessment. In fiscal year 2000, \$75 million in assessment revenue, \$63 million in dedicated cigarette revenue, plus \$121 million in

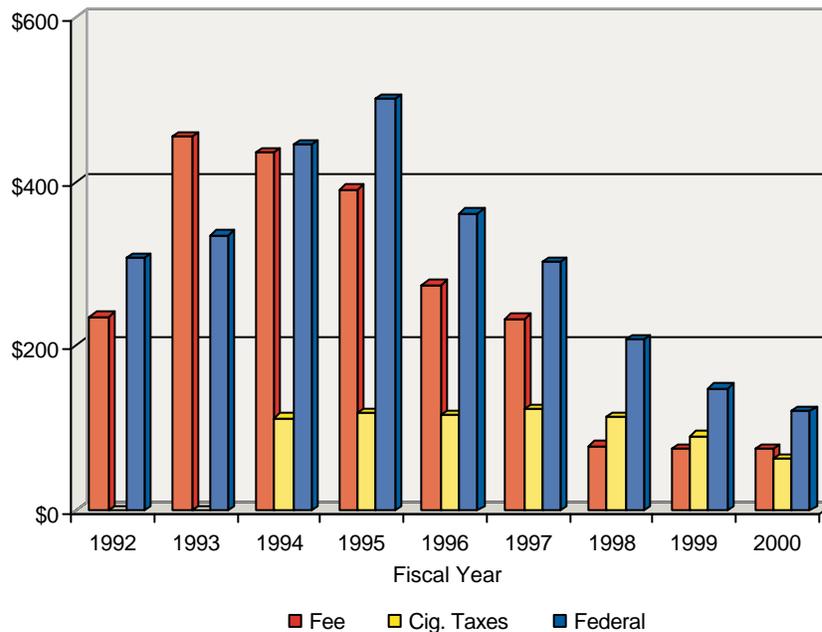
Commissioners and the other with the Board of Trustees of the University of Illinois.

The Cook County IGT is based on federal law which provides that local governments may contribute up to 60% of the State's share of the Medicaid program. Illinois is one of many states that have long-standing arrangements for significant local funding. The federal financial participation from this program helps fund the Cook County Bureau of Health Services, which operates the largest health care system in the state. The Cook County hospitals are the largest providers of both services to Medicaid-eligible individuals and families and uncompensated care. They are a critical component of the state's health care safety net.

Based upon claims for services to Medicaid-eligible individuals and a formula in State law, Cook County makes payments to the County Hospital Services Fund. Matching federal funds are drawn, and Medicaid payments are made to the county's hospitals and clinics. Cook County then sends a portion of the funds to the State through an intergovernmental transfer (IGT) into the General Revenue Fund. These funds are used to pay for additional medical services throughout Illinois.

In fiscal year 2000, Cook County paid \$572 million in health care participation fees that were matched by \$567 million in federal aid into the County Hospital Services Fund. These deposits allowed Medicaid payments of over \$1.1 billion from this fund. An IGT equal to \$245 million to the General Funds enhanced Medicaid spending for the State.

Health Care Assessment Funds (Dollars in Millions)



federal financial participation were deposited into provider assessment funds to pay for nursing facility and ICF/MR services.

A second new source of Medicaid revenues has been intergovernmental transfers (IGT).

There are currently two IGT agreements, one with the Cook County Board of

FOCUS

On Spending

Medical Assistance Spending

In fiscal year 2000, spending for medical assistance by the Department of Public Aid totaled \$6.2 billion. Of this total, \$2.9 billion or 46.1% was paid to hospitals and \$1.4 billion (23.0%) were payments for long-term care. The next largest payments were \$790 million for prescribed drugs and \$381 million to physicians. These four groups accounted for 88.0% of total spending for medical assistance, which is primarily for Medicaid.

Fiscal year 2000 spending was \$3.7 billion or almost 150% greater than spending in fiscal year 1991. Growth in spending from the General Revenue Fund accounted for \$2.2 billion with spending from the assessment funds making up the remaining \$1.5 billion. The assessment funds were created in fiscal year 1992 to capture more federal monies from Medicaid reimbursements for hospitals and long-term care (see *Focus on Revenue*).

Expenditures showing the largest dollar growth include; \$1.9 billion for hospitals, \$590 million for prescribed drugs, \$586 million for long-term care, and \$159 million for physicians.

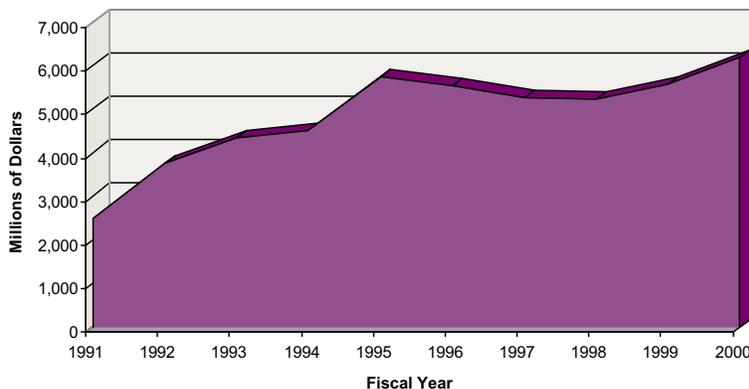
The graph on medical assistance spending over the past ten years shows spending growing until fiscal year 1995 followed by a

period of decline until fiscal year 1999. This spending pattern was due to the spend down of Section 25 liabilities.

Section 25 of the State Finance Act contains an exception to fiscal year spending restrictions that permits the payment of a prior year's medical assistance claim out of the new fiscal year's appropriation. During the fiscal crisis of the 1990's, Section 25 liabilities grew dramatically until fiscal year 1995 when they began to decrease. Also, a rate freeze for hospitals and long-term care in fiscal years 1996 and 1997 reduced costs allowing for a further reduction in Section 25 liabilities. In fis-

cal year 1994 these liabilities totaled over \$1.9 billion but were reduced to \$560 million by fiscal year 1997.

Department of Public Aid
Medical Assistance Grant Spending



Recent increases in spending are due not only to increased costs, but expansion of the program including the KidCare Program.

For fiscal year 2001, medical assistance appropriations from the General Revenue

Fund are up \$297 million or 5.9% from \$4.696 billion to \$4.993 billion. Through November, five months spending for medical assistance is up \$197 million. Due to current cash flow difficulties and the growing Medicaid budget, there is a proposal to delay a rate increase for hospitals from January to April. The dispensing fee paid to pharmacies is to be reduced as well as an additional cut in payments to pharmacies, which will take effect this month. Also, starting in January there are plans to cap Medicaid spending for hospital inpatient and outpatient treatment. ■

Medical Assistance Spending*
Department of Public Aid
(Dollars in Millions)

	Fiscal Year		Change	
	1991	2000	Amount	Percent
General Revenue Fund				
Physicians	\$ 222	\$ 381	\$ 159	71.6 %
Other Practitioners	38	67	29	76.3
Hospital	967	1,625	658	68.0
Community Health Centers	21	74	53	252.4
Prescribed Drugs	200	790	590	295.0
Long -Term Care	847	1,172	325	38.4
HMO & Managed Care	82	219	137	167.1
Transportation	19	58	39	205.3
Home Health Care	18	54	36	200.0
Medicare Part A Premiums	3	12	9	300.0
Medicare Part B Premiums	26	85	59	226.9
Other	55	158	103	187.3
Total, General Revenue Fund	2,498	4,695	2,197	88.0
County Hospital Services Fund				
Distributive Hospitals		1,113	1,113	N/A
Long Term Care Provider Fund				
Long Term Care		261	261	N/A
U. of I. Hospital Services Fund				
Reimbursement for hospital services		130	130	N/A
Other Funds		6	6	N/A
TOTAL	\$ 2,498	\$ 6,205	\$ 3,707	148.4 %

* Excludes operations and other spending categories.

Fiscal Smarts concluded

The second largest health insurance program administered by CMS is the Teachers' Retirement Insurance Program with approximately 41,300 enrolled. The program offers medical coverage to retired downstate teachers (all school districts except Chicago) and their dependents. Administration of the program was transferred from the Teachers' Retirement System to CMS on January 1, 1996. Fiscal year 2000 payments of \$110.7 million were made from the Teacher's Health Insurance Security Fund, which is funded by participant premiums, active teachers and the State. The State's share is in the form of a transfer from the General Revenue Fund, which totaled nearly \$29.2 million in fiscal year 2000.

Department of Central Management Services Health Care Spending
(Dollars in Millions)

Program	Fiscal Year				
	1996	1997	1998	1999	2000
State Employees	\$ 606.9	\$ 648.3	\$ 699.2	\$ 763.8	\$ 871.3
Teachers*	64.0	79.1	86.0	97.1	110.7
Local Governments	31.3	40.9	49.1	57.7	69.1
Community Colleges	0.0	0.0	0.0	0.0	4.8
TOTAL	\$ 702.2	\$ 768.3	\$ 834.3	\$ 918.6	\$ 1,055.9

*CMS took over Teachers' Retirement Health Insurance Program on 1-1-96. Prior to 1-1-96, the Teachers' Retirement System administered the program.

Source: Department of Central Management Services.

The third largest plan is the Local Government Health Plan with approximately 27,400 individuals enrolled. The Local Government plan offers benefits similar to the coverage offered to State members. While a State Department (CMS) administers the plan, it is funded

solely by premiums paid by participating units of local governments. Fiscal year 2000 payments by the Department totaled \$69.1 million.

The College Insurance Program began on July 1, 1999 and provides health, dental and vision benefits for eligible community college retirees and their dependents. Approximately 2,200 people are enrolled in the program, which had health care spending of \$4.8 million for the 2000 fiscal year. Participant premiums, active eligible employees, their employing community colleges and the State provide funding for the program. The State's portion in fiscal year 2000 was \$2.7 million.

Health care plans across the country are experiencing significant percentage increases in liability, driven mostly by soaring prescription medication costs and escalating managed health care premiums. The 50.4% increase in health care payments by CMS closely correlates with the increase in State contributions to these plans over the last five fiscal years. In fiscal year 2000, the State's contributions (transfers from the General Revenue and Road Funds) to health plans administered by CMS totaled \$685.2 million, \$232.7 million or 51.4% higher than fiscal year 1996 contributions of \$452.5 million. ■

Fiscal Forum

Last month's question concerned the use of the Internet in dealing with local governments. The questions and the responses from our readers are presented below:

Have you accessed a local government WEB site

In the last year?	13%
In the last month?	51%
In the last week?	19%
Never have	17%

Would you use local government sites if they provided a service over the Internet (e.g., pay property taxes, buy a pet license, pay a parking ticket, etc.)?

YES	86%
NO	14%

This month's question concerns the current status of health care.

What do you think is the major health care issue facing government?

- Health insurance for kids
- Health insurance for parents
- Costs of prescription drugs
- Mental health parity
- Medicaid spending
- Managed care
- Patient's rights
- Quality of health care

To respond to this question, simply log onto the Comptroller's Web site at www.ioc.state.il.us.

Focus On Revenue concluded

The University of Illinois IGT is based on federal regulations that set maximum payments to State-owned hospitals. A contribution from the University of Illinois, an annual \$45 million General Revenue Fund transfer, and the federal financial participation are deposited into the University of Illinois Hospital Services Fund. This balance is then used for reimbursement to the University of Illinois Hospital, a world class teaching hospital

on Chicago's near west side, for hospital services. Surplus funds are returned to the General Revenue Fund. In fiscal year 2000, \$66 million from the University of Illinois plus a \$45 million transfer from the General Revenue Fund were matched by \$91 million in federal aid. These monies allowed payment of \$130 million to the University of Illinois and a \$96 million transfer to the General Revenue Fund (netting the State \$51 million).

The Congress has directed the federal Department of Health and Human Services to issue a final rule by December 31, 2000, that would put a cap on Medicaid payments to publicly-owned, non-State hospitals. In doing so, the Congress specified that for states like Illinois, the cap was to be phased-in over a six-year period beginning in State fiscal year 2004. ■

Cover Story continued

they do not have enough money to pay for health insurance. U.S. Bureau of the Census estimates indicate about 10.4 million poor people did not have health insurance during 1999.

The surprising drop is attributed to two factors; 1) despite high costs, more employers are offering health coverage to lure or keep workers in a tight labor market, and 2) the new State Children's Health

Insurance Program, which Congress passed in 1997 to assist low-income families, is beginning to have an effect.

While the Medicaid program is a critical safety net of health services for poor Americans, millions of poor and near poor are excluded because of both financial and non-financial eligibility requirements. Most states' coverage of parents is regular Medicaid coverage. A few states have expanded coverage for parents with a waiver. Although the Medicaid program insured 12.9 million poor people during at least a portion of 1999, 10.4 million poor, or 32.4 percent, had no health insurance of any kind during the year. The uninsured poor comprised 24.5 percent of all uninsured people.

The State Children's Health Insurance Program (SCHIP)

Medicaid traditionally had been the source of medical assistance for low-income children until Congress passed the State Children's Health Insurance Program (SCHIP) to give more children the opportunity to have health insurance. In 1997, Congress created the SCHIP to address the growing number of uninsured children. SCHIP was enacted by the Balanced Budget Act of 1997 (BBA), and was designed as a state/federal partnership. SCHIP was appropriated \$24 billion over the five years and \$40 billion over ten years to help states expand health insurance coverage to children whose families earn too much to qualify for Medicaid, yet not enough to afford private health insurance.

SCHIP is the single largest expansion of health insurance coverage for children since the enactment of Medicaid. It has provided the states an opportunity to reduce the number of uninsured children. SCHIP does not replace Medicaid. SCHIP covers uninsured children who are not eligible for state Medicaid programs, including children who are older than Medicaid-covered children, or whose families have a higher income than that of Medicaid-eligible children.

Percentage of People Without Health Insurance Coverage for Entire Year (Numbers in thousands)

	1998		1999		Change	
	Number	Percent	Number	Percent	Number	Percent
All People	44,281	16.3%	42,554	15.5%	-1,727	-0.8%
Poor People	11,151	32.3%	10,436	32.4%	-715	0.1%
All Children	11,073	15.4%	10,023	13.9%	-1,050	-1.5%
Poor Children	3,392	25.2%	2,825	23.3%	-567	-1.9%

Source: U.S. Bureau of the Census, Current Population Survey, March 1999 and 2000.

Census Bureau estimates also show that of the 42.6 million people without health insurance during 1999, over 10.0 million were children. Furthermore, 2.8 million of the uninsured children were from poor families (below the federal poverty level).

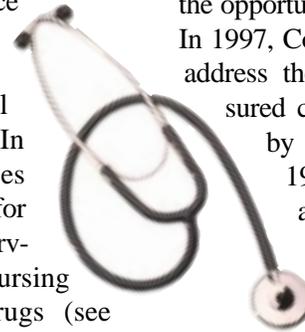
One reason for the number of people without health insurance is the high cost of health insurance premiums. Insurance premiums, along with the employee contributions, have increased substantially and made health coverage less affordable for employers and employees alike. Even when businesses are able to offer health benefits, low-income employees are less able to afford their share of the premiums than they were a decade ago. The average employee share of premiums in 1998 was 27%.

The good news, however, is that the proportion of the nation's uninsured residents without health insurance coverage declined for the first time in twelve years decreasing from 16.3 percent in 1998 to 15.5 percent in 1999. That was the first drop in the uninsured rate since 1987. In Illinois, the percentage of uninsured people dropped from 15.0 percent in 1998 to 14.1 percent in 1999. (See *How Illinois Stacks Up*).

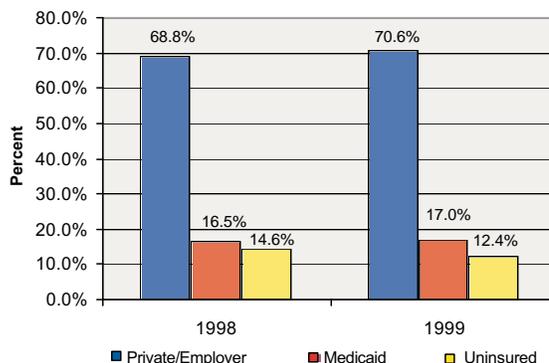
The number and proportion of uninsured children in the United States also declined from 11.1 million (15.4 percent) in 1998 to 10.0 million (13.9 percent) in 1999, the lowest rate since 1995.

Background

Since its enactment in 1965, Medicaid has funded medical care for eligible, low-income children and adults. State participation is voluntary and since 1982 all states have opted to participate in the Medicaid program. The Illinois Department of Public Aid administers the Medical Assistance Program under the Public Aid Code of Illinois and Title XIX of the Social Security Act (Medicaid). In Illinois, the primary services funded through Medicaid are for physician services, hospital services, long-term care (nursing homes), and prescribed drugs (see *Focus on Spending*). The program serves about 1.5 million persons a month and as of 11/1/00, served approximately 900,000 children 18 and under.



Health Insurance Status of Illinois Children Under Age 19



Source: American Academy of Pediatrics

Cover Story continued

Another difference between Medicaid and SCHIP is that Medicaid is an entitlement, and a state must provide coverage for everyone who applies and meets the eligibility criteria. SCHIP is a block grant program, and the number of kids a state admits to a state-designed program can be capped. SCHIP programs established separately from Medicaid also have more flexibility in applying cost-sharing measures.

The federal SCHIP law gives states three options for providing insurance coverage for children. States can use federal funds to support a separate children's health insurance program, or they can expand coverage available under Medicaid up to 200 percent of the federal poverty level, or use a combined approach. Illinois choose a combination of both; expand Medicaid and establish a separate program.

entitled KidCare, was implemented on January 5, 1998. KidCare expands eligibility for all children age 18 and under who do not qualify for Medicaid, whose family income is at or below 185% of the federal poverty level and who are without health insurance.

KidCare is funded 65% by federal funds and 35% state funds, while the Medicaid program is funded 50% by federal funds and 50% state funds.

KidCare offers several different insurance plans based on income and covers a variety of services. Eligibility is based upon family income. Family income includes all employment earnings, Social Security benefits, veteran's benefits and other income such as child support or contributions from family and friends.

without co-payments or premiums. Any child is eligible for this program if their family income is 133% or less of the federal poverty level (FPL). For a family of four this level amounts to \$22,680 or less per year. If a child already has insurance but the family income meets the eligibility standards for the Assist program, then the private or employer sponsored coverage is primary and the Assist program is secondary insurance for the child.

- The KidCare Moms and Babies program, which does not involve a premium or co-payment, is essentially a subset of the Assist program. As of December 1, 2000 this program enrolled a total of 6,512 pregnant mothers and babies.

KidCare Programs in Illinois

	Medicaid Expansion/SCHIP		Separate SCHIP Programs		State Program
	KidCare Assist (any kid)	KidCare Moms & Babies (pregnant women and infants under age one)	KidCare Share (uninsured kids)	KidCare Premium (uninsured kids)	KidCare Rebate (insured kids)*
Medicaid Standards (Federal Poverty Level)	133% or less	"up to" 200%	134%-150%	151%-185%	134%-185%
Services**					
Well-baby/well-child visits, immunizations	\$0	\$0	\$0	\$0	N/A
Monthly Premiums	\$0	\$0	\$0	\$15 for one child, \$25 for two, \$30 for three or more children	N/A
Medical Visits	\$0	\$0	\$2 per visit	\$5 per visit	N/A
Prescriptions	\$0	\$0	\$2 per prescription	\$3 for generic drug \$5 for brand	N/A
Emergency room use in non-emergencies	\$0	\$0	\$2 per visit	\$25 per visit	N/A
Annual Family Cost Sharing Limit	Doesn't Apply	Doesn't Apply	\$100	\$100+premiums	N/A
Enrollment as of 12/1/2000	95,115	19,006	6,537	7,272	4,583

*Participants in KidCare Rebate follow the cost sharing requirements of their employer-sponsored or private plans. The plan pays "up to" \$75 per month per child.

**Families with children who are American Indian Natives do not pay premiums or co-payments for any services.

Illinois' KidCare Programs

Illinois was allocated \$122.5 million in federal funds in 1998 to begin a program under SCHIP. Illinois' primary program,

Payments made for day care or child support are subtracted from income.

- The KidCare Assist program is a cost-free program that pays for medical care

The Assist program was an expansion of the children's Medicaid program. SCHIP made it possible for the basic coverage to be expanded and include

the KidCare Moms and Babies program. These two programs are each funded 50% federal, 50% state.

- The KidCare Share program does not charge a premium, but families must pay a \$2 co-payment for all visits and prescriptions except immunizations and well-child care. Children are eligible for coverage if their family income is between 134% and 150% of the FPL.

incomes of 134% to 185% of the federal poverty level and whose children are covered by medical insurance. The plan pays up to \$75 per month per child for the cost of health insurance.

According to the American Academy of Pediatrics, 436,054 children in Illinois under the age of 19 lacked health insurance during 1999. Illinois' goal is to enroll 200,000 children estimated to be eligible for the KidCare program.

Outreach and Enrollment

In order for the SCHIP program to be successful, states must reach out to a population that may be unaware of the avail-

Illinois has made significant gains in implementing outreach strategies to find and enroll children in SCHIP programs. Illinois implementation strategies consist of: a simplified application and mail-in

KidCare Monthly Income Qualification Levels

FAMILY SIZE	Medicaid Expansion/SCHIP		Separate SCHIP Programs		State Program
	ASSIST (any kid)	MOMS & BABIES (Pregnant women, infants under age 1)	SHARE (uninsured kids)	PREMIUM (uninsured kids)	REBATE (insured kids)
1	\$925 or less	-----	\$926 - \$1,044	\$1,045 - \$1,287	\$926 - \$1,287
2	\$1,247 or less	\$1,875 or less	\$1,248 - \$1,406	\$1,407 - \$1,734	\$1,248 - \$1,734
3	\$1,568 or less	\$2,358 or less	\$1,569 - \$1,769	\$1,770 - \$2,181	\$1,569 - \$2,181
4	\$1,890 or less	\$2,842 or less	\$1,891 - \$2,131	\$2,132 - \$2,629	\$1,891 - \$2,629
5	\$2,211 or less	\$3,325 or less	\$2,212 - \$2,494	\$2,495 - \$3,076	\$2,212 - \$3,076

(Calendar year 2000 levels; these limits may increase slightly each year)

Source: Department of Public Aid

- The KidCare Premium program involves both a monthly premium and a co-payment. The monthly premium is \$15 for one child, \$25 for two children and \$30 for three or more children. Co-payments are \$5 for medical visits and \$25 for emergency room visits that are not emergencies. Co-payments for prescription drugs are \$3 for generic and \$5 for brand name prescriptions, up to a maximum of \$100 per year. There is no co-payment for immunizations or well-child care. Children are eligible for the program if family income is between 151% to 185% of the FPL.

The KidCare Share and Premium programs are separate programs under SCHIP and are funded 65% federal and 35% state.

- The KidCare Rebate program is 100% funded by the state. The program is for families that have

ability of such health insurance. Trying to identify and enroll children in SCHIP is also a challenge because some parents think they don't qualify. Three out of five parents whose children qualify for SCHIP or Medicaid believe they're not eligible.

application capability; partnering with schools to implement outreach campaigns; and collaborations with other state agencies to reach targeted families.

KidCare Assist, Moms and Babies, Share, Premium and Rebate programs as of December 1, 2000, had a total enrollment of 132,510 recipients.



According to Public Aid, the central KidCare enrollment unit continues to receive an average of 300 applications on a daily basis.

Funding in Question

The federal government recently announced that Illinois had not spent all of the fiscal year 1998 SCHIP funds by the September 30, 2000, deadline. Under provisions of the federal law, unused funds

COVER STORY continued, page 10

Cover Story concluded

are to be reallocated to states that have spent all of their grant funds, and Illinois could lose about \$68.8 million to 11 other states.

Currently, there are two major proposals in Congress to amend the allocation process.

The first is the Bilbray/Chafee proposal. This plan would give all states until September 30, 2002, to use their fiscal year 1998 SCHIP funds. The proposal effectively defers any reallocation of unused SCHIP funds until fiscal year 2003. The second proposal is the Roth/Commerce proposal. It would allow 39 states to keep roughly 60 percent of their unspent SCHIP funds through September 30, 2002, and re-allocate roughly 40 percent to the 11 states that have already used all of their fiscal year 1998 SCHIP funds.

Conclusion

According to the UnitedHealth Group, which recently released its 2000 edition

of state health rankings, Illinois' overall health ranking slipped from 26 to 29. Although there were improvements in some measures such as decreases in infant mortality and cancer cases, the prevalence of smoking and the risk for heart disease increased.

Given the level of health among the population, health care and health insurance are clearly important matters for the millions of Americans who lack coverage. Furthermore, decisions made by the uninsured to delay or forego needed care because of its cost ultimately can lead to poorer health outcomes and higher health related costs to all.

Fortunately, the SCHIP is beginning to have an effect. Of the 7.2 million uninsured children in the United States under



age 19, two million were covered by the State Children's Health Insurance Program in 1999. Some states have been able to move more quickly than others in enrolling children, but the effort appears to be working. Programs such as KidCare are enabling more children to receive the health care they need. ■

Illinois' State Health Rankings

	2000	1999	1990
Overall Ranking	29	26	30
Lifestyle			
Prevalence of Smoking	37	26	19
Motor Vehicle Deaths	18	16	26
Violent Crime	47	48	47
Risk for Heart Disease	33	29	38
High School Graduation	13	14	19
Access			
Unemployment	27	29	34
Adequacy of Prenatal Care	20	22	28
Lack of Health Insurance	27	17	16
Support for Public Health Care	7	5	13
Occupational Safety and Disability			
Occupational Fatalities	9	6	15
Limited Activity Days	23	1	*18
Disease			
Heart Disease	34	37	43
Cancer Cases	21	29	27
Infectious Disease	26	23	19
Mortality			
Total Mortality	32	34	31
Infant Mortality	38	42	46
Premature Death	31	32	31

* Data sources and/or methodology have changed since original rankings.

Source: UnitedHealth Group State Health Rankings - 2000 Edition.

Although the Medicaid program is by far the largest federal assistance program, it is not the only one. Several other health-related programs provide millions of dollars to Illinois to provide services to eligible persons. The table ranks these programs based on the fiscal year grant awards.

Federal Health Program	Largest Health Programs (Dollars in Thousands)		
	State Agency	FY 1999	FY 2000
Medicaid (Assistance & Administration)	DPA	\$3,513.0	\$3,961.2
Women, Infants, Children-Nutrition (WIC)	DHS	145.0	150.1
State Children's Health Insurance Program (SCHIP)	DPA	122.6	121.9
Alcohol/Substance Abuse Block Grant	DHS	65.0	61.2
Maternal/Child Care Health Block Grant	DHS	25.6	23.4
HIV Care Formula Grants	DPH	13.0	17.4
Medicare/Medicaid Certification	DPH	16.2	16.5
Mental Health Services Block Grant	DHS	11.2	11.2
Refugee and Entrant Assistance/Cash/Medical	DHS	5.8	8.0
Preventive Health Block Grant	DPH	8.0	5.3
Family Planning	DHS	6.3	6.6
Centers for Disease Control/Investigations & Assistance	DPH	4.8	6.1
HIV Prevention Activities--Health Department Based	DPH	3.7	3.8
Community Prevention Coalitions	DHS	3.3	3.4
Childhood Immunization Grants	DPH	4.0	4.1
Healthy Start Initiative	DHS	2.6	2.7

DHS = Department of Human Services

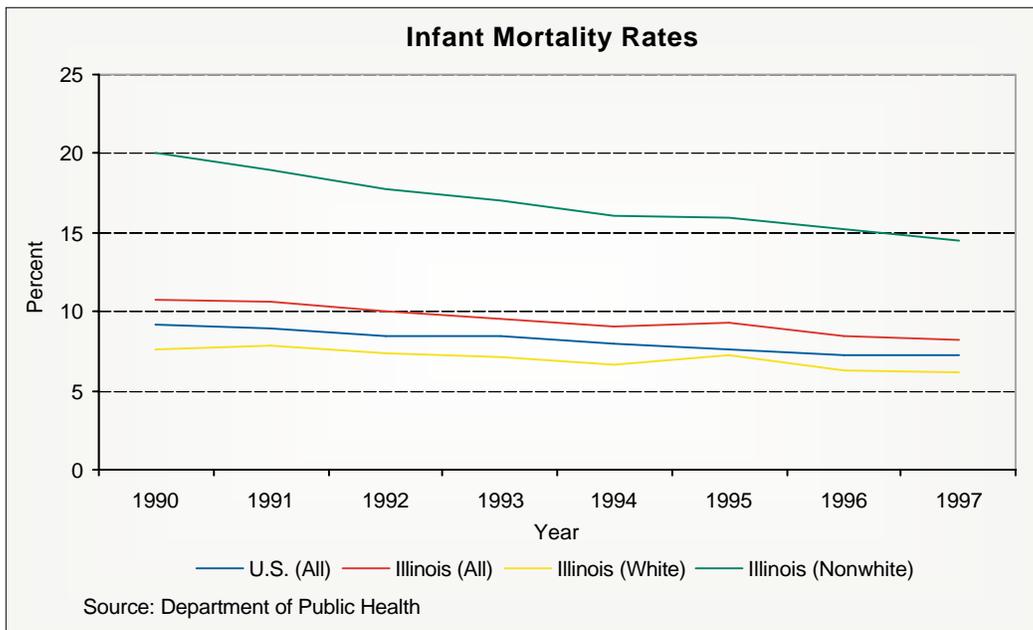
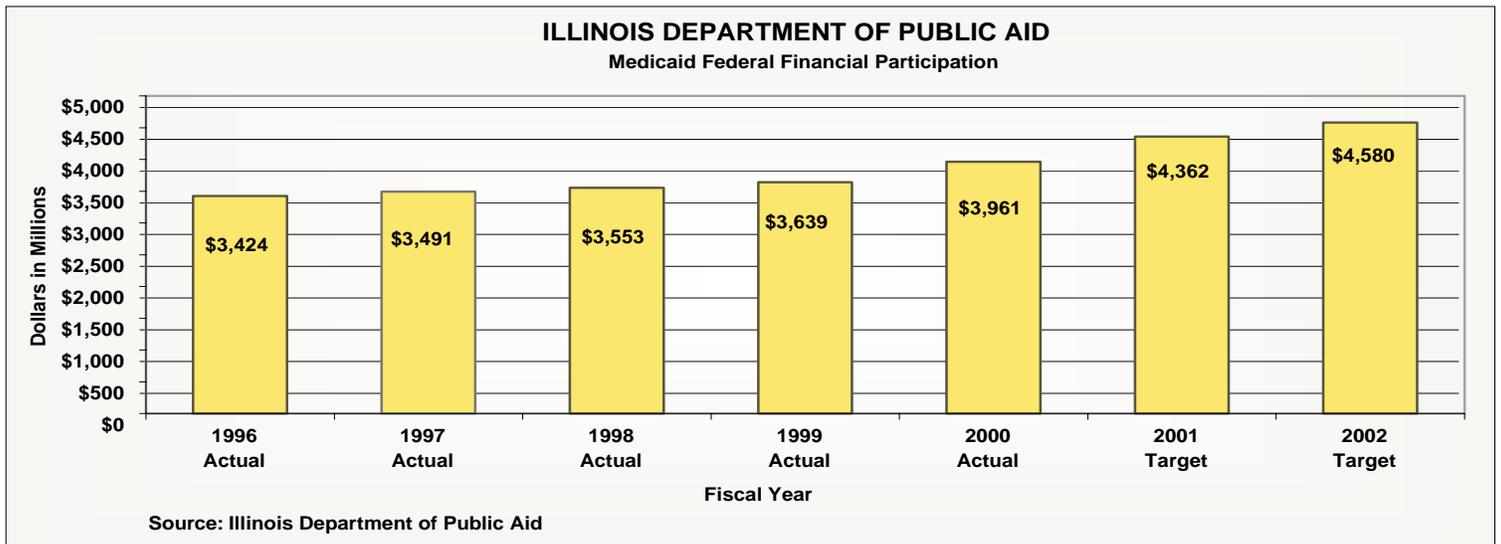
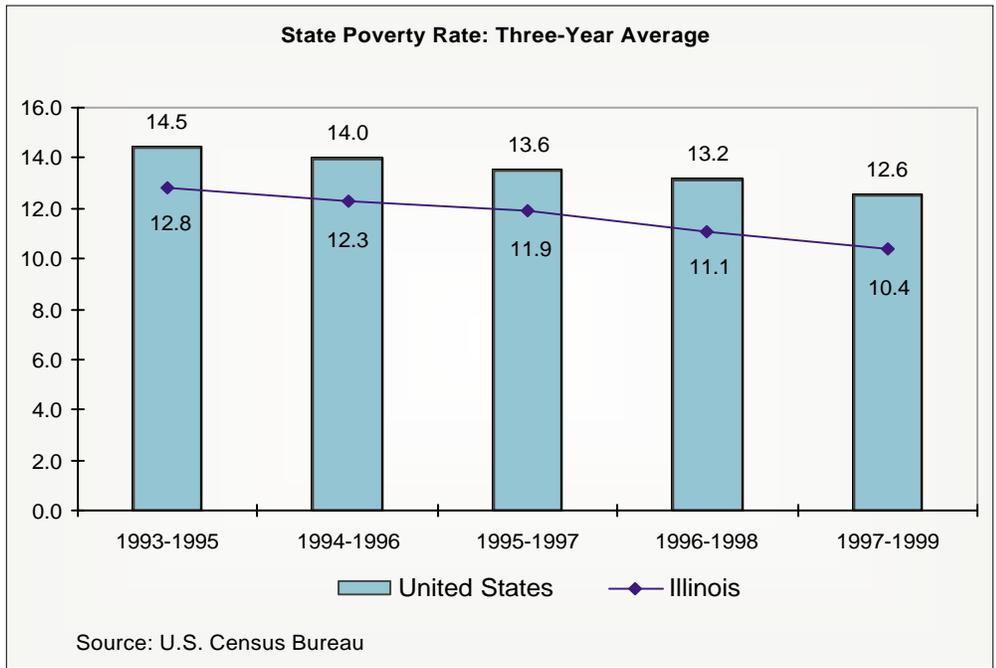
DPA = Department of Public Aid

DPH = Department of Public Health

Source: Intergovernmental Cooperation Commission, Federal Aid Survey 2000.

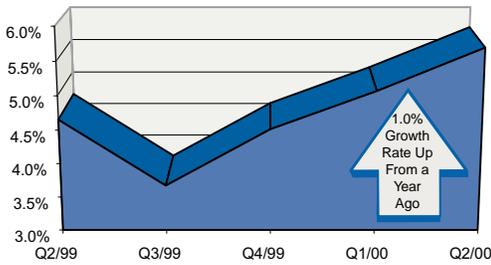
Other Statistics

The issue of health insurance for children is related to poverty. U.S. Bureau of the Census estimates indicate that as a group, poor people are more than twice as likely than most Americans to not have health insurance, 32.4% compared to 15.5%. And while workers are more likely to have health insurance than nonworkers, the same is not true for the poor. Poor workers are less likely than poor nonworkers to have health insurance (52.5% compared to 59.2%). However, poverty is declining in Illinois and the United States.

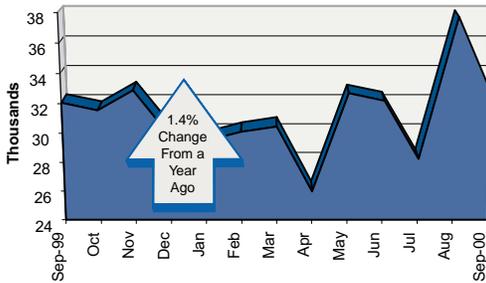


Illinois Stats: Economic and Financial

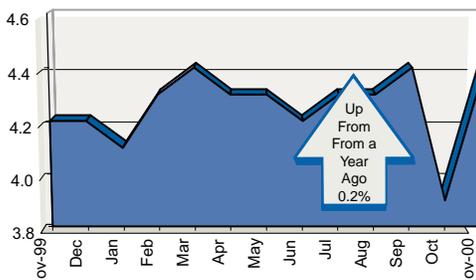
Illinois Personal Income
Change From Prior Year (Reported Quarterly)



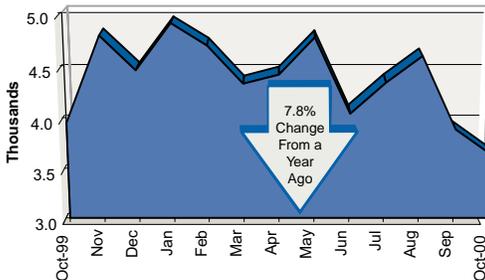
New Claims Unemployment Insurance



Illinois Unemployment Rate

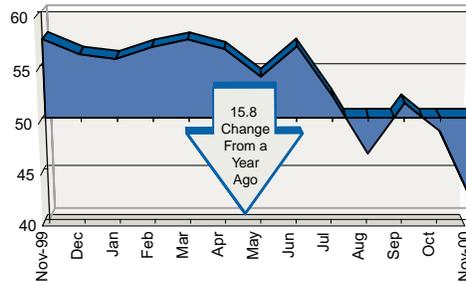


Illinois Housing Permits

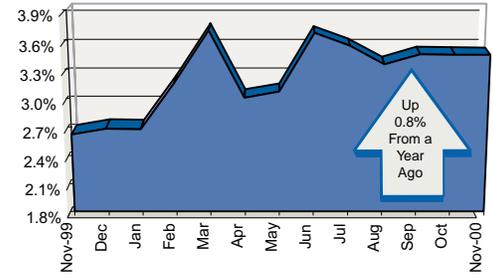


The November Illinois unemployment rate equaled 4.4%, the forty-sixth consecutive month this rate has been below 5.0%. The November Illinois rate was 0.4% greater than the November national rate, 0.5% greater than the October Illinois rate, and 0.2% greater than its prior year level. In November, the national inflation rate was 3.4%. Finally, as one sign the long economic growth trend may be easing, the November Chicago Purchasing Managers Index (41.7) failed to be an economic growth indicator for the third time in the last four months. Any index below 50 indicates more reports of decreasing economic activity than increasing activity from purchasing managers.

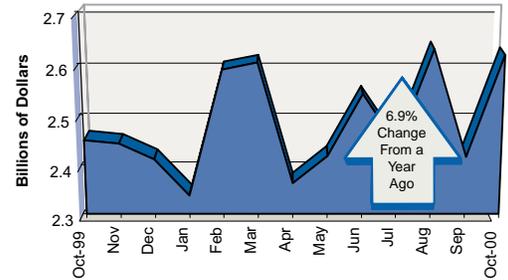
Chicago Purchasing Managers Index



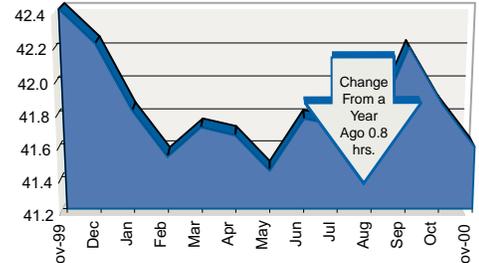
Inflation Rate
Change From Prior Year



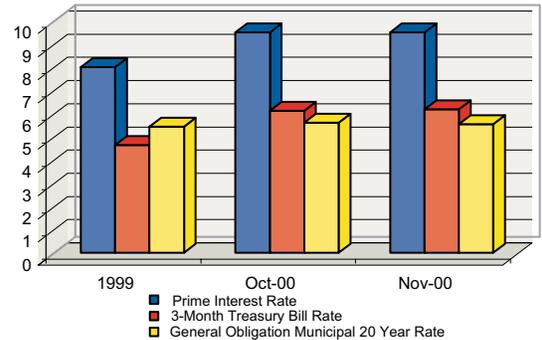
Illinois Direct Exports



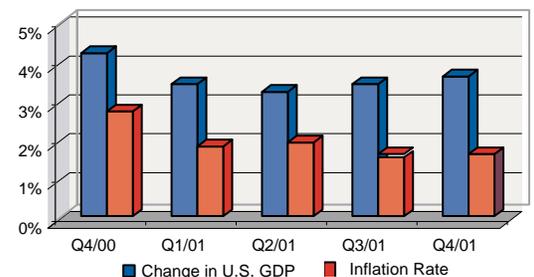
Average Hours Worked Illinois Manufacturing



Interest Rate Trends



Economic Outlook



The latest Standard & Poor's DRI forecast of the U.S. economy continues the ideals of healthy economic growth and sustained low inflation through the end of calendar 2001. During the next five quarters, U.S. real Gross Domestic Product (GDP) is expected to increase at annual rates varying between 3.2% and 4.2% each quarter. Despite this healthy rate of economic growth, the inflation rate is forecast to remain less than 2.7% during the same period.

Standard & Poor's DRI:
Economic Forecasts
Federal Reserve System:
Interest Rates

Sources:

Illinois Department of Employment Security:
Hours Worked in Manufacturing, Unemployment Insurance Claims

U.S. Census Bureau:
Direct Exports, Housing Permits

U.S. Bureau of Labor Statistics:
Unemployment Rates, Consumer Price Index

U.S. Bureau of Economic Analysis:
Personal Income

Purchasing Managers Association of Chicago:
Purchasing Managers Index

Vital Statistics

The Heartbeat of Illinois' Finance

General Funds Cash Balance Ends November at \$410 Million

The General Funds cash balance ended November at \$410 million, \$381 million or 48.2% below last November. All of the decline can be attributed to the General Revenue Fund, which dropped \$387 million while the three school funds' cumulative balance increased \$6 million. Since the beginning of the fiscal year, the General Funds balance has declined by \$1.107 billion with the General Revenue Fund falling \$841 million.

Three factors help explain this year's significant decline in the General Funds balance. First, the General Funds balance typically declines between the beginning of the fiscal year and the end of November. In fact, in every fiscal year since 1979 this has been the case, with the average decline over the last five fiscal years equaling \$542 million. Second, \$260 million was transferred in July from the General Revenue Fund to the Fund for Illinois' Future as part of the Illinois FIRST infrastructure program. Third, the rate of spending from current year appropriations is approximately \$150 million ahead of last year's pace.

General Funds Revenues Through Five Months Up 3.7% Over FY 2000

Through five months of fiscal year 2001, General Funds revenues totaled \$9.108 billion, \$321 million or 3.7% higher than last year. Of the \$321 million year-over-year increase in revenue, income taxes accounted for \$175 million or 54.5%. Individual income tax receipts are up \$156 million or 5.9%

while corporate receipts have increased \$19 million or 7.9%. Other sources of revenue that have recorded increases through November include: federal sources (up \$111 million or 7.1%); riverboat gambling transfers (up \$51 million or 33.8%); investment income (up \$34 million or 38.2%); inheritance taxes (up \$25 million or 16.2%); and Cook County intergovernmental transfers (up \$23 million or 21.5%).

The increases in federal source revenue and the intergovernmental transfers can be attributed to timing. Increased riverboat gambling transfers are due primarily to increased activity as a result of dockside gambling. The increase in investment income stems from both higher interest rates and higher available cash balances earlier in the fiscal year.

The only major sources of revenue to the General Funds which have decreased through November are public utility taxes (down \$10 million or 2.2%), sales taxes (down \$6 million or 0.2%) and other transfers in. The decline in public utility taxes is due primarily to a decrease in electricity tax receipts. The decrease in other transfers in (down \$108 million or 37.5%) is due to the fact that last fiscal year \$76 million had been transferred from the Income Tax Refund Fund and \$56 million had been transferred from the University of Illinois Hospital Services Fund to the General Revenue Fund. Through five months of fiscal year 2001, only \$22.4 million has been transferred from the University of Illinois Hospital Services Fund. The \$6 million decrease in sales tax receipts reflects the loss of an estimated \$125 to \$150 mil-

lion due to the temporary exemption of motor fuel sales from the tax base.

General Funds Spending Through Five Months Up 9.3% Over FY 2000

Through November, General Funds cash spending totaled \$10.215 billion, \$868 million or 9.3% above last year. The \$868 million increase includes a \$108 million decrease in lapse period spending, a \$663 million increase in spending from current year appropriations, and a \$313 million increase in transfers out.

Awards and grants spending increased \$392 million or 6.7% while operations increased \$227 million or 8.5% and transfers out jumped \$313 million or 41.2% (including the \$260 million Illinois FIRST transfer). After five months of fiscal year 2001, expenditures have exceeded revenues by \$1.107 billion resulting in a decrease in the available cash balance from \$1.517 billion at the beginning of the fiscal year to \$410 million at the end of November.

Of the \$392 million increase in grant spending, Public Aid is up \$197 million or 10.9% through November while the Department of Human Services has increased by \$87 million or 7.7%. Awards and grants education spending is up \$66 million with the State Board of Education down \$9 million or 0.5% while higher education grants have increased \$40 million or 13.0% and teachers retirement grants are up \$35 million or 13.0%.

Spending for operations totaled \$2.889 billion through November, \$227 million higher than comparable expenditures last year. Higher education operations are up 10.5% or \$74 million, while all other operations increased \$153 million (7.8%).

Looking Ahead

The General Revenue Fund will be closely monitored in the coming months due to its tenuous cash flow position. Some items presented to the Comptroller for payment have been delayed slightly this fiscal year and meaningful improvement in the cash flow situation is not anticipated until after the April 16th income tax deadline. ■

OCTOBER 2000

GENERAL FUNDS REVENUES, EXPENDITURES AND BALANCES (Dollars in Millions)

	Oct. 2000	Four Months			
		FY 2001	Change From Prior Year		
			\$	%	
Total General Funds					
Available Balance	\$ 986	\$ 1,517	\$ 166	12.3	%
Revenues	1,797	7,412	296	4.2	
Expenditures	2,184	8,330	794	10.5	
Ending Balance	\$ 599	\$ 599	\$(332)	(35.7)	%
General Revenue Fund					
Available Balance	\$ 498	\$ 997	\$ (19)	(1.9)	%
Revenues	1,546	6,335	227	3.6	
Expenditures	1,756	7,044	615	9.6	
Ending Balance	\$ 288	\$ 288	\$(407)	(58.6)	%
Common School Special Account Fund					
Available Balance	\$ 225	\$ 69	\$ 1	1.5	%
Revenues	119	496	(1)	(0.2)	
Expenditures	113	334	(164)	(32.9)	
Ending Balance	\$ 231	\$ 231	\$ 164	244.8	%
Education Assistance Fund					
Available Balance	\$ 239	\$ 415	\$ 205	97.6	%
Revenues	72	351	58	19.8	
Expenditures	248	703	355	102.0	
Ending Balance	\$ 63	\$ 63	\$(92)	(59.4)	%
Common School Fund					
Available Balance	\$ 25	\$ 36	\$ (21)	(36.8)	%
Revenues	172	564	(185)	(24.7)	
Expenditures	180	583	(209)	(26.4)	
Ending Balance	\$ 17	\$ 17	\$ 3	21.4	%

Note: Total General Funds excludes interfund transfers while the individual funds include such transfers. Numbers may not add due to rounding.

GENERAL FUNDS ANALYSIS OF EXPENDITURES (Dollars in Millions)

	Oct. 2000	FY 2001	Four Months		
			Change From Prior Year		
			\$	%	
Expenditures:					
Awards and Grants:					
Public Aid	\$ 414	\$ 1,625	\$ 169	11.6	%
Elem. & Sec. Education:					
State Board of Education	413	1,386	25	1.8	
Teachers Retirement	61	244	28	13.0	
Total, Elem. & Sec. Education	\$ 474	\$ 1,630	\$ 53	3.4	%
Human Services	238	1,033	72	7.5	
Higher Education	49	251	33	15.1	
All Other Grants	133	582	32	5.8	
Total, Awards and Grants	\$ 1,308	\$ 5,121	\$ 359	7.5	%
Operations:					
Other Agencies	\$ 390	\$ 1,709	\$ 136	8.6	%
Higher Education	167	588	44	8.1	
Total, Operations	\$ 557	\$ 2,297	\$ 180	8.5	%
Transfers Out	\$ 189	\$ 926	\$ 312	50.8	%
All Other	\$ 0	\$ 22	\$(35)	(61.4)	%
Vouchers Payable Adjustment	\$ 130	\$(36)	\$(22)	N/A	%
Total, Expenditures	\$ 2,184	\$ 8,330	\$ 794	10.5	%

COMPARISON OF SPENDING FOR OPERATIONS BY OBJECT (Dollars in Millions)

	Oct. 2000	FY 2001	Four Months		
			Change From Prior Year		
			\$	%	
Personal Services:					
Regular Positions	\$ 193	\$ 769	\$ 27	3.6	%
Other Personal Services	21	85	5	6.3	
Total, Personal Services	\$ 214	\$ 854	\$ 32	3.9	%
Contribution Retirement	40	158	5	3.3	
Contribution Social Security	14	56	3	5.7	
Contribution Group Insurance	53	210	35	20.0	
Contractual Services	40	197	6	3.1	
Travel	2	9	0	0.0	
Commodities	11	46	0	0.0	
Printing	1	2	0	0.0	
Equipment	2	21	0	0.0	
Electronic Data Processing	4	22	2	10.0	
Telecommunications	3	21	6	40.0	
Automotive Equipment	1	6	0	0.0	
Other Operations	172	695	91	15.1	
Total, Operations	\$ 557	\$ 2,297	\$ 180	8.5	%

COMPARISON OF SPENDING FOR AWARDS AND GRANTS (Dollars in Millions)

	Oct. 2000	FY 2001	Four Months		
			Change From Prior Year		
			\$	%	
State Board of Education:					
General State Aid	\$ 248	\$ 757	\$(18)	(2.3)	%
Categoricals	165	629	43	7.3	
Other	0	0	0	0.0	
Public Aid	414	1,625	169	11.6	
Human Services	238	1,033	72	7.5	
Higher Education:					
Student Assistance Commission	49	149	23	18.3	
Community College Board	0	86	3	3.6	
Other	0	16	7	77.8	
Teacher's Retirement	61	244	28	13.0	
Children and Family Services	71	272	(16)	(5.6)	
Aging	20	76	(5)	(6.2)	
Revenue	4	20	0	0.0	
All Other	38	214	53	32.9	
Total, Awards and Grants	\$ 1,308	\$ 5,121	\$ 359	7.5	%

GENERAL FUNDS REVENUES (Dollars in Millions)

	Oct. 2000	FY 2001	Four Months		
			Change From Prior Year		
			\$	%	
Revenues:					
State Sources:					
Cash Receipts:					
Income Taxes:					
Individual	\$ 510	\$ 2,247	\$ 124	5.8	%
Corporate	25	242	29	13.6	
Total, Income Taxes	\$ 535	\$ 2,489	\$ 153	6.5	%
Sales Taxes	481	1,998	(1)	(0.1)	
Other Sources:					
Public Utility Taxes	81	347	(21)	(5.7)	
Cigarette Taxes	33	133	0	0.0	
Inheritance Tax (gross)	55	151	25	19.8	
Liquor Gallonage Taxes	9	43	8	22.9	
Insurance Taxes and Fees	1	52	3	6.1	
Corporation Franchise					
Tax and Fees	16	50	8	19.0	
Investment Income	26	99	32	47.8	
Cook County IGT	54	130	23	21.5	
Other	17	79	(11)	(12.2)	
Total, Other Sources	\$ 292	\$ 1,084	\$ 67	6.6	%
Total, Cash Receipts	\$ 1,308	\$ 5,571	\$ 219	4.1	%
Transfers In:					
Lottery Fund	\$ 38	\$ 140	\$ 11	8.5	%
State Gaming Fund	33	169	46	37.4	
Protest Fund	2	3	1	50.0	
Other Funds	66	162	(111)	(40.7)	
Total, Transfers In	\$ 139	\$ 474	\$(53)	(10.1)	%
Total, State Sources	\$ 1,447	\$ 6,045	\$ 166	2.8	%
Federal Sources:					
Cash Receipts	\$ 350	\$ 1,335	\$ 144	12.1	%
Transfers In	0	32	(14)	(30.4)	
Total, Federal Sources	\$ 350	\$ 1,367	\$ 130	10.5	%
Total, Revenues	\$ 1,797	\$ 7,412	\$ 296	4.2	%

NOVEMBER 2000

GENERAL FUNDS REVENUES, EXPENDITURES AND BALANCES (Dollars in Millions)

	Five Months			
	Nov. 2000	FY 2001	Change From Prior Year	
			\$	%
Total General Funds				
Available Balance	\$ 599	\$ 1,517	\$ 166	12.3 %
Revenues	1,696	9,108	321	3.7
Expenditures	1,885	10,215	868	9.3
Ending Balance	\$ 410	\$ 410	\$ (381)	(48.2) %
General Revenue Fund				
Available Balance	\$ 288	\$ 997	\$ (19)	(1.9) %
Revenues	1,424	7,759	246	3.3
Expenditures	1,556	8,600	614	7.7
Ending Balance	\$ 156	\$ 156	\$ (387)	(71.3) %
Common School Special Account Fund				
Available Balance	\$ 231	\$ 69	\$ 1	1.5 %
Revenues	123	619	(1)	(0.2)
Expenditures	154	488	(137)	(21.9)
Ending Balance	\$ 200	\$ 200	\$ 137	217.5 %
Education Assistance Fund				
Available Balance	\$ 63	\$ 415	\$ 205	97.6 %
Revenues	74	425	64	17.7
Expenditures	106	809	397	96.4
Ending Balance	\$ 31	\$ 31	\$ (128)	(80.5) %
Common School Fund				
Available Balance	\$ 17	\$ 36	\$ (21)	(36.8) %
Revenues	229	793	(204)	(20.5)
Expenditures	222	805	(223)	(21.7)
Ending Balance	\$ 24	\$ 24	\$ (2)	(7.7) %

Note: Total General Funds excludes interfund transfers while the individual funds include such transfers. Numbers may not add due to rounding.

GENERAL FUNDS REVENUES (Dollars in Millions)

	Five Months			
	Nov. 2000	FY 2001	Change From Prior Year	
			\$	%
Revenues:				
State Sources:				
Cash Receipts:				
Income Taxes:				
Individual	\$ 544	\$ 2,792	\$ 156	5.9 %
Corporate	19	261	19	7.9
Total, Income Taxes	\$ 563	\$ 3,053	\$ 175	6.1 %
Sales Taxes	493	2,491	(6)	(0.2)
Other Sources:				
Public Utility Taxes	97	444	(10)	(2.2)
Cigarette Taxes	33	166	0	0.0
Inheritance Tax (gross)	28	179	25	16.2
Liquor Gallonage Taxes	12	55	8	17.0
Insurance Taxes and Fees	1	52	3	6.1
Corporation Franchise Tax and Fees	9	60	8	15.4
Investment Income	24	123	34	38.2
Cook County IGT	0	130	23	21.5
Other	24	102	(3)	(2.9)
Total, Other Sources	\$ 228	\$ 1,311	\$ 88	7.2 %
Total, Cash Receipts	\$ 1,284	\$ 6,855	\$ 257	3.9 %
Transfers In:				
Lottery Fund	\$ 51	\$ 191	\$ 10	5.5 %
State Gaming Fund	33	202	51	33.8
Protest Fund	0	3	0	0.0
Other Funds	18	180	(108)	(37.5)
Total, Transfers In	\$ 102	\$ 576	\$ (47)	(7.5) %
Total, State Sources	\$ 1,386	\$ 7,431	\$ 210	2.9 %
Federal Sources:				
Cash Receipts	\$ 304	\$ 1,639	\$ 137	9.1 %
Transfers In	6	38	(26)	(40.6)
Total, Federal Sources	\$ 310	\$ 1,677	\$ 111	7.1 %
Total, Revenues	\$ 1,696	\$ 9,108	\$ 321	3.7 %

GENERAL FUNDS ANALYSIS OF EXPENDITURES (Dollars in Millions)

	Five Months			
	Nov. 2000	FY 2001	Change From Prior Year	
			\$	%
Expenditures:				
Awards and Grants:				
Public Aid	\$ 380	\$ 2,005	\$ 197	10.9 %
Elem. & Sec. Education:				
State Board of Education	318	1,704	(9)	(0.5)
Teachers Retirement	61	305	35	13.0
Total, Elem. & Sec. Education	\$ 379	\$ 2,009	\$ 26	1.3 %
Human Services	190	1,223	87	7.7
Higher Education	97	348	40	13.0
All Other Grants	113	695	42	6.4
Total, Awards and Grants	\$ 1,159	\$ 6,280	\$ 392	6.7 %
Operations:				
Other Agencies	\$ 398	\$ 2,107	\$ 153	7.8 %
Higher Education	194	782	74	10.5
Total, Operations	\$ 592	\$ 2,889	\$ 227	8.5 %
Transfers Out	\$ 146	\$ 1,072	\$ 313	41.2 %
All Other	\$ 12	\$ 34	\$ (27)	(44.3) %
Vouchers Payable Adjustment	\$ (24)	\$ (60)	\$ (37)	N/A
Total, Expenditures	\$ 1,885	\$ 10,215	\$ 868	9.3 %

COMPARISON OF SPENDING FOR OPERATIONS BY OBJECT (Dollars in Millions)

	Five Months			
	Nov. 2000	FY 2001	Change From Prior Year	
			\$	%
Personal Services:				
Regular Positions	\$ 194	\$ 963	\$ 37	4.0 %
Other Personal Services	21	105	6	6.1
Total, Personal Services	\$ 215	\$ 1,068	\$ 43	4.2 %
Contribution Retirement	40	198	7	3.7
Contribution Social Security	14	69	3	4.5
Contribution Group Insurance	62	273	54	24.7
Contractual Services	35	232	3	1.3
Travel	2	11	(1)	(8.3)
Commodities	10	55	(2)	(3.5)
Printing	1	3	0	0.0
Equipment	2	24	2	9.1
Electronic Data Processing	3	25	1	4.2
Telecommunications	4	26	7	36.8
Automotive Equipment	1	7	1	16.7
Other Operations	203	898	109	13.8
Total, Operations	\$ 592	\$ 2,889	\$ 227	8.5 %

COMPARISON OF SPENDING FOR AWARDS AND GRANTS (Dollars in Millions)

	Five Months			
	Nov. 2000	FY 2001	Change From Prior Year	
			\$	%
State Board of Education:				
General State Aid	\$ 248	\$ 1,005	\$ (16)	(1.6) %
Categoricals	70	699	7	1.0
Other	0	0	0	0.0
Public Aid	380	2,005	197	10.9
Human Services	190	1,223	87	7.7
Higher Education:				
Student Assistance Commission	18	167	21	14.4
Community College Board	76	163	13	8.7
Other	3	18	6	50.0
Teacher's Retirement	61	305	35	13.0
Children and Family Services	69	341	(14)	(3.9)
Aging	17	93	(1)	(1.1)
Revenue	4	24	0	0.0
All Other	23	237	57	31.7
Total, Awards and Grants	\$ 1,159	\$ 6,280	\$ 392	6.7 %

Seasons Greetings!

COMPTROLLER DANIEL W. HYNES

Contact us at our web address: <http://www.ioc.state.il.us>

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