

Comptroller Daniel W. Hynes

JANUARY 2001 ISSUE



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Illinois Agriculture: A Review of Recent Trends

Visitors to central Illinois are often surprised by the vast expanse of flat farmland stretching from horizon to horizon. From April to October the majority of those fertile acres are planted with corn and soybeans that eventually contribute millions of dollars to the State's economy. The importance of this agricultural abundance is highlighted by the fact that although Illinois accounts for about 4% of the farms in the United States, it produces about 14% of the corn and soybeans.

Illinois corn and soybean production continues to increase. In 2000, the 1.7 billion bushels of corn produced would be enough to fill the Sears Tower in Chicago just over 20 times. The 458.9 million bushels of soybeans produced would fill 131.4 thousand railroad boxcars that would form a train 2,926 miles long. Although hog production has decreased over the past few years, the 4.2 million hogs in Illinois would be enough to make over 181 million bacon, lettuce and tomato sandwiches. In addition, the 58.5 million pounds of apples grown in Illinois would be enough to make about 28.7 million apple pies.

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Dear Readers:

This issue of *Fiscal Focus* examines the importance of agriculture to Illinois and reviews some of the trends facing Illinois farmers. Fertile soil and a good climate have combined to make Illinois an abundant source of corn and soybeans, but higher prices and incomes do not always accompany that abundance.

Agricultural innovations have enabled farmers to produce more food and feed more people than ever before. This production growth has been accompanied by a reduction in the number of farms, as fewer workers are producing more commodities. Although the number of farms has declined, the 1997 Census of Agriculture reported that the percentage of family-owned farms in Illinois increased slightly from 87.5% in 1992 to 88.4% in 1997.

The significance of agriculture ripples throughout the economy. Illinois is home to firms that produce farm machinery and equipment, and to industries that process agricultural products including meatpacking, dairy manufacturing, feed milling, vegetable processing, and seed and oil processing. In addition, about 40 percent of the ethanol production capacity in the United States is located in Illinois.

I am pleased to announce the release of two publications, the State's *Comprehensive Annual Financial Report (CAFR)* and the *Executive Summary* for FY 2000. Each of these reports demonstrates the State's financial position as of June 30, 2000. The CAFR presents the financial information in accordance with Generally Accepted Accounting Principles (GAAP), and the *Executive Summary* provides information not only on a GAAP basis, but also on a cash and budgetary basis. Both reports can be obtained through our web site or by contacting us at (217) 782-6000 or (312) 814-2451.

As always, your comments about this and our other publications are welcome. Your input can be sent directly, or via the web site at www.ioc.state.il.us.

Sincerely,

Daniel W. Hynes
Comptroller



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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

The "Self-Sufficient" Illinois State Fair

Every August in Springfield you can count on two things - hot weather and the opening of the Illinois State Fair. The 2000 Illinois State Fair was the 148th with the first held in Springfield in 1853. Throughout it's 148 years, the fair has been one of the top agricultural shows in the country promoting improved methods of agriculture and showcasing Illinois' rich agricultural history.

Attendance figures in the accompanying chart show that the family-friendly fair has increased in popularity over the past few years. The 1996 state fair recorded attendance at 790,028. By 1999, fair attendance had topped the one million mark and the 2000 fair set an all-time attendance record of 1.162 million visitors.

One constant throughout the history of the fair has been agriculture as the central theme.

One variable is the approach taken in funding the fair. Prior to 1994, the General Assembly appropriated state money for the State Fair each year, and any revenues generated went back to the state treasury. However, that changed when the decision was made to move to a self-sufficient budgeting process. Now fair officials were charged with balancing the expenses of one year's fair with money raised from the previous year.

A comparison of revenues derived directly from state fair operations and expenditures resulting directly from the fair over the past five years show an imbalance and apparent lack of self-sufficiency. Expenditures for the 2000 fair of slightly more than \$6.4 million are nearly \$2.8 million higher than revenues of more than \$3.6 million. Deficits have occurred in each of the other four years ana-

FISCAL SMARTS continued, page 4

Illinois Farm Development Authority Programs

The Illinois Farm Development Authority (IFDA) was created in 1981 to help family farmers obtain loans for their agricultural operations. IFDA is an independent, self-funded state agency that makes loans available through local lenders such as banks, Farm Credit, savings and loan associations and other institutions licensed in Illinois. Six different programs are available for purchasing farm assets or for restructuring existing debt.

One type of loan available includes several different programs that are designed for the purchasing of farm related capital assets. The other type offers a guarantee program that allows farmers to restructure their current debts.

Purchasing Farm Related Assets

1. Beginning Farmer Bond Program -

Under this program, loans may be used to purchase capital assets including farmland, new or used farm improvements or buildings, new equipment, and used equipment when purchased with farmland. Loan proceeds may not be used to finance a residence. The program is intended to help those who have not owned a significant amount of farmland, and the maximum loan size is \$250,000.

2. Young Farmer Guarantee Program -

This program allows farmers to make capital purchases that will expand or upgrade their operations. Loan proceeds may be used for the purchase of farm related capital assets including farmland, machinery, and breeding livestock. The maximum loan size is \$500,000 and the maximum term is 15 years.

3. Specialized Livestock Guarantee Program -

Loan proceeds may be used for the purchase of capital assets used in livestock production. This includes construction, purchase or remodeling of livestock facilities and the purchase of equipment and/or breeding livestock. The maximum loan size is \$1,000,000 and the maximum term is 15 years.

4. Cooperative Stock Purchase -

This program is considered a subset of the Specialized Livestock Guarantee Program. Loans are available for Illinois farmers planning to purchase stock in value added cooperatives that further process their commodities. In conjunction with a purchase of stock, debt may be refinanced to improve lien position or financial structure, up to the amount of the purchase. A portion of the stock can be used as collateral for this loan. The maximum loan size is \$100,000 and the maximum term is 10 years.

5. State Guarantee Program for Agri-Industries -

This program is designed for farmers and agri-businesses that wish to diversify into new enterprises or to further process existing crops or livestock. Loans can be made to farmers or

agri-businesses to purchase new or used property, equipment, or other capital items that will be used for a) growth and development of new crops or livestock not customarily grown in Illinois, or b) the further processing of grain or livestock grown in the state.

Restructuring Current Debt

6. State Guarantee Program for Restructuring Agricultural Debt -

Under this program, farmers may consolidate existing debt and spread the payments out over a longer term. The maximum loan size is \$500,000 and 30 years is the longest term available. The interest rate can be variable or fixed, and is based on the applicable length U.S. Treasury bill or note plus 2.5%. ■

Interesting Web Sites

ORGANIZATION	WEB SITE ADDRESS
State Government	
Illinois Department of Agriculture	www.agr.state.il.us
Illinois Agricultural Statistics Service	www.agr.state.il.us/agstats.htm
Illinois Farm Development Authority	www.state.il.us/ifda/
Rural Affairs Council	www.state.il.us/ltgov/RuralAffairs.htm
Illinois Dept. of Commerce and Community Affairs	www.commerce.state.il.us
Illinois Department of Natural Resources	www.dnr.state.il.us
Illinois Environmental Protection Agency	www.epa.state.il.us
University of Illinois - College of Agricultural, Consumer and Environmental Sciences	www.aces.uiuc.edu
Illinois Cooperative Extension Service	www.extension.uiuc.edu/welcome.html
Illinois State University - College of Agriculture	www.cast.ilstu.edu/agr/agrhome.htm
Southern Illinois University - College of Agriculture	www.siu.edu/departments/coagr/
Western Illinois University - College of Agriculture	www.wiu.edu/users/miag/
Federal Government	
US Department of Agriculture (USDA)	www.usda.gov
Economic Research Service-USDA	151.121.66.126
National Agricultural Statistics Service-USDA	www.nass.usda.gov
Illinois Farm Service Agency-USDA	www.fsa.usda.gov/il/index.html
Associations	
Illinois Farm Bureau	www.fb.com/ilfb
Illinois Corn Growers Association	www.ilcorn.org
Illinois Pork Producers Association	www.ilpork.com
Illinois Milk Producers Association	www.illinoismilk.org
Illinois Wheat Association	www.illinoiswheat.org
Illinois Soybean Association	www.ilsoy.org/
Illinois Specialty Growers Association	www.specialtygrowers.org
Interstate Producers Livestock Association	www.ipla.com
American Farm Bureau	www.fb.com
American Soybean Association	www.amsoy.org
National Cattlemen's Beef Association	www.beef.org/groups/ncba/index.htm
National Farmers Organization	www.nfo.org
National Pork Producers Council	www.nppc.org
Other	
StratSoy	www.ag.uiuc.edu/~stratsoy/new/
Illinois Council on Food and Agricultural Research	www.ilcfar.org
Appropriate Technology Transfer for Rural Areas	www.attra.org
Ag Information on the Web	www.attra.org/searchAgWeb.html
Ethanol Consumers and Producers	www.ethanolmt.org
Governor's Ethanol Coalition	www.ethanol-gec.org
Renewable Fuels Association	www.ethanolrfa.org
National Ethanol Vehicle Coalition	www.e85fuel.com
American Coalition for Ethanol	www.ethanol.org

lyzed as well.

Direct revenues from state fair operations have increased over the last five years, although not at the pace of attendance or spending. During the 2000 fair, direct revenues totaled \$3.650 million, an increase of \$496 thousand or 15.7% over the \$3.154 million received in 1996. Expenditures increased by 33.3% and attendance by 47.1% over the same time period. Gate receipts were the largest source of revenue in 2000 with slightly more than \$1.037 million collected while grandstand ticket sales and space rental generated \$964 thousand and \$940 thousand respectively.

Expenditures are categorized as those from the State Fair Fund, which is funded by revenues from the prior year's fair, as well as spending from General Revenue Fund appropriations and buildings and grounds expenses, which directly benefit the Fair. Various expenses for the 2000 Fair include: grandstand entertainment (\$572,750); free entertainment (\$160,492); stage support (\$157,754); parking and ticket takers (\$119,000); part-time employees (\$221,714) and awards and premiums (\$1,012,600).

Concluding that the State Fair has not achieved self-sufficiency when comparing direct revenues and expenditures appears

to be a reasonable assumption on the surface. However, is it even reasonable to expect the fair to be financially self-sustaining given the many intangible and financial benefits provided? In addition to the employment, recreational, educational and cultural opportunities provided by the fair, it is estimated that the 2000 State Fair generated \$1.2 million in sales tax revenue and had a total economic impact estimated at \$39 million. ■

State Fair Operations					
	1996	1997	1998	1999	2000
Attendance	790,028	756,056	826,648	1,063,059	1,162,000
Revenues (June thru Sept.)					
Grandstand Ticket Sales	\$ 561,727.50	\$ 878,712.50	\$ 702,464.50	\$ 1,024,763.50	\$ 963,857.00
Gate Receipts	911,649.50	889,163.00	894,553.00	956,064.00	1,037,239.00
Space Rental	974,847.75	1,118,009.48	975,334.49	927,308.18	939,886.89
Mega Pass	112,429.00	100,682.00	186,540.00	218,738.00	271,035.00
Miscellaneous	342,937.50	324,905.25	324,196.00	335,173.44	216,398.42
Total	\$ 2,903,591.25	\$ 3,311,472.23	\$ 3,083,087.99	\$ 3,462,047.12	\$ 3,428,416.31
Promotional Fund	250,346.00	327,427.00	141,102.75	210,796.30	221,832.25
Total Revenues	\$ 3,153,937.25	\$ 3,638,899.23	\$ 3,224,190.74	\$ 3,672,843.42	\$ 3,650,248.56
Expenditures (FY)					
State Fair Fund	\$ 2,988,100.00	\$ 3,005,600.00	\$ 3,178,500.00	\$ 3,580,000.00	\$ 4,380,000.00
General Revenue Approp.	640,000.00	640,000.00	640,000.00	639,500.00	639,500.00
Direct Building & Grounds	1,189,085.18	1,238,630.40	1,290,240.00	1,344,000.00	1,400,000.00
Total Expenditures	\$ 4,817,185.18	\$ 4,884,230.40	\$ 5,108,740.00	\$ 5,563,500.00	\$ 6,419,500.00
Notes:	Revenues are for the period of June through September, updated as of 1/11/01. \$50,435 of collections was recategorized as gate receipts instead of space rental. Expenses are actual for the fiscal year covering the Fair. Expenses for the 2000 Fair are estimated to be the FY2001 appropriation. Direct Building & Grounds expenses are estimated and are those costs which directly benefit the Fair.				
Source: Illinois Department of Agriculture					

Did You Know That The 2000 Illinois State Fair...

- Used 17,100 rolls of toilet paper.
- Used 4,207 bars of soap.
- Used 68,700 brown paper hand towels.
- Used 143 portable sanitation units.
- Needed 55 people to clean restrooms.
- Needed 420 people to clean barns and stalls
- Removed 1,198 tons of manure from stalls and barns.
- Had refuse totaling 400 tons.

Source: Illinois Department of Agriculture

New Reports Available

Two reports concerning the State's finances for fiscal year 2000 are now available.

- 1) Fiscal Year 2000 *Comprehensive Annual Report* - 523 pages- presents financial information in accordance with Generally Accepted Accounting Principles (GAAP).
- 2) Fiscal Year 2000 *Executive Summary* - 33 pages- highlights key financial information on a GAAP basis, as well as on a cash and budgetary basis. Also includes a summary of the Public Accountability Project Report.

Copies of the reports are available on the Comptroller's web site:

www.ioc.state.il.us

Each year, agriculture is at the mercy of the weather and natural disasters. In addition, changes in consumption, foreign trade, currency strength, or government policy can also have an effect on prices and income. Furthermore, long-term trends reflecting ever-advancing farm technology have steadily changed the way farms operate. This article reviews the status of agriculture in Illinois, and describes some of the trends under way.

Changes in Illinois Farms

The State of Illinois covers almost 56,000 square miles of land (35.6 million acres) and approximately 77% is farmland. In 1999, there were 79,000 farms in Illinois covering 27.7 million acres, or an average size of about 351 acres per farm. Since the 1930s, the number of farms has decreased 65.6% from 230,000 in 1930 to 79,000 in 1999. From 1990 to 1999, the number of farms in Illinois declined 4.8%, but the average size of farms increased by 9 acres (2.6%) and the average value per acre increased by \$845 (60.1%). Measured in terms of gross sales, the number of farms producing from \$1,000 - \$9,999 increased 50.0% from 1990 to 1999. Farms with sales between \$10,000 - \$99,999 decreased by 36.9%, but there was a 9.1% increase in the number of farms with sales of \$100,000 or more.

Concern for the future of family farms remains an important issue. Certainly, lower commodity prices can affect small operations more than large operations.

However, while the total number of farms is down, the 1997 Census of Agriculture reported that the percentage of farms in

Amazing Agriculture

1. Illinois farmers produced 1.668 billion bushels of corn in 2000, enough to fill the Sears Tower in Chicago over 20 times.
2. Illinois placed first in soybean production with 459.8 million bushels harvested. That amount is enough to fill 131.4 thousand railroad boxcars that would form a train 2,926 miles long.
3. The 4.2 million hogs on Illinois farms in 2000 would be enough to make 181,363,636 bacon, lettuce and tomato sandwiches.
4. The 58.5 million pounds of apples grown in Illinois would be enough to make 28,698,000 apple pies.

Adapted from the Illinois Farm Bureau's WEB site to reflect 2000 data.

Illinois owned by individuals and family corporations actually increased from 87.5% in 1992 to 88.4% in 1997. The percentage of farms controlled by partnerships decreased from 11.6% to 10.4% during that 5-year period, while the percentage for non-family corporations remained the same (0.3%) and the percentage for an "other" category increased from 0.6% to 0.9%. The Census of Agriculture data also confirmed that family-owned farms were not losing their share of farm product sales in relation to non-family corporations.

Farm Ownership in Illinois

	1992	1997
Individuals/Family Corporations	87.5%	88.4%
Partnerships	11.6%	10.4%
Non-family Corporations	0.3%	0.3%
Other	0.6%	0.9%

Source: Census of Agriculture, 1992 and 1997.

licity, Illinois has a diverse assortment of other produce. Wheat, oats, sorghum and hay are also popular grain crops. Fruits such as apples and peaches are prevalent, as are vegetables such as bell peppers, cucumbers, horseradish, potatoes, mushrooms, cabbage, sweet corn, pumpkins and tomatoes. Nursery crops such as flowers, potted plants and bedding/garden plants are also part of the mix.

Corn has been, and still is, a cornerstone of Illinois agriculture. In 2000, 1.668 billion bushels of corn were produced by Illinois farmers, far overshadowing the amount of other grain crops. This level of corn production ranks Illinois second only to Iowa. Corn production has exceeded 1 billion

bushels per year for the last twenty years except for poor crops in 1983 and 1988. The 2000 production level is an increase of 56.9% over the 1.063 billion bushels of corn produced in 1980. The average price for corn has fluctuated over the same 20-year period, falling sharply to

Number of Farms in Illinois by Gross Sales

	1990	1995	1999	% Change 1990-99
\$1,000-\$9,999	19,000	27,000	28,500	50.0%
\$10,000-\$99,999	42,000	29,500	26,500	-36.9%
\$100,000 & over	22,000	23,500	24,000	9.1%
Total	83,000	80,000	79,000	-4.8%

Source: Illinois Agricultural Statistics, Annual Summary 2000.

Illinois Crop Production Trends

What do Illinois farmers grow? While corn and soybeans garner most of the pub-

\$2.05 per bushel in 1999 from \$3.30 per bushel just four years earlier in 1995, a 37.9% drop.

Soybean production is a distant second to corn production with 459.8 million bushels produced in 2000. This production level pushed Illinois into first place, leading Iowa by about 0.6 million bushels.

Characteristics of Illinois Farms

	1930	1940	1950	1960	1970	1980	1990	1999	% Change 1990-99
Number of Farms (thousands)	230	221	203	159	128	107	83	79	-4.8%
Average Size (acres)	NA	NA	156	193	230	269	342	351	2.6%
Average Value (per acre)	NA	NA	\$174	\$316	\$490	\$2,041	\$1,405	\$2,250	60.1%

Source: Illinois Agricultural Statistics, Annual Summary 2000.

HOW Illinois Stacks Up

Illinois Ranks Fifth in Agricultural Exports

Illinois is one of the leading producers and exporters of agricultural products. In 1999, Illinois ranked fifth nationally in the value of its agricultural exports (slipping from third the prior year). The state's exports totaled an estimated \$2.8 billion worth of goods shipped to other countries, and that total accounted for nearly 6 percent of all United States agricultural exports.

Illinois farmers are able to produce a wide variety of agricultural commodities due to good soil types, climate and topography. As might be expected, states such as Alaska, Rhode Island, New Hampshire, Vermont and West Virginia have less agricultural produce, and fewer exports.

All Commodities

According to the National Agricultural Statistics Service of the U.S. Department of Agriculture, the United States generated approximately \$49.1 billion in agricultural trade in 1999 with the top ten states accounting for 56.4% of the total exports. Illinois generated \$2.8 billion (5.6% of the total) to rank fifth. The remaining top ten states were California (\$6.9 billion - first), Iowa (\$3.2

billion - second), Nebraska (\$2.9 billion - third), Kansas (\$2.8 billion - fourth), Texas (\$2.5 billion - sixth), Minnesota (\$2.2 billion - seventh), Washington (\$1.8 billion - eighth), Indiana (\$1.4 billion - ninth), and Wisconsin (\$1.3 billion - tenth).

Soybeans and Products

In 1999, Illinois was the nation's second largest soybean producer and exporter. Illinois' worldwide exports of soybeans and soybean products totaled \$1.1 billion (40.7% of the U.S. total). Iowa ranked first with \$1.2 billion in soybean exports, while Minnesota (\$681 million), Indiana (\$551 million), and Ohio (\$461 million) completed the top five states.

Feed Grains and Products

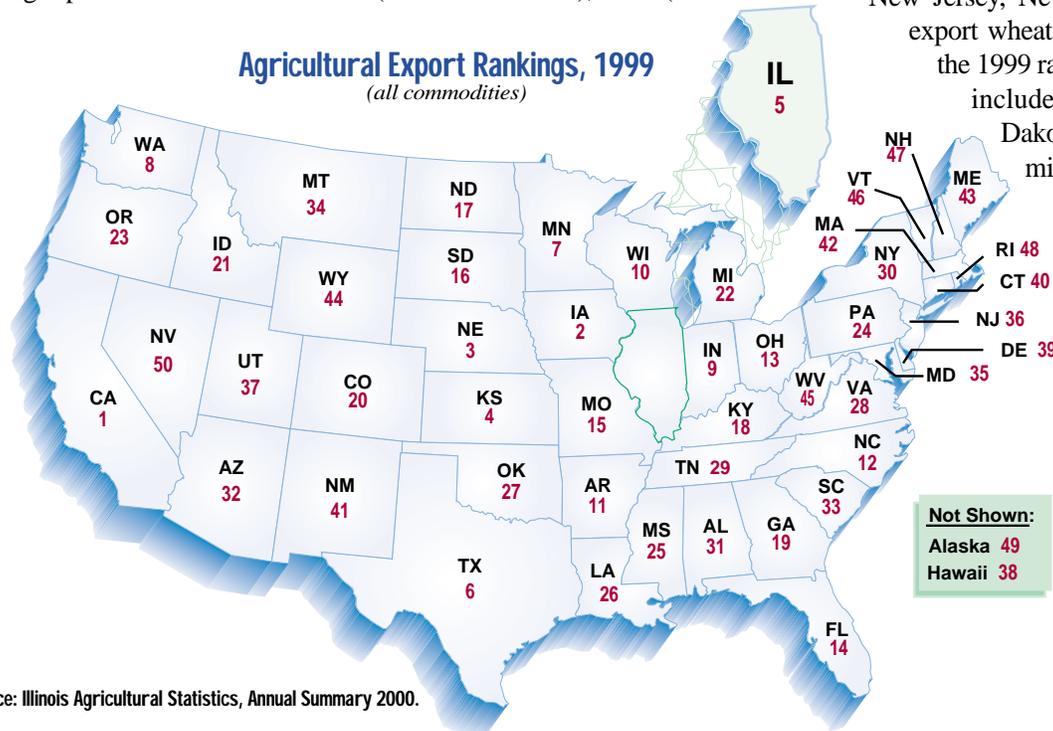
Illinois' exports of feed grains (primarily corn) and products totaled \$978 million (35.6% of the U.S. total) in 1999. Again, Iowa led the nation with about \$1.2 billion in exports. Nebraska (\$872 million), Minnesota (\$690 million), and Kansas (\$533 million) were the other top feed grain exporters.

Wheat and Products

Kansas was first in wheat exports with \$806 million and Illinois ranked ninth with \$145 million (5.3% of the U.S. total). In 1996, Illinois had a much lower ranking (13th with \$223 million). The reason that Illinois gained in the rankings but had a decrease in value was because six states (Delaware, Florida, Nevada, New Jersey, New Mexico and West Virginia) that did not export wheat and products in 1996 were included in the 1999 rankings. Other top wheat exporting states included Oklahoma (\$283 million), North Dakota (\$280 million), Washington (\$255 million), and Texas (\$209 million).

Live Animals and Meat (excluding poultry)

Nebraska ranked first in the export of live animals and meat with \$847 million. Illinois ranked sixth with \$230 million (8.4% of the U.S. total), a slight decrease of 9 percentage points from 1996 (\$252 million). The top five states for animal and meat exports included Kansas (\$762 million), Texas (\$737 million), Iowa (\$496 million) and Colorado (\$264 million).



Source: Illinois Agricultural Statistics, Annual Summary 2000.

HOW ILLINOIS STACKS UP continued, page 7

Other Commodity Groups

Illinois also performed well with other commodity exports such as: feeds and fodders (\$86 million), hides and skins (\$33 million), seeds (\$37 million), fats, oils, and greases (\$20 million) and vegetables (\$22 million).

Importance of Exports

Exports help boost farm prices and income, while supporting jobs on the

Illinois' top five agricultural exports in 1999 were:

- Soybeans and products — \$1.1 billion
- Feed grains and products — \$978 million
- Live animals and red meats — \$230 million
- Wheat and products — \$145 million
- Feeds and fodders — \$86 million

farm and off in food processing, transportation and manufacturing. Exports are increasingly important to Illinois' agricultural and statewide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 34% in 1991 to 41% in 1999. Over the past several years, the percentage has remained steady at approximately 41%. ■

Focus On Revenue concluded, from page 8

Community Affairs. In addition, the alternate fuels rebate program (administered by the Environmental Protection Agency) provides 80% rebates for either excess purchase, fuel, or conversion costs of an alternative fuel vehicle. The rebate is limited to \$4,000 per vehicle. The program is funded with a \$20 per vehicle fee paid by fleet owners.

Almost 1.5 billion gallons of ethanol were produced for fuel usage in the U.S. in 1999. This is 8.4 times the production of 175 million gallons in 1980. Production has steadily increased except for 1996

when a jump in corn prices lead to a drop in production. The main alternative to ethanol is MTBE, a petroleum derivative, that also increases the oxygen content of motor fuel. Ethanol appears to have significant advantages to MTBE as ethanol is non-toxic, biodegradable, and does not pollute ground or surface water.

Use of ethanol from corn is geographically limited because production is concentrated in the Midwest cornbelt, and high ethanol transportation costs limit most of its use to that region. In 1996, 61% of ethanol consumption was in the central

U.S. (although this was an improvement from 1990 when 80% of consumption was the central U.S.). The current ethanol production capacity from corn could increase three-fold in the Midwest at the same time new technologies can be brought online to utilize other feedstocks. The long-term future of ethanol may depend on developing additional ethanol markets as well as new biomass feedstocks. Production from alternative biomass sources such as forest waste is currently technically difficult. Breakthroughs in reducing the costs of such production could allow ethanol use to expand to wider markets. ■

Vital Statistics concluded, from page 17

spending is up \$138 million from last January with the State Board of Education up \$37 million, teacher's retirement up \$48 million and higher education up \$53 million. All other grants spending has increased \$36 million or 4.1%.

Spending for operations totaled \$4.022 billion through January, \$254 million higher than comparable expenditures last year. Higher education operations are up 7.1% or \$73 million, while all other operations increased \$181 million (6.6%).

Looking Ahead

The General Revenue Fund cash flow

position will continue to be closely monitored in the coming months. While payment delays were averted and some buildup in the balance was experienced during January, the buildup will quickly erode as spending demands outpace revenues in February and March. Meaningful improvement in the cash flow situation is not anticipated until after the April 16th income tax deadline.

As noted above, the General Funds cash balance dropped 66.8% from the beginning of the fiscal year to the end of January. Last year, the balance fell 42.0% over the same period. The last time the

state saw back-to-back declines of this size was in fiscal years 1990 and 1991 with declines of 59.0% and 65.5%, respectively. The 1991 drop marked the beginning of seven years of cash shortages.

At that time the state was feeling the impact of recession and rapidly rising medical costs. Clearly the current circumstances are different. However, with the economic future more uncertain now than at any time in the last several years, and the fact that medical costs are on the rise again, there is ample cause for concern as policy makers begin crafting the budget for next year. ■

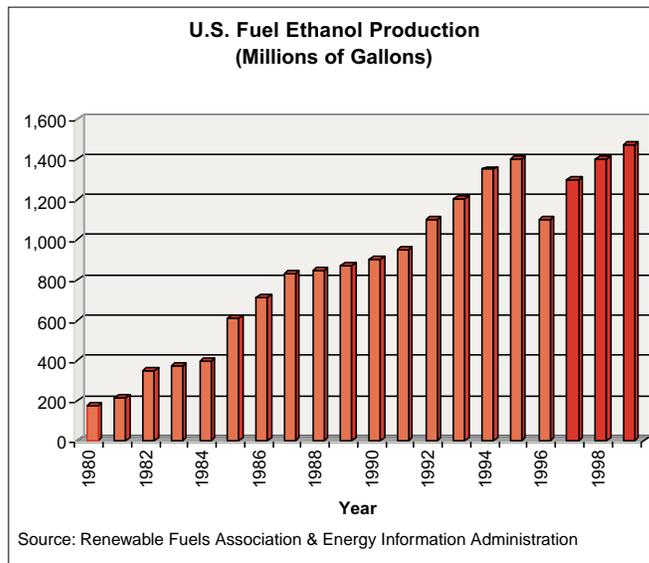
Ethanol Incentives

Americans depend on their cars and want reasonably priced motor fuel to power those cars. They are also concerned with the pollution their cars generate and are interested in policies that keep their environment cleaner and more pleasant to live in. Illinois policies to encourage the use of motor fuels containing ethanol are designed to make the U.S. less dependent on imported fuels, improve our rural economy and increase the use of cleaner burning less polluting motor fuels. The Illinois programs supplement federal initiatives to increase the use of this desirable fuel.

What is ethanol? Ethanol is ethyl alcohol which can be produced from corn and other biomass feedstocks. As a domestically produced fuel it helps decrease our reliance on imported oil. It is also of particular value to the Illinois farm sector as most U.S. ethanol is currently made from corn. As a result 40% of the U.S. ethanol capacity is in Illinois.

Ethanol is also a less polluting motor fuel than gasoline. With a greater oxygen content than gasoline, it burns cleaner and with less pollutants. Ethanol can either work as a gasoline extender such as E10 which is a 10% ethanol and 90% gasoline mix that can be used in existing gasoline engines, or as a gasoline alternative such as E85 (85% ethanol and 15% gasoline) that requires a modified automobile engine.

The federal government established the federal ethanol program with the Energy Security Act of 1979 to reduce our nation's dependence on foreign oil which had made the U.S. vulnerable to foreign oil embargoes and other supply manipulations. Since 1990, ethanol usage has also been encouraged by federal policies to reduce air pollution. These include the



1990 Clean Air Act Amendments that require the sale of lower polluting fuels in selected metropolitan areas, including Chicago, and the Energy Policy Act of 1992 that encourages fleet owners to choose alternative fuel vehicles. A federal financial incentive for the use of ethanol

is a 5.4 cent per gallon reduction in the federal motor fuel excise tax (from 18.3 cents to 12.9 cents) for 10% ethanol. Since 1 gallon of ethanol is used to produce 10 gallons of 10% ethanol fuel, the result is a 54-cent per gallon subsidy for ethanol production. The federal government also provides small ethanol producers a tax credit of 10 cents per gallon for up to 15 million gallons of annual production. Small is defined as a production capacity of 30 million gallons or less per year.

Illinois also provides a financial incentive for the purchase of ethanol. Under this tax incentive, the state taxes ethanol sales at 70% of the state sales tax. This reduces the current 6.25% state sales tax on gasoline

by almost two percentage points to 4.375%. In fiscal year 2000, the Department of Revenue reports that this rate reduction cost the state \$41.3 million in lost revenues. The state also encourages the usage of ethanol through purchases of alternative fuel vehicles for the state fleet, the use of ethanol at state garages, and through a grant program to foster further ethanol research and innovative fleet demonstration programs. For example, the Chicago Transit Authority converted the first urban ethanol bus fleet to 15% ethanol "Ediesel" fuel with the help of a \$100,000 state grant. In this successful test, CTA

operated 15 existing buses on "Ediesel" fuel at the same fuel economy as conventional buses on #1 diesel fuel. Grants are available through the Alternative Energy Research, Development, and Demonstration program administered by the Department of Commerce and

FOCUS ON REVENUE continued, page 7

Ethanol Info . . .

Corn grown in Illinois is used to produce 40% of the ethanol consumed in the United States. The ethanol industry generates 800 jobs in plant operations and 4,000 industry-related jobs. Decatur, Peoria and Pekin are the Illinois sites for ethanol production. Each bushel of corn can produce 2.5 gallons of ethanol fuel. Illinois leads the nation in the use of ethanol blended gasoline. Nearly one-half of the gasoline sold in Illinois contains 10 percent ethanol. Illinois is a founding member of the Governor's Ethanol Coalition, joining in 1991.

Source: Illinois Corn Growers Association.



Department of Agriculture Spending

The Department of Agriculture plays an important role in regulating and promoting agribusiness in Illinois as well as protecting the state's natural resources. On the agricultural side, the Department protects producers and consumers from contaminated or diseased agricultural commodities in addition to promoting agriculture by conducting state fairs, assisting county fairs and marketing Illinois products in foreign and domestic markets. The Department also protects valuable soil and water resources through regulation and financial incentives.

In providing these services, Department of Agriculture expenditures totaled nearly \$131.0 million in fiscal year 2000, an increase of \$17.5 million or 15.4%

over fiscal year 1999 and \$62.8 million or 92.2% over fiscal year 1996. Nearly half (\$64.7 million or 49.4%) of the Department's spending in fiscal year 2000 was from the General Revenue Fund while \$20.4 million or 15.6% was from the Agricultural Premium Fund.

On a program basis, spending for state and county fairs as well as horse racing totaled \$39.4 million in fiscal year 2000, \$10.0 million or 40.2% higher than fiscal year

1996. Maintenance of both the Springfield and DuQuoin fairgrounds, financial assistance to county fairs and payments into the thoroughbred and standardbred horse racing purse accounts are some of the larger expenditures under this program.

in fiscal year 2000 include: the distribution of agricultural research grants to public universities (\$15 million in fiscal year 2000); administration and electronic data processing (\$13.0 million); and interfund transfers (\$15.1 million) which includes a

Programs	Fiscal Year				
	1996	1997	1998	1999	2000
Fairs/Horseracing	\$ 24.920	\$ 25.429	\$ 25.222	\$ 34.029	\$ 39.400
Natural Resources	7.209	9.082	11.925	15.482	16.989
Interfund Transfers	0.000	0.000	8.158	14.973	15.141
Agricultural Research Grants	3.000	6.000	8.996	11.999	15.000
Administration/EDP	7.562	10.443	10.578	10.185	12.975
Meat and Poultry Inspection	6.906	6.681	6.702	6.606	7.193
Animal Industries	5.354	5.508	5.655	5.774	6.042
Warehouses/Ag Product Inspection	4.688	4.985	5.066	5.190	5.190
Marketing	2.611	2.659	2.675	2.723	5.068
Environmental Programs	3.719	3.634	3.463	3.437	4.632
Weights and Measures	2.174	2.856	2.948	3.110	3.348
Total	\$ 68.143	\$ 77.277	\$ 91.388	\$ 113.508	\$ 130.978

Source: Comptroller and Department of Agriculture Records.

Spending for natural resources of nearly \$17.0 million in fiscal year 2000 were \$9.8 million more than fiscal year 1996. Slightly more than \$5.3 million of the \$17.0 million was spent for grants to soil and water conservation districts with another \$5.0 million spent to implement agricultural resource enhancement programs. In addition, \$2.5 million was used for a Conservation Practices Cost Sharing Program.

Other areas of spending over \$10 million

\$10.1 million deposit into the State Cooperative Extension Service Trust Fund.

Programs with spending under \$10 million in fiscal year 2000 include Meat and Poultry Inspection (\$7.2 million), Animal Industries (\$6.0 million), Warehouse and Agricultural Product Inspection (\$5.2 million), Marketing (\$5.1 million), Environmental Programs (\$4.6 million) and Weights and Measures (\$3.3 million). ■

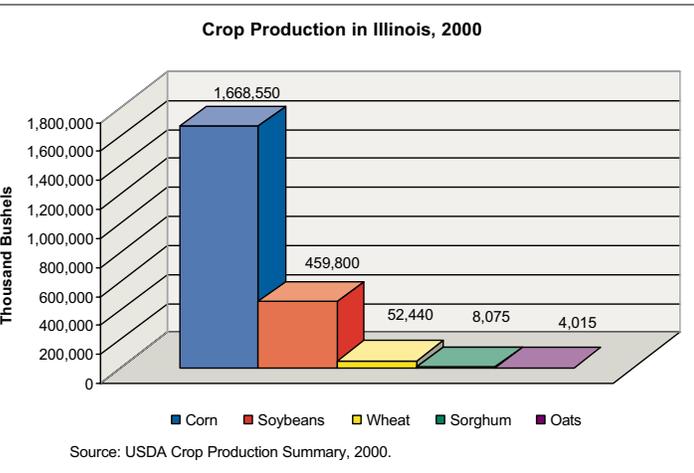
**Major Crops/Livestock in Illinois, Selected Years
(Numbers in Thousands)**

<i>Bushels</i>	1980	1985	1990	1995	1996	1997	1998	1999	2000
Corn	1,063,920	1,534,950	1,320,800	1,130,000	1,468,800	1,425,450	1,473,450	1,491,000	1,668,550
Soybeans	313,225	382,500	354,900	378,300	398,925	427,850	464,200	443,100	459,800
Wheat	76,930	36,750	88,800	68,110	41,800	66,490	57,600	60,600	52,440
Sorghum	4,897	36,190	14,625	10,005	12,600	10,465	7,918	9,215	8,075
Oats	14,030	12,480	11,560	5,360	4,620	5,550	3,920	4,260	4,015
<i>Head</i>									
Hogs	6,600	5,400	5,700	4,800	4,400	4,700	4,850	4,050	4,200
Cattle	2,700	2,500	1,750	1,650	1,590	1,550	1,510	1,510	NA
Sheep	173	136	159	83	79	79	79	74	NA

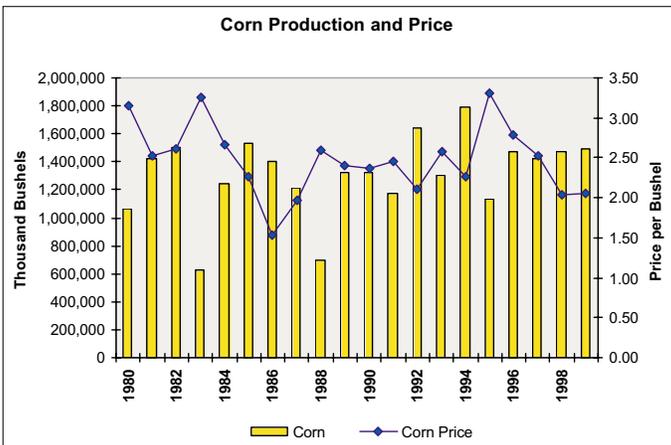
Source: Illinois Agricultural Statistics, Annual Summary 2000, and USDA Crop Production Summary 2000.

In the past twenty years, soybean production in Illinois has increased 46.8%, up from 313.2 million bushels in 1980. The average price for soybeans was \$4.95 per

acres of corn were planted in Illinois compared to 10.450 thousand acres of soybeans. However, each acre of corn averaged 151 bushels for a total of 1.668 billion bushels of corn, whereas the each acre of soybeans averaged 44 bushels for a total of 459.8 million bushels of soybeans.



Source: USDA Crop Production Summary, 2000.



bushel in 1999, down from a high of \$7.55 per bushel in 1996, a decline of 34.4%.

The numerical advantage that corn has over soybeans in terms of bushels produced is related to the difference in yields. For example, in 2000, 11,050 thousand

Wheat is the third largest crop with 52.4 million bushels produced in 2000. This level placed Illinois 13th among the states. Unlike corn and soybeans, however, the production of wheat has decreased 40.9% since 1980. Illinois farmers raised 8.1 million bushels of sorghum in 2000 (8th in the nation), and 4.0 million bushels of oats (10th in the nation), and the trends for these crops are also decreasing. Sorghum production is down 44.8%, and the production of oats is down 65.3% since 1980.

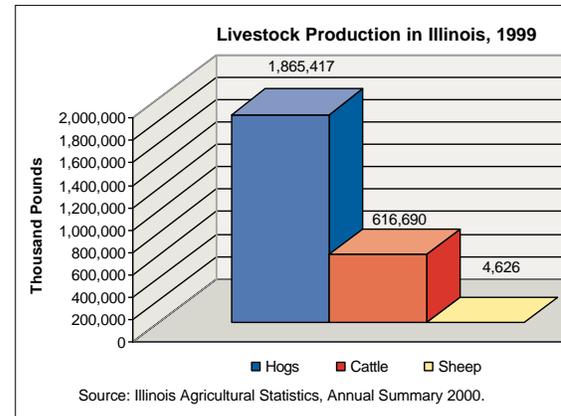
Illinois Livestock Production Trends

What animals do Illinois farmers raise? Although chickens, turkeys, mink and fish are raised in Illinois, hogs are number one among livestock farmers. [Note: since

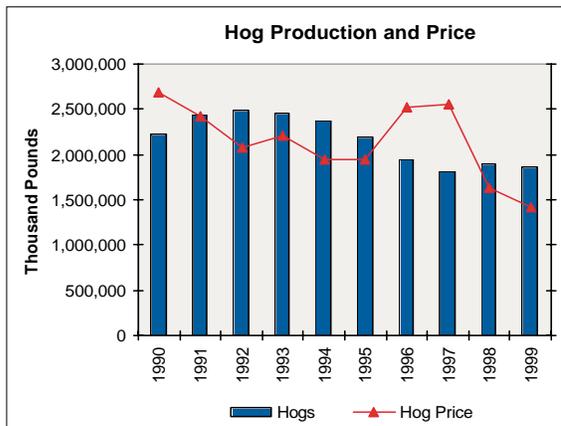
2000 figures are not yet available for cattle and sheep, 1999 figures will be used for livestock comparisons.] Over 4 million hogs were raised in 1999 compared to 1.5 million head of cattle and 74 thousand head of sheep. Pork farmers produced 1.87 billion pounds of pork ranking Illinois 4th

among the states. Hog production decreased 16.2%, from 2.22 billion pounds in 1990 to 1.87 billion pounds in 1999. Prices have also gone down over this same period, decreasing from an average price of \$53.90 per hundred pounds to \$28.40 per hundred pounds, down 47.3%.

Despite the popularity of hogs relative to other types of livestock, the number of hog farms decreased by 57.5% over the last ten years. There were 15,300 hog farms in

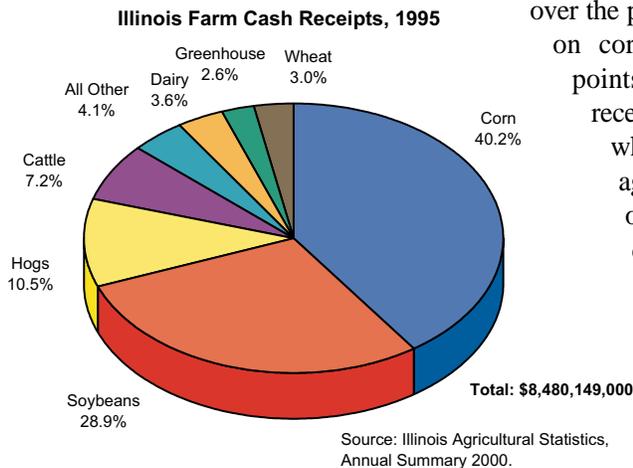


Source: Illinois Agricultural Statistics, Annual Summary 2000.



Illinois in 1990, but the number shrank to 6,500 in 1999. Since 1995, the number of hog farms with less than 2,000 head has declined from 9,170 to 5,910, while the number of farms with more than 2,000 head of hogs has grown from 430 to 590. In states like North Carolina, the number of large or mega hog farms is over 1,000. Nationally, places with 2,000 head of hogs or more account for 8% of the operations, but 72% of the inventory.

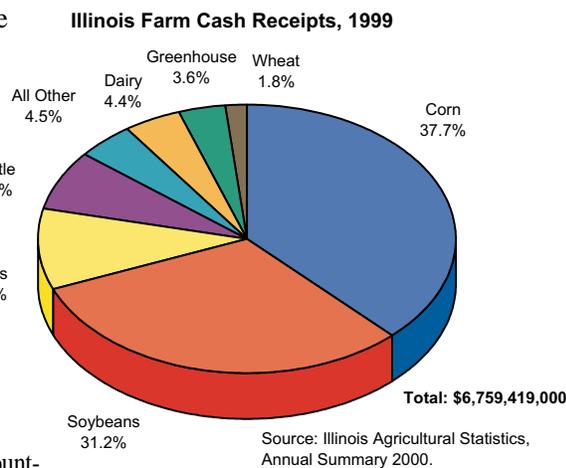
Cattle production totaled 616.7 million pounds (19th in the nation), down 162.4 million pounds (-20.8%) since 1990, and sheep production decreased from 11.4 million pounds in 1990 to 4.6 million pounds in 1999 (-59.3%). These production decreases have been accompanied by mixed prices. Cattle prices slipped from



over the past five years. Soybeans gained on corn, increasing 2.3 percentage points from 28.9% of total cash receipts in 1995 to 31.2% in 1999, while corn decreased 2.5 percentage points from 40.2% to 37.7% of the total. Other percentage changes were very modest with only wheat and greenhouse produce varying more than one percentage point.

Examining more detailed cash receipts data for individual

my is reflected in the table and pie charts. Corn contributed just over \$2.5 billion (37.7%) of the total cash receipts from marketing farm commodities, and soy-



Cash Receipts From Selected Crops and Livestock, 1995-1999
(Dollars in Thousands)

	1995	1996	1997	1998	1999
Corn	3,410,014	3,274,141	3,359,023	3,042,629	2,550,039
Soybeans	2,447,663	2,533,994	3,031,421	2,791,340	2,112,623
Hogs	892,042	1,054,898	1,014,474	679,181	646,710
Cattle	608,736	536,144	506,618	473,818	487,166
All Other	346,480	361,829	353,662	321,917	303,853
Dairy	304,000	332,400	296,616	317,100	295,911
Greenhouse	220,506	218,572	255,200	238,583	243,562
Wheat	250,708	169,881	182,284	159,803	119,555
Total	8,480,149	8,481,859	8,999,298	8,024,371	6,759,419

Source: Illinois Agricultural Statistics, Annual Summary 2000.

\$75.70 to \$63.40 per hundred pounds, but sheep prices increased from \$17.40 to \$28.50 per hundred pounds.

and receipts for cattle totaled \$487.2 million (7.2%).

This relationship has remained fairly stable

beans accounted for \$2.1 billion (31.2%). Hogs were a distant third, but added \$646.7 million (9.6%),

Illinois counties reveals some interesting patterns. Counties with the highest cash receipts for corn and soybeans tend to be located in north central and eastern Illinois, while counties with the highest cash receipts for hogs and cattle tend to be located in the northwestern and western parts of the State. In addition, counties that

COVER STORY continued page 12

Cash Receipts Down

How much money is received from the crops and livestock produced in Illinois? The importance of corn, soybeans, and hogs to the Illinois econo-

Cash Receipts From Farm Commodities
Top Ten Counties in Illinois, 1999
(Dollars in Thousands)

	Corn		Soybeans		Hogs/Pigs		Cattle/Calves		All Crops/Livestock Total	
McLean	\$91,453	McLean	\$73,777	Edgar	\$40,663	Carroll	\$25,481	McLean	\$187,417	
Iroquois	79,209	Iroquois	65,537	DeKalb	29,167	DeKalb	21,059	Iroquois	174,931	
Champaign	75,767	Livingston	62,431	Livingston	29,167	Henry	20,919	Livingston	166,188	
LaSalle	69,196	Champaign	61,840	Henry	27,038	JoDavies	19,023	Champaign	150,425	
Livingston	66,815	LaSalle	55,738	Cass	23,844	Whiteside	18,813	LaSalle	148,329	
Bureau	62,760	Vermilion	49,459	Knox	19,728	Ogle	18,462	DeKalb	141,054	
Sangamon	58,941	Sangamon	46,393	Logan	16,961	Stephenson	15,724	Henry	134,448	
Vermilion	54,421	Bureau	40,163	Pike	16,464	Hancock	12,916	Bureau	131,872	
Lee	53,197	Christian	37,203	Clinton	16,393	Adams	12,004	Sangamon	120,557	
Christian	51,671	Logan	37,079	Bureau	14,406	Clinton	11,231	Whiteside	118,027	

Source: Illinois Agricultural Statistics, Annual Summary 2000.

benefit most from corn also benefit the most from soybeans (e.g., McLean, Iroquois, Champaign, LaSalle, Livingston, Vermilion, Sangamon, Christian). The same can not be said for livestock since some counties that are in the top ten in hog receipts do not appear in the top ten for cattle receipts (e.g., Edgar, Livingston, Cass, Logan, Pike). Furthermore, counties tend to have either high crop receipts or high livestock receipts, but not both. Only Livingston and Bureau counties are in the top ten in three out of the four rankings.

Unfortunately for farmers, the cash receipts from marketing Illinois farm commodities have decreased in past years, with a substantial drop of almost \$1.3 billion (-15.7%) from 1998 to 1999. Although corn and soybeans contributed over \$2 billion each to the cash receipts total, they were not immune from the downturn. Corn receipts were down 16.2% from 1998, and soybean receipts were down 24.3%. Livestock receipts were mixed, however, as hog receipts were off 4.8%, but cash receipts for cattle increased 2.8%.

Farm Income Down

The Economic Research Service (ERS) of the U.S. Department of Agriculture calculates an aggregate net farm income figure for each state. Using this measure, Illinois compares relatively well to the other

states, usually ranking in the top quartile. However, since this measure of net farm income includes an "inventory adjustment," wide annual fluctuations occur. For example, since 1996, Illinois' aggregate net farm income has ranged all the way from \$2.2 billion down to \$543 million, and Illinois' rank has ranged from 6th to 14th among the states.

A recent University of Illinois Extension study based on 1,037 grain farms projects an average net income per farm of \$32,414 for 2000, compared to \$50,187 in 1997, \$13,827 in 1998, and \$33,138 in 1999. The study also found that government farm program payments such as market loss assistance and oilseed payments had a significant effect on farm incomes, and without such payments, net farm income would have been negative.

Federal Farm Policy

Federal farm policy has been in a state of flux in recent years. In the past, the federal government administered programs to guarantee farmers a set price for their crops and, in some cases, to pay them for not using their land at all. Congress decided to end this system of price supports and subsidies in 1996 and enacted the Federal Agriculture Improvement Reform (FAIR) Act. The new law was intended to phase out federal support payments over seven years while providing some assistance

through loan programs and expanded crop insurance programs. Federal policy shifted away from price stabilization to encourage more market-oriented decisions by farmers.

In the late 1990s, unfortunate circumstances such as natural disasters (drought, floods and disease), reduced export demand (Asian financial crisis), and large global supplies contributed to lower prices, lower cash receipts, and lower farm income in some regions of the nation. Congress responded by enacting some emergency farm aid proposals including larger disaster assistance appropriations, and the early release of production contract payments. It is still too early to tell how successful the FAIR Act will be in meeting its objectives. Some analysts argue it will benefit farmers and consumers alike, but others believe it will hurt small, traditional family farms.

The Importance of Exports

A strong export market is essential for healthy commodity prices and farm incomes. Over 25% of U.S. farm income is derived from agricultural trade. The United States currently dominates international trade in corn and soybeans, and since Illinois ranks second in the production of corn and soybeans, foreign trade is also important to Illinois agriculture. Illinois ranked 5th among the states with agricultural exports valued at \$2.75 billion in 1999. (See *How Illinois Stacks Up*). Soybeans and feed grains (largely corn) accounted for almost 76% of Illinois exports. Soybeans and soybean products were valued at \$1.1 billion and feed grain exports totaled \$978 million. Exports of live animals and meat (excluding poultry) totaled about \$230 million (8.4% of Illinois exports), and wheat exports were valued at approximately \$145 million (5.3%).

In the past, bulk commodities such as wheat, rice, coarse grains, and oilseeds accounted for most agricultural exports. However, in the 1990s, exports of high-value products such as meats, poultry, live animals, fruits,

**Federal Government Direct Payments to Farmers
Top Ten States, 1999
(Dollars in Thousands)**

	Old Programs*	Production	Loan	Supplemental			Total Direct Payments
		Flexibility Contracts	Deficiency Payments	Conservation	Funding	Miscellaneous	
1 Texas	(141)	416,862	292,492	147,503	1,036,864	20,558	1,914,139
2 Iowa	(90)	476,458	650,343	144,201	563,041	41,572	1,875,525
3 Illinois	(135)	425,413	715,332	67,811	484,773	17,840	1,711,034
4 Kansas	(35)	357,039	482,031	106,375	430,223	7,168	1,382,800
5 Nebraska	(124)	354,518	468,423	57,638	425,840	15,795	1,322,091
6 Minnesota	(72)	284,398	486,002	73,215	393,887	18,660	1,256,091
7 North Dakota	(45)	221,195	236,536	113,065	351,123	29,707	951,581
8 Indiana	(47)	207,584	307,296	25,010	258,150	12,459	810,451
9 Arkansas	(9)	244,850	180,934	7,122	329,137	6,862	768,896
10 South Dakota	(25)	144,198	275,555	68,925	229,647	27,875	746,176

* Commodity programs in effect prior to 1996
Source: Economic Research Service, U.S. Department of Agriculture.

vegetables and beverages began to grow. By 1999, high-value products accounted for 64% of total U.S. agricultural exports and bulk commodities accounted for 36%.

The primary destinations for agricultural exports include Japan, Canada, Mexico, the European Union, South Korea, Taiwan, Hong Kong and China. The recent approval of legislation to make normal trade relations with China permanent is expected to boost exports. In 1999, China imported over \$1 billion in U.S. farm products.

Other Agricultural Contributions

Illinois' agricultural base, transportation hub and commodity exchanges (Chicago Board of Trade and the Chicago Mercantile Exchange) are factors that have made Illinois an attractive location for firms that process and market agricultural products. These include meatpacking, corn and soybean processing (including ethanol manufacturing), dairy manufacturing, seed, feed milling and vegetable processing industries. Illinois is also a major producer of farm machinery and equipment, and hosts firms that are termed "indirect agribusiness" such as those that make food production machinery or food containers and packaging.

State Governments and Agriculture

State governments have traditionally played a smaller role in agriculture than the federal government. States are not involved in paying price supports or negotiating trade agreements. Instead, Departments of Agriculture in the states tend to be involved in promoting agriculture and conservation, and protecting consumers through various inspection programs (see *Focus on Spending*).

However, there are many issues that state governments deal with that affect agriculture. In Illinois, for example, property taxes and the assessment of farmland are very important issues for farmers. Issues related to school funding such as changes in the foundation level or the reliance on local property taxes are also important, as are environmental concerns such as water

supply and quality, and the loss of land to urban growth.

Illinois has some state services and tax breaks in place for the agricultural industry including an ethanol tax credit (see *Focus on Revenue*). The Illinois Farm Development Authority (IFDA) was created in 1981 to assist farmers in obtaining loans for their farming operations (see sidebar on page 3). A Rural Affairs Council was started in 1986 to strengthen the rural economy and improve rural education and human services opportunities. The Rural Bond Bank provides reduced-cost lending to local governments in rural areas for infrastructure improvements and development.

Perhaps two of the more important state contributions to agriculture come from the University of Illinois and the Department of Transportation. The University of Illinois' College of Agricultural, Consumer and Environmental Sciences (ACES) leads a research enterprise that ranks fifth in the nation for its scientific impact on agricultural sciences. ACES researchers are recognized world-wide for their expertise in economic, computer, engineering and social sciences, as well as in biotechnology. The Department of Transportation oversees a 139,000-mile network of state and local roads, including 26,000 bridges. Although the majority of these roads and bridges are under local jurisdiction, the Department provides funds for construction and maintenance that contribute to the movement of agricultural equipment and produce.

Conclusion

From its earliest days, Illinois' comparative advantage in farming has stimulated its economy. Agriculture supported rural Illinois. Illinois farmers have always been willing to take advantage of new technology. New methods for cultivating the prairie, as well as a willingness to accept mechanized farming, were the basis of Illinois' farm implement industry. Agricultural innovations allowed each farmer to provide food for a growing number of non-farm individuals. More effi-

Fiscal Forum

Last month's question concerned issues about the current status of health care. The question and the responses from our readers (ranked from high to low) are presented below:

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

- Costs of prescription drugs28.6%
- Quality of health care13.5%
- Health insurance for parents ...12.7%
- Health insurance for kids11.9%
- Managed care.....10.7%
- Medicaid spending.....9.1%
- Patient's rights.....7.5%
- Mental health parity.....6.0%

This month's question involves agriculture and emphasizes a product that utilizes Illinois corn.

Should the State of Illinois encourage greater use of ethanol by increasing its tax incentive to purchasers?

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

ciency allowed larger crops to be produced on larger sized farms with less farm workers. Illinois farmers are still some of the most innovative in the world. Of concern is that the rest of the world may be catching up with Illinois' best efforts as a producer of world-traded commodities. ■

Illinois (now known as ACES). Each soil type (from Adrian muck to Zwingle silt loam) is assigned a productivity index, and the values are listed in Cooperative Extension Service Circular 1156 entitled "Soil Productivity in Illinois." Although Circular 1156 was issued in April of 1978, the Department of Revenue and local assessors are still using it today.

The average prices received (published by the Illinois Crop Reporting Service) are multiplied by the yields listed in Circular 1156 to produce the gross income per acre (up to \$390.08 for 2000 farmland assessments). The gross income per acre is further adjusted by factors such as production costs and interest rates to calculate the EAV of farmland.

Equalized Assessed Valuation (EAV)

The statute sets EAV at 1/3 of the agricultural economic value for cropland (with certain adjustments). The EAV for permanent pasture is 1/3 of the EAV of the land if it were cropland. The EAV for "other farmland" is 1/6 the cropland EAV.

The assessment formula is specifically set up to minimize large swings in farmland EAV. The statute requires that "moving averages for the most recent 5-year period for which data are available" be used. The data lag two years behind the assessment year (e.g. for the 2000 assessment, payable in 2001, data from 1994 to 1998 were used). This use of averaged data smoothes out many potential spikes in prices and interest rates - potential sources of great volatility. The statute also contains a circuit breaker that stops large changes in EAV. By law there cannot be an increase or decrease in EAV of more than 10% of the "preceding year's soil productivity index certified assessed value." This is not an assessment limitation on an individual farm. The circuit breaker applies to the values for each aggregate soil productivity that the Department of Revenue certifies. An individual parcel of farmland may have a greater than ten percent change in assessment because of a new soil survey, a change in use or other parcel-specific factors.

The County and Township Assessment of Farmland

Each county in Illinois has a County Farmland Assessment Review Committee. The Committee consists of the chief assessment officer (e.g. the Supervisor of Assessments), a member of the County Board of Review and three farmers appointed by the Chairman of the County Board. This Committee is required to hold a public hearing on the EAVs of farmland proposed by the Department of Revenue and the implementation of the chief assessment officer's proposed procedures. The Committee can either accept the proposals or make an alternative recommendation. An alternative recommendation is filed with the Department of Revenue. Negative decisions by the Department of Revenue can be appealed to the State Property Tax Appeal Board.

After the EAVs for each soil productivity index are established, the local assessing officers determine the actual EAV for each parcel. The assessor first determines the acres of land in different uses - cropland, pasture, home site, farm buildings, rivers, and so forth. Next, for each of the major uses (cropland, permanent pasture and other farmland), a weighted soil productivity index is calculated.

This index is weighted by the amount of each type of soil in each major use category, and adjusted for conditions such as slope, erosion, and flooding. The EAV is determined by finding this adjusted index on the chart provided by the Department of Revenue. The home site on the farm is assessed like any other residential property (1/3 of fair cash market value). The other farm buildings and so-called "wasteland" (like streams, drainage ditches, etc.) are assessed at 1/3 of their contributory value in their current agricultural use.

Impending Changes

The current method of assessing farmland has been in effect for almost 20 years. The agricultural community is generally satisfied

with the current statute. The Illinois Farm Bureau's official policy on property tax administration includes the admonition that they "Strongly urge the members of the Illinois General Assembly not to change the present formula for calculating the assessed value of farmland." Currently, there is no move in Springfield to change the basic formula for assessing farmland.

There is, however, a change coming. The linchpin of the assessing process has been Circular 1156's tables on the productivity of soils in Illinois. Circular 1156 was published in April of 1978, and the tables are based on data collected between 1939 and 1977. Since 1978, farming techniques have changed, crop yields have increased and there has been over 20 years of additional data collected. In that time, the farm crisis of the 1980s, a revolution in the availability of computer technology and a gigantic leap in biotechnology have occurred.

In 1998, the General Assembly approved funding for an update to Circular 1156. The result is Bulletin 810, which was released in August 2000 and approved by the Farmland Assessment Technical Review Committee in October 2000. The University of Illinois researchers have recalibrated the productivity index scale and found significant changes in yields on lower productivity index soils. This will necessarily cause local assessing officers to change assessments. Some types of farmland will be more valuable than they would have been under Circular 1156.

Because of the changes that Bulletin 810 could have on local assessments, the Department of Revenue is working with County assessing officers to determine the time frame for its implementation. It will be used no sooner than the 2002 assessment year for taxes payable in 2003. Interested parties should keep in touch with their local Supervisor of Assessments and the Department of Revenue.

[NOTE: a special thank you goes to the Illinois Department of Revenue and the Illinois Farm Bureau for their assistance]. ■

CEMETERY

Care Corner

Licensing Requirements for Prospective Licensees

Comptroller Hynes is continually searching for better ways to regulate current and prospective licensees of cemeteries and funeral homes. Since assuming office in 1998, the Comptroller has devoted considerable time and effort toward efficiently and effectively operating the Cemetery Care & Burial Trust Department, while simultaneously prioritizing the best interests of consumers and death care industry members.

The Illinois Office of the Comptroller currently licenses and regulates almost nine hundred cemeteries pursuant to the Cemetery Care Act. In addition, it regulates over twelve hundred licensed providers of pre-need services and merchandise under the Funeral or Burial Funds Act and the Pre-Need Cemetery Sales Act. The Hynes' administration is responsible for having issued over three hundred of these licenses, and this accounts for over fifteen percent of all active licenses.

The aforementioned numbers do not necessarily reflect new businesses to Illinois' cemetery and funeral industry. Rather, they are the result of clarified licensing requirements and increased communication with Illinois cemetery and funeral industry members.

New Scope

The Hynes' administration examined the licensing requirements under the law, and determined that a more strict interpretation of those requirements needed to be enforced. This resulted in requiring sepa-

rate licenses for all locations where pre-need services and merchandise are sold in Illinois. By enforcing this requirement, the Comptroller's Office may now more readily regulate operations at each location where pre-need services and merchandise are sold, rather than simply audit an individual licensee who may have operated various branch locations.

New Forms

In addition to implementing this requirement, Comptroller Hynes' administration drafted new license application forms. This resulted in strengthened controls over the licensing process. The required information all prospective licensees must submit includes, but is not limited to, the following: 1) application for license with \$25 processing fee; 2) questionnaire of all individuals maintaining more than 5% ownership; 3) statement of assets and liabilities; 4) fidelity bond or trust agreement; 5) articles of incorporation or articles of organization where applicable; 6) Illinois Department of Revenue certificate of registration; 7) sample copy of all trust contracts to be used; and 8) release form. Until all appropriate documentation is submitted, the Illinois Office of the Comptroller will not issue a license under any circumstances.

New Procedures

Perhaps most notable among the changes in licensing requirements has been the introduction of routine background checks. All applications submitted must be submitted along with a release form,

which authorizes any law enforcement agency to process a criminal background check and further, release any information to the Comptroller's Office. It is the practice of the Comptroller's Office to perform checks with the Illinois State Police, the Department of Professional Regulation, and the Attorney General's Office. The implementation of these checks accomplishes the Comptroller's goal of "weeding the bad apples out ahead of time."

Negligence and misappropriation in the industry is rare. Unfortunately, it is the occasional criminal misappropriation of funds or sloppy business practices that make it difficult for the vast majority of licensees and industry members who consistently operate in good standing.

If you have any questions or concerns regarding practices within the cemetery or funeral industry, please telephone Comptroller Hynes' consumer hotline at 1-877-203-3401. ■

DANIEL W. HYNES
 Cemetery Care & Burial Trust Division
 100 W. Randolph St., Suite 15-000
 Chicago, Illinois 60601
 312/814-2011 FAX: 312/814-3117

APPLICATION FOR LICENSE
 Illinois Cemetery Care Act
 (760 ILCS 100/1 et seq.)

Application is hereby made by the undersigned cemetery for a license to accept care funds, as defined in the Illinois Cemetery Care Act (760 ILCS 100/1 et seq.) **Application Fee: \$25**

- Name of Cemetery Entity _____
 Federal Employer Identification Number _____ Fiscal Year End _____
 State of Illinois Tax Identification Number _____ Month _____ Day _____
- Applicant will conduct business under the license herein applied for solely at the following Cemetery Location Address _____
 Street & Number _____ City _____ State _____ County _____ Zip Code _____
- Mailing Address (if different than cemetery location address) _____
 Street & Number _____ City _____ State _____ County _____ Zip Code _____
- Contact Person _____ Full Name & Title _____ Telephone Number (____) _____ Zip Code _____
 _____ Individual _____ Partnership _____
 _____ Corporation _____ Association _____ Other (specify) _____
 Date of Incorporation (if applicable) ____/____/____ State of Incorporation _____
 Name of Registered Agent _____ Address _____
 Street & Number _____ City _____ State _____ County _____ Zip Code _____
- Name of Parent Company _____
 Address _____
 Street & Number _____ City _____ State _____ County _____ Zip Code _____
 Contact Person _____ Full Name & Title _____ Telephone Number (____) _____ Zip _____
 Name and address of all subsidiary and/or affiliated companies (use additional sheets if necessary)
 Name _____ Street & Number _____ City _____ State _____ County _____ Zip Code _____
 Name _____ Street & Number _____ City _____ State _____ County _____ Zip Code _____
 Name _____ Street & Number _____ City _____ State _____ County _____ Zip Code _____
 Name _____ Street & Number _____ City _____ State _____ County _____ Zip Code _____

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Vital Statistics

The Heartbeat of Illinois' Finance

General Revenue Fund Cash Flow Crunch Eases in January

The General Revenue Fund (GRF) cash crunch eased in January after payment delays on 11 of December's 20 processing days. As expected, January's typically strong revenues (particularly individual income taxes) outpaced spending demands resulting in no payment delays for the month. At the end of December, the GRF cash balance stood at \$62 million, the lowest end-of-month cash balance since February of 1997. By the end of January, the balance had increased to \$269 million. However, the General Revenue Fund balance has decreased by \$728 million since the beginning of the fiscal year.

The General Funds cash balance (which includes the General Revenue Fund and three school funds) ended January at \$503 million, \$281 million or 35.8% below last January. Most of the decline can be attributed to the General Revenue Fund, which dropped \$216 million while the three school funds' cumulative balance decreased \$65 million. Since the beginning of the fiscal year the General Funds balance has declined by \$1.014 billion.

Although a decline in the General Funds balance during the first part of the fiscal year is typical, the magnitude of this year's drop (\$1.014 billion) was much greater than in previous years. In fiscal year 1998 the balance declined by \$9 million while the 1999 decline was \$96 million. During fiscal year 2000, the balance fell by \$567 million or 42.0% over the first seven months. This year's drop amounted to 66.8%.

Three factors help explain this year's significant decline in the General Funds balance. First, there is a growing seasonal mismatch between revenue and spending demands during the first several months of the fiscal year. 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, compared to this time last year, appropriations are up \$1.493 billion providing ample room for the \$672 million increase in seven-month spending from this year's appropriations.

General Funds Revenues Through Seven Months Up 3.1% Over FY 2000

Through seven months of fiscal year 2001, General Funds revenues totaled \$13.210 billion, \$396 million or 3.1% higher than last year. Of this year-over-year increase, income taxes accounted for \$240 million or 60.6%. Individual income tax receipts of \$4.281 billion are up \$192 million or 4.7% while corporate receipts have increased \$48 million or 11.6%. Other sources of revenue that have recorded increases through January include: federal sources (up \$83 million or 3.8%); riverboat gambling transfers (up \$79 million or 38.3%); investment income (up \$36 million or 27.3%); lottery transfers (up \$16 million or 6.3%) and Cook County intergovernmental transfers (up \$16 million or 11.6%).

The increases in federal source revenue and intergovernmental transfers can be

attributed to timing. Increased riverboat gambling transfers are due to increased activity as a result of dockside gambling and timing. 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 that have decreased through January are sales taxes (down \$16 million or 0.4%) and other transfers in (down \$101 million or 27.8%). The decrease in other transfers in 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 seven months of fiscal year 2001, only \$37.4 million has been transferred from the University of Illinois Hospital Services Fund. The \$16 million decrease in sales tax receipts reflects the loss of an estimated \$150 to \$175 million due to the temporary exemption of motor fuel sales from the tax base.

General Funds Spending Through Seven Months Up 6.3% Over FY 2000

Through January, General Funds cash spending totaled \$14.224 billion, \$843 million or 6.3% above last year. This increase includes a \$108 million decrease in lapse period spending, a \$672 million increase in spending from current year appropriations, and \$279 million more in transfers out.

Awards and grants spending increased \$366 million or 4.3% while operations increased \$254 million or 6.7% and transfers out jumped \$279 million or 25.9% (including a \$260 million Illinois FIRST transfer). After seven months of fiscal year 2001, expenditures have exceeded revenues by \$1.014 billion resulting in a decrease in the available cash balance from \$1.517 billion at the beginning of the fiscal year to \$503 million at the end of January.

Of the \$366 million increase in grant spending, Public Aid is up \$153 million or 5.8% through January while the Department of Human Services has increased by \$39 million or 2.5%. Awards and grants education

VITAL STATISTICS continued, page 7

DECEMBER 2000

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

	Six Months			
	Dec. 2000	FY 2001	Change From Prior Year	
			\$	%
Total General Funds				
Available Balance	\$ 410	\$ 1,517	\$ 166	12.3 %
Revenues	1,924	11,032	301	2.8
Expenditures	2,040	12,255	658	5.7
Ending Balance	\$ 294	\$ 294	(\$ 191)	(39.4) %
General Revenue Fund				
Available Balance	\$ 156	\$ 997	\$ (19)	(1.9) %
Revenues	1,623	9,382	196	2.1
Expenditures	1,717	10,317	335	3.4
Ending Balance	\$ 62	\$ 62	(\$ 158)	(71.8) %
Common School Special Account Fund				
Available Balance	\$ 200	\$ 69	\$ 1	1.5 %
Revenues	131	750	(7)	(0.9)
Expenditures	248	736	(23)	(3.0)
Ending Balance	\$ 83	\$ 83	\$ 17	25.8 %
Education Assistance Fund				
Available Balance	\$ 31	\$ 415	\$ 205	97.6 %
Revenues	117	542	92	20.4
Expenditures	20	829	353	74.2
Ending Balance	\$ 128	\$ 128	(\$ 56)	(30.4) %
Common School Fund				
Available Balance	\$ 24	\$ 36	\$ (21)	(36.8) %
Revenues	301	1,094	(128)	(10.5)
Expenditures	305	1,109	(154)	(12.2)
Ending Balance	\$ 21	\$ 21	\$ 5	31.3 %

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)

	Six Months			
	Dec. 2000	FY 2001	Change From Prior Year	
			\$	%
Revenues:				
State Sources:				
Cash Receipts:				
Income Taxes:				
Individual	\$ 547	\$ 3,339	\$ 166	5.2 %
Corporate	165	426	55	14.8
Total, Income Taxes	\$ 712	\$ 3,765	\$ 221	6.2 %
Sales Taxes	528	3,018	(26)	(0.9)
Other Sources:				
Public Utility Taxes	78	522	(21)	(3.9)
Cigarette Taxes	33	200	0	0.0
Inheritance Tax (gross)	28	206	18	9.6
Liquor Gallonage Taxes	10	65	3	4.8
Insurance Taxes and Fees	43	95	9	10.5
Corporation Franchise Tax and Fees	9	69	9	15.0
Investment Income	18	141	33	30.6
Cook County IGT	23	154	16	11.6
Other	15	117	(6)	(4.9)
Total, Other Sources	\$ 257	\$ 1,569	\$ 61	4.0 %
Total, Cash Receipts	\$ 1,497	\$ 8,352	\$ 256	3.2 %
Transfers In:				
Lottery Fund	\$ 33	\$ 224	\$ 18	8.7 %
State Gaming Fund	65	267	76	39.8
Protest Fund	2	6	3	100.0
Other Funds	17	197	(129)	(39.6)
Total, Transfers In	\$ 117	\$ 694	(\$ 32)	(4.4) %
Total, State Sources	\$ 1,614	\$ 9,046	\$ 224	2.5 %
Federal Sources:				
Cash Receipts	\$ 310	\$ 1,948	\$ 115	6.3 %
Transfers In	0	38	(38)	(50.0)
Total, Federal Sources	\$ 310	\$ 1,986	\$ 77	4.0 %
Total, Revenues	\$ 1,924	\$ 11,032	\$ 301	2.8 %

GENERAL FUNDS ANALYSIS OF EXPENDITURES (Dollars in Millions)

	Six Months			
	Dec. 2000	FY 2001	Change From Prior Year	
			\$	%
Expenditures:				
Awards and Grants:				
Public Aid	\$ 402	\$ 2,407	\$ 169	7.6 %
Elem. & Sec. Education:				
State Board of Education	563	2,267	(102)	(4.3)
Teachers Retirement	61	367	43	13.3
Total, Elem. & Sec. Education	\$ 624	\$ 2,634	\$ (59)	(2.2) %
Human Services	195	1,417	29	2.1
Higher Education	25	373	(38)	(9.2)
All Other Grants	111	806	0	0.0
Total, Awards and Grants	\$ 1,357	\$ 7,637	\$ 101	1.3 %
Operations:				
Other Agencies	\$ 422	\$ 2,529	\$ 176	7.5 %
Higher Education	169	951	86	9.9
Total, Operations	\$ 591	\$ 3,480	\$ 262	8.1 %
Transfers Out	\$ 119	\$ 1,191	\$ 270	29.3 %
All Other	\$ 4	\$ 38	\$ (25)	(39.7) %
Vouchers Payable Adjustment	\$ (31)	\$ (91)	\$ 50	N/A
Total, Expenditures	\$ 2,040	\$ 12,255	\$ 658	5.7 %

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

	Six Months			
	Dec. 2000	FY 2001	Change From Prior Year	
			\$	%
Personal Services:				
Regular Positions	\$ 201	\$ 1,163	\$ 45	4.0 %
Other Personal Services	21	127	7	5.8
Total, Personal Services	\$ 222	\$ 1,290	\$ 52	4.2 %
Contribution Retirement	40	239	9	3.9
Contribution Social Security	14	83	3	3.8
Contribution Group Insurance	53	326	64	24.4
Contractual Services	44	275	1	4.7
Travel	2	12	(1)	(7.7)
Commodities	11	66	(7)	(9.6)
Printing	1	4	0	0.0
Equipment	1	25	0	0.0
Electronic Data Processing	3	27	0	0.0
Telecommunications	2	28	5	21.7
Automotive Equipment	1	9	1	12.5
Other Operations	197	1,096	135	14.0
Total, Operations	\$ 591	\$ 3,480	\$ 262	8.1 %

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

	Six Months			
	Dec. 2000	FY 2001	Change From Prior Year	
			\$	%
State Board of Education:				
General State Aid	\$ 248	\$ 1,252	\$ (139)	(10.0) %
Categoricals	315	1,015	37	3.8
Other	0	0	0	0.0
Public Aid	402	2,407	169	7.6
Human Services	195	1,417	29	2.1
Higher Education:				
Student Assistance Commission	18	185	(61)	(24.8)
Community College Board	1	164	13	8.6
Other	6	24	10	71.4
Teacher's Retirement	61	367	43	13.3
Children and Family Services	70	411	(39)	(8.7)
Aging	14	107	(8)	(7.0)
Revenue	5	29	1	3.6
All Other	22	259	46	21.6
Total, Awards and Grants	\$ 1,357	\$ 7,637	\$ 101	1.3 %

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

	Seven Months			
	Jan. 2001	FY 2001	Change From Prior Year	
			\$	%
Total General Funds				
Available Balance	\$ 294	\$ 1,517	\$ 166	12.3 %
Revenues	2,178	13,210	396	3.1
Expenditures	1,969	14,224	843	6.3
Ending Balance	\$ 503	\$ 503	\$ (281)	(35.8) %
General Revenue Fund				
Available Balance	\$ 62	\$ 997	\$ (19)	(1.9) %
Revenues	1,884	11,266	282	2.6
Expenditures	1,677	11,994	479	4.2
Ending Balance	\$ 269	\$ 269	\$ (216)	(44.5) %
Common School Special Account Fund				
Available Balance	\$ 83	\$ 69	\$ 1	1.5 %
Revenues	133	883	(4)	(0.5)
Expenditures	144	880	(1)	(0.1)
Ending Balance	\$ 72	\$ 72	\$ (2)	(2.7) %
Education Assistance Fund				
Available Balance	\$ 128	\$ 415	\$ 205	97.6 %
Revenues	90	631	96	17.9
Expenditures	87	915	369	67.6
Ending Balance	\$ 131	\$ 131	\$ (68)	(34.2) %
Common School Fund				
Available Balance	\$ 21	\$ 36	\$ (21)	(36.8) %
Revenues	315	1,409	(59)	(4.0)
Expenditures	305	1,414	(86)	(5.7)
Ending Balance	\$ 31	\$ 31	\$ 6	24.0 %

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)

	Seven Months			
	Jan. 2001	FY 2001	Change From Prior Year	
			\$	%
Revenues:				
State Sources:				
Cash Receipts:				
Income Taxes:				
Individual	\$ 942	\$ 4,281	\$ 192	4.7 %
Corporate	37	463	48	11.6
Total, Income Taxes	\$ 979	\$ 4,744	\$ 240	5.3 %
Sales Taxes	532	3,551	(16)	(0.4)
Other Sources:				
Public Utility Taxes	113	634	11	1.8
Cigarette Taxes	33	233	0	0.0
Inheritance Tax (gross)	22	228	6	2.7
Liquor Gallonage Taxes	13	78	4	5.4
Insurance Taxes and Fees	5	101	11	12.2
Corporation Franchise Tax and Fees	14	83	8	10.7
Investment Income	27	168	36	27.3
Cook County IGT	0	154	16	11.6
Other	26	143	1	0.7
Total, Other Sources	\$ 253	\$ 1,822	\$ 93	5.4 %
Total, Cash Receipts	\$ 1,764	\$ 10,117	\$ 317	3.2 %
Transfers In:				
Lottery Fund	\$ 46	\$ 270	\$ 16	6.3 %
State Gaming Fund	18	285	79	38.3
Protest Fund	1	6	2	50.0
Other Funds	65	262	(101)	(27.8)
Total, Transfers In	\$ 130	\$ 823	\$ (4)	(0.5) %
Total, State Sources	\$ 1,894	\$ 10,940	\$ 313	2.9 %
Federal Sources:				
Cash Receipts	\$ 256	\$ 2,205	\$ 94	4.5 %
Transfers In	28	65	(11)	(14.5)
Total, Federal Sources	\$ 284	\$ 2,270	\$ 83	3.8 %
Total, Revenues	\$ 2,178	\$ 13,210	\$ 396	3.1 %

GENERAL FUNDS ANALYSIS OF EXPENDITURES (Dollars in Millions)

	Seven Months			
	Jan. 2001	FY 2001	Change From Prior Year	
			\$	%
Expenditures:				
Awards and Grants:				
Public Aid	\$ 399	\$ 2,806	\$ 153	5.8 %
Elem. & Sec. Education:				
State Board of Education	319	2,586	37	1.5
Teachers Retirement	61	427	48	12.7
Total, Elem. & Sec. Education	\$ 380	\$ 3,013	\$ 85	2.9 %
Human Services	200	1,618	39	2.5
Higher Education	108	481	53	12.4
All Other Grants	118	924	36	4.1
Total, Awards and Grants	\$ 1,205	\$ 8,842	\$ 366	4.3 %
Operations:				
Other Agencies	\$ 387	\$ 2,916	\$ 181	6.6 %
Higher Education	155	1,106	73	7.1
Total, Operations	\$ 542	\$ 4,022	\$ 254	6.7 %
Transfers Out	\$ 166	\$ 1,358	\$ 279	25.9 %
All Other	\$ 1	\$ 38	\$ (44)	(53.7) %
Vouchers Payable Adjustment	\$ 55	\$ (36)	\$ (12)	N/A
Total, Expenditures	\$ 1,969	\$ 14,224	\$ 843	6.3 %

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

	Seven Months			
	Jan. 2001	FY 2001	Change From Prior Year	
			\$	%
Personal Services:				
Regular Positions	\$ 204	\$ 1,367	\$ 55	4.2 %
Other Personal Services	21	148	8	5.7
Total, Personal Services	\$ 225	\$ 1,515	\$ 63	4.3 %
Contribution Retirement	41	280	11	4.1
Contribution Social Security	14	97	4	4.3
Contribution Group Insurance	28	354	48	15.7
Contractual Services	46	322	15	4.9
Travel	2	14	(1)	(6.7)
Commodities	11	77	(5)	(6.1)
Printing	2	5	0	0.0
Equipment	2	27	0	0.0
Electronic Data Processing	3	30	(1)	(3.2)
Telecommunications	6	34	7	25.9
Automotive Equipment	1	10	0	0.0
Other Operations	161	1,257	113	9.9
Total, Operations	\$ 542	\$ 4,022	\$ 254	6.7 %

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

	Seven Months			
	Jan. 2001	FY 2001	Change From Prior Year	
			\$	%
State Board of Education:				
General State Aid	\$ 248	\$ 1,500	\$ (14)	(0.9) %
Categoricals	71	1,086	51	4.9
Other	0	0	0	0.0
Public Aid	399	2,806	153	5.8
Human Services	200	1,618	39	2.5
Higher Education:				
Student Assistance Commission	105	290	32	12.4
Community College Board	1	164	13	8.6
Other	2	27	8	42.1
Teacher's Retirement	61	427	48	12.7
Children and Family Services	61	471	(12)	(2.5)
Aging	18	125	(3)	(2.3)
Revenue	4	34	1	3.0
All Other	35	294	50	20.5
Total, Awards and Grants	\$ 1,205	\$ 8,842	\$ 366	4.3 %

PUBLICATION REQUEST FORM...

DEAR READER:

This special quarterly issue of *Fiscal Focus* is being mailed to readers who may not have been aware of this publication. If you are receiving *Fiscal Focus* for the first time and would like to continue to receive it, we need to hear from you. Please fill out the information below, or e-mail your request to griffde@mail.ioc.state.il.us.

Is the address below correct? Yes No

If yes, mail this form to the return address listed below.

If no, complete the following form and mail to the return address listed below.

FIRST NAME _____ LAST NAME _____

TITLE _____ ORGANIZATION _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ E-MAIL _____

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Office of the Comptroller
325 West Adams Street
Springfield, IL 62704-1871

COMPTROLLER DANIEL W. HYNES

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

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