

# FISCAL FOCUS

Comptroller Daniel W. Hynes

November/December 1999

## WHAT'S NEW

The following reports will be available soon!

1999 Comprehensive Annual Financial Report  
1999 Executive Summary  
1999 Bonded Indebtedness Report

## Cover Story...

## ILLINOIS STATE TOLL HIGHWAY AUTHORITY

The State Toll Highway Authority (ISTHA) is a semi-independent agency responsible for constructing, operating and maintaining a system of toll highways in Illinois. The Authority was created in 1967 and it is the successor of two preceding agencies, the Illinois State Superhighway Commission created in 1943 and the Illinois State Toll Highway Commission formed in 1953. The evolution of Illinois' toll highway agencies is not unlike what was happening nationally. Historically, the financing of roads and bridges was primarily a local government function, but in 1916 and 1921 the federal government enacted federal highway legislation that provided financial assistance to states to build roads and bridges. In the immediate post-World War II period, the growth of suburbs and the increase in the number and use of automobiles created a demand for higher quality highways. In response, between 1945 and 1955, many states began to build turnpikes on their primary travel corridors.

A major issue in constructing and maintaining highways is the question of who is going to pay for them. Congress made its choice in 1956 when the Federal-Aid Highway Act was passed to establish a coast-to-coast Interstate System financed with taxes, not tolls. The creation of the Federal Highway Trust Fund and the subsequent flow of billions of dollars to the states diminished the call for toll supported highways. However, in the 1990's, some concerns began to converge. Phenomenal growth occurred in the number and use of highway vehicles causing deterioration to the transportation infrastructure. Governments at all levels were short of funds, or deferring

*COVER STORY continued, page 8*

## IN THIS ISSUE

Toll Highway Receipts and Mileage Comparison . . . . .	pg. 2
Toll Highway Bonded Indebtedness . . .	pg. 5
Fiscal Forum . . . . .	pg. 6
Cemetery Care Corner. . . . .	pg. 7

## ***A Note From Dan Hynes***

Dear Readers:

*Holiday greetings!*

This has been a year of change and growth for the Comptroller's Office. I have learned first hand the dedication of the people who make up the workforce of the Office of the Comptroller. All of the people I have met here have impressed me with the job that they do.



We have set a course for the Office in the last 11 months that will provide greater public accountability of our government, more efficient operations through the best use of new technologies, and a stronger role in watching out for the fiscal well being of the State.

This issue of Fiscal Focus addresses one of the leading issues today. The Illinois Toll Highway Authority and the tollway system it administers. This issue is meant to provide the background of the Authority and the system so that the public and their elected representatives understand the fiscal implications of any decision regarding the tollways.

Also included in this issue is a discussion of the work of the Cemetery Care and Burial Trust Department within the Office. I am interested in addressing the needs and concerns of consumers in the cemetery and funeral home industries, especially in light of the sensitivity surrounding the death of a loved one.

The Economic Focus in this issue follows up on the last Fiscal Focus by looking at what Illinois does to encourage venture capital investments and assistance for start-up businesses. Encouraging entrepreneurship is vital to the fiscal and economic health of Illinois. It is the state's responsibility to provide an environment conducive to these types of initiatives.

Over this past year, I have valued the input of our readers and others across Illinois. It is your input that provides us with the tools we need to better serve. We welcome and encourage your comments. You can call our Office at (217) 782-6000 or (312) 814-2451, or you can e-mail us at [www.ioc.state.il.us](http://www.ioc.state.il.us).

Have a safe and happy Holiday!

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.

**Editorial Staff:** Robert Brock and Ann Sundeen. **Writers & Analysts:** Kevin Fitzpatrick, Loren Iglarsh, William Dracos, Stephanie Blair, Carol Reckamp, Charla Standage and David Griffith. **Production:** Janet Irlam, Rhonda Rathbone, Susan Hansen, Brenda Voyles, Frank Weitzel, Larry Hopkins and Mike Petropoulos.

Fiscal Focus is published by Comptroller Daniel W. Hynes, 201 State House, Springfield, Illinois 62706. Questions or comments may be directed to (217)782-6000.

Web Address: <http://www.ioc.state.il.us>

In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by contacting the Office of the Comptroller at (217)782-6000 or calling the IOC Telecommunications Device for the Deaf (TDD) number, (217)782-1308, or by visiting the Illinois state Capitol Building, 201 State House, Springfield, Illinois.

The Illinois Office of the Comptroller is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, marital status, national origin, ancestry, age or disability in employment or in the provision of any services, programs or activities.

Printed by Authority of the State of Illinois 12/99 - 3,200 Job 33890



Reproduction of articles from this issue or portions thereof is allowed with proper attribution to Fiscal Focus, Illinois Office of the Comptroller.

## What Would It Take To Replace Toll Highway Revenues

Several proposals have been put forth to change the way the highway system currently under the control of the Illinois State Toll Highway Authority is managed. Those proposals range from a state take over to privatization. Some also include the elimination of the current tolls. Although an argument might be made that efficiencies could be achieved through such changes, at least three costs would remain - the roads must be maintained, the bonded indebtedness of the Authority must be retired, and the cost of State Police patrols must be absorbed.

Relatively stagnant revenue sources (absent tax increases) such as the motor fuel tax and vehicle registration fees along with some highly unpredictable federal revenues currently fund the majority of highway maintenance in Illinois.

cents to nearly 24.8 cents (an increase of 30.5 percent) to offset the loss of \$350 million.

According to estimates from the Secretary of State's office, after the implementation of the Illinois FIRST increases to vehicle registration fees, an additional 31.5% would need to be applied to the various vehicle registration fees in order to raise the \$350 million in lost revenues from the elimination of tolls.

Other major state tax sources, and the amount of increase needed in their respective rates to raise approximately \$350 million include: the individual income tax (from 3.0% to 3.135%); the corporate income tax (from 4.8% to 6.012%); and the state portion of sales tax (from 5.0% to 5.294%).

Adding more miles of road to be maintained to the existing mix of roadways would thin the spread of current dollars across Illinois for road maintenance.

For illustration purposes, the calculations presented here assume that all of the estimated \$350 million in revenue that would be lost due to the elimination of tolls would need to be replaced. In addition, while there are numerous revenue sources that could be changed, this illustration uses only a few of the largest and most recognizable sources. These include the motor fuel tax, vehicle registration fees, personal and corporate income taxes, and sales taxes.

The current base state tax rate for motor fuel in Illinois is 19 cents per gallon. Each 1 cent increase in the rate would bring in approximately \$60.7 million. Based on that estimate, the rate would need to be increased from 19

**Estimated Incremental Impact of Tax Rate Changes  
Based on Fiscal Year 1999 Revenues  
(in millions)**

	Current Rate	Estimated Incremental Impact	Amount of Inc. needed to raise \$350 million
Motor Fuel Tax	19¢	+/- 1¢	
Total FY 1999 Revenue	\$ 1,264.9	\$ 60.7*	5.766¢
Vehicle Registration Fees**	varies	+/-1.0%	
Projected Annual Fees after Illinois FIRST increase	\$ 1,109.6	\$ 11.1	31.532%
Individual Income Tax***	3.0%	+/-0.1%	
Total FY 1999 Revenue	\$ 7,778.0	\$ 259.3	0.135%
Corporate Income Tax***	4.8%	+/-0.16%	
Total FY 1999 Revenue	\$ 1,384.7	\$ 46.2	1.212%
Sales Tax (State Portion)***	5.0%	+/-0.1%	
Total FY 1999 Revenue	\$ 5,949.0	\$ 119.0	0.294%

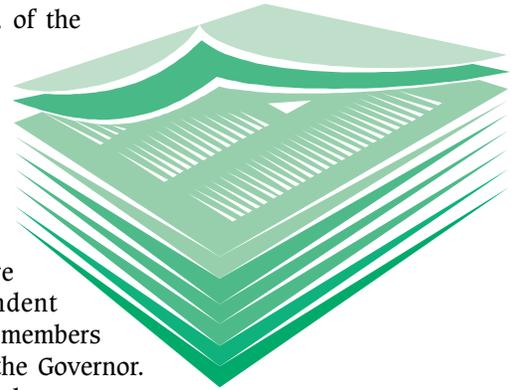
\*Number derived by the Comptroller's Office analysis of receipts.

\*\*Projections made by the Secretary of State's office.

\*\*\*Revenue amounts represent tax receipts to appropriated funds, and do not include diversions to other funds.

# How Illinois Stacks Up

Research Unit, of the 21 states that have publicly owned toll highway systems, 13 (including Illinois) are quasi-independent agencies with members appointed by the Governor. Transportation departments run six states' toll highways. In Georgia, the Governor and two



## Toll Highway Receipts

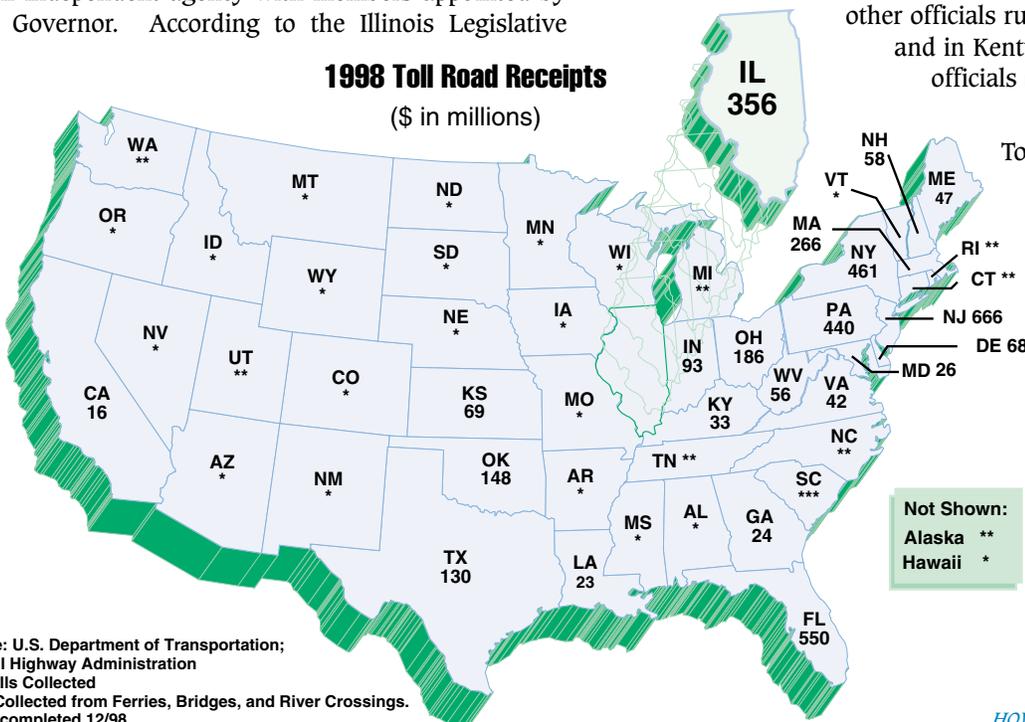
Toll roads have been a part of the nation's transportation infrastructure since the late 1700s. As the country expanded, the demand for good roads grew as well. To meet this growing demand, some states, mostly in the North and East, began building turnpikes between 1945 and 1950. Although relatively few toll roads have been built since the advent of the Interstate Highway System, such roads remain an important part of the nation's infrastructure.

Each toll collecting state has some sort of Governing Board, Authority, Commission, City or County Government, or Transportation Department as an operating authority that controls and determines the function of the toll roads. Illinois' toll roads are under the control of the Illinois State Toll Highway Authority - a semi-independent agency with members appointed by the Governor. According to the Illinois Legislative

### Toll Highway Receipts and Miles Top Ten States (\$ in thousands)

Rank	1998 Toll Road Receipts	1999 Toll Road Miles
1	New Jersey \$665,544	Florida 577
2	Florida \$550,147	Oklahoma 564
3	New York \$461,492	New York 518
4	Pennsylvania \$440,202	Pennsylvania 507
5	<b>Illinois \$355,793</b>	New Jersey 326
6	Massachusetts \$266,071	<b>Illinois 273</b>
7	Ohio \$185,932	Ohio 241
8	Oklahoma \$147,705	Kansas 229
9	Texas \$129,881	Kentucky 219
10	Indiana \$93,187	Indiana 157

### 1998 Toll Road Receipts (\$ in millions)





# Focus On Revenue

## Fee Revenues

A resident of Illinois must pay a fee to go camping, to receive a driver's license, or to obtain a license for certain occupations. Based on the 1999 Fee Imposition Report issued by the Comptroller's Office, there were 2,164 separate fees collected by various agencies of state government in fiscal year 1999. Fee revenues from fiscal year 1999 totaled \$2.762 billion, \$79 million or 2.9% higher than the previous year. If viewed as a single source, fee revenue would be the fourth largest state revenue source behind state income taxes, federal aid and state sales taxes respectively.

Fees are paid by individuals and organizations. Fees paid by individuals include occupational licenses, tuition and other university fees, personal service and user charges. These fees accounted for 46% of fees and 65% of fee revenues in fiscal year 1999. Occupational license charges alone represented 29% of the fees. Fees paid by organizations include regulatory, licensing and registration charges paid by corporations, partnerships, nonprofits and labor unions. These fees accounted for 44% of fees and 33% of fee revenue.

Several new fees were added in fiscal year 1999. The new Department of Public Aid fee is for KidCare insurance coverage and the Illinois State Police fee is for sex offender registrations. The Law

Enforcement Training and Standards Board fee is to pay for background checks, interviews and tests for civilians seeking a career in law enforcement. The Toll Highway Authority also added new fees in the form of rental fees for telecommunications companies that use its property.

Ten fee-collecting agencies made up \$2.3 billion or 83% of the total fee revenue in fiscal year 1999. The Secretary of State's Office led with \$605 million or 22% of total fee revenue. The Department of Public Aid collected \$549 million (20% of total) in fees while the Toll Highway Authority collected \$347 million or 13% of the total fee revenue. Central Management Services came in eighth place collecting \$62 million. The other six of the top ten were state universities collecting fees in the form of tuition charges.

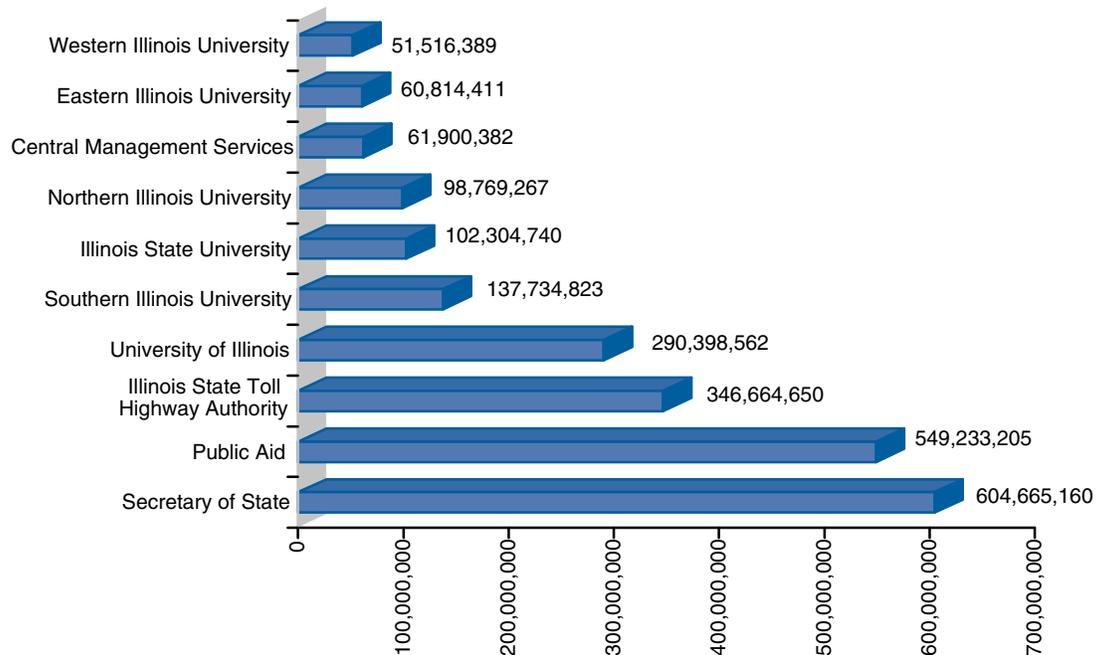
Two special studies were presented in this year's Fee Report: Illinois FIRST

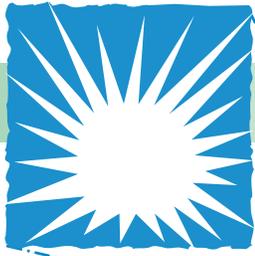
and the preferential rates to assist senior citizens. The primary source of financing for the Illinois FIRST program is increased drivers' and vehicle fees and is supplemented by higher liquor tax rates. Approximately, sixty-six driver and vehicle fees increased as a result of Illinois First. The typical fee increase was 25%, but increases were found as high as 400% for vehicle title certificates. This increase in title certificates is expected to raise \$166 million in new revenue annually. Higher auto registration fees in conjunction with the increases in registration fees for other vehicles are expected to raise an additional \$249 million annually.

Driver's license fees are cut in half from \$10 to \$5 for Illinois residents 69 years of age or older for a 4-year renewal. A 2-year renewal for age 81-86 year olds is \$2 and free for those 87 and over because of the requirement to renew their licenses on a more frequent basis. Auto registration charges

*FOCUS ON REVENUE continued, page 6*

**Fee Revenue by Agency, FY 1999  
(Dollars)**





## Focus On Spending

### Toll Highway Bonded Indebtedness

Under Illinois law, the State Toll Highway Authority can issue bonds without limitation. These bonds must mature within 25 years. The bonds issued by the Authority are not backed by the full faith and credit of the State but are payable solely from the revenues of the Authority. At the end of fiscal year 1999, the total principal debt outstanding for bonds issued by the Authority was over \$888 million.

The Authority also utilizes refunding bonds to defease or pay off earlier bonds. The proceeds from a refunding bond issue are turned over to a trustee to pay the debt service (principal and interest) on the old bonds as they come due. Defeased or refunded bonds totaled \$380 million at the end of fiscal year 1999.

The first bonds issued by the Authority in 1955 totaled \$415 million and were issued to construct the three original tollways. Other bond issues used for construction include: 1958, 1966 and 1970 for the three original tollways including extending the East-West Tollway, 1986 for the North-South Tollway, and 1992 for widening 23 miles of the Tri-State Tollway including rehabilitation. The remaining issues

(1985, 1987, 1993, 1996, and 1998) were refunding issues.

Principal debt outstanding in the early 1980's was below \$350 million and declining every year. But principal outstanding more than doubled in fiscal year 1987 to \$587 million due to the almost \$540 million in bonds issued that year (series 1986 and 1987). For the next five years debt outstanding declined, until fiscal year 1993 when almost \$847 million in bond issues pushed principal debt outstanding over \$1 billion. Since then, outstanding debt has declined to the current level of \$888 million. Future interest payments on this debt are over \$484 million.

If no other bonds are issued by the Authority, the last series issued (1998B) will mature on January 1, 2017.

Toll Highway Authority  
Bond Issues and Principal Outstanding  
(dollars in thousands)

Series	Issue Date	Maturity (Jan. 1)	Original Amount	Amount outstanding at the end of each fiscal year										
				1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	
1955	Oct. 1	1997	\$ 415,000	\$ 0	0	0	0	0	0	0	0	0	0	0
1958	Jan. 1	1998	64,000	<b>56,196</b>	<b>56,096</b>	<b>55,996</b>	<b>55,896</b>	<b>55,796</b>	<b>55,696</b>	<b>35,224</b>	<b>13,784</b>	0	0	0
1966	Apr. 1	1999	14,250	<b>8,083</b>	<b>8,033</b>	<b>7,983</b>	<b>7,933</b>	<b>7,883</b>	<b>7,833</b>	<b>7,783</b>	<b>7,733</b>	<b>7,683</b>	0	0
1970	Dec. 1	2006	135,000	<b>98,350</b>	<b>95,750</b>	<b>85,330</b>	<b>67,350</b>	<b>48,150</b>	<b>27,650</b>	<b>26,255</b>	<b>24,840</b>	<b>23,220</b>	<b>21,190</b>	0
1985	Dec. 1	1996	123,255	<b>117,115</b>	<b>117,115</b>	<b>117,115</b>	<b>123,255</b>	<b>123,255</b>	<b>123,255</b>	0	0	0	0	0
	Dec. 1	1997	43,945	37,940	34,355	30,500	20,210	15,730	10,895	5,665	0	0	0	0
1986	Oct. 1	1998	110,555	400,825	389,660	377,870	75,125	61,900	47,855	32,910	0	0	0	0
	Oct. 1	1996	290,270	<b>290,270</b>	<b>290,270</b>	<b>290,270</b>	<b>290,270</b>	<b>290,270</b>	<b>290,270</b>	0	0	0	0	0
1987	Feb. 15	2003	139,145	135,355	134,370	133,335	132,250	131,110	129,910	128,645	0	0	0	0
1992A	Sept. 1	2012	100,665				413,770	413,770	413,770	413,770	413,770	413,770	413,770	100,665
	Sept. 1	2003	358,985				<b>45,880</b>	<b>45,880</b>	<b>45,880</b>	<b>45,880</b>	<b>45,880</b>	<b>45,880</b>	<b>45,880</b>	<b>358,985</b>
1993A	Mar. 1	2005	209,145				209,145	206,445	202,275	197,965	193,495	182,705	159,990	0
1993B	Mar. 24	2010	178,200				178,200	178,200	178,200	178,200	178,200	178,200	178,200	178,200
1996A	Sept. 1	2009	148,285								145,385	129,565	124,445	0
1998A	Dec. 1	2016	202,035											202,035
1998B	Dec. 30	2017	123,100											123,100
Principal Outstanding				\$ 574,120	\$ 558,385	\$ 541,705	\$ 1,028,700	\$ 1,007,155	\$ 982,905	\$ 957,155	\$ 930,850	\$ 904,240	\$ 888,435	0
Defeased				279,744	276,994	266,424	590,584	571,234	550,584	115,142	92,237	76,783	380,175	0
Total				\$ 853,864	\$ 835,379	\$ 808,129	\$ 1,619,284	\$ 1,578,389	\$ 1,533,489	\$ 1,072,297	\$ 1,023,087	\$ 981,023	\$ 1,268,610	0

**Bolded** amounts represent advanced refunded bonds or defeased amounts.

Source: Illinois Office of the Comptroller, Bonded Indebtedness and Long Term Obligations Annual Reports.

## Focus On Revenue concluded

are reduced from \$48 to \$24 for seniors and identification cards are free for the disabled and seniors over 60 years of age. A new fee reduction in fiscal year 1999 was introduced for a combined sports-hunting and fishing license fee for seniors from \$19.25 to \$10. The Pharmaceutical Assistance card, although not a fee reduction, is a special card available only to senior citizens and the disabled. With a minor co-pay, the card is available for \$40 to those below the poverty level and \$80 to higher-income applicants.

According to a 1998 U.S. Bureau of the Census study, Illinois per capita license fees of \$100 were \$10 below the national average. Illinois' per capita vehicle license fee (\$67) was somewhat above the national average and ranked 11th nationally. Per capita costs (\$33) for other licenses in Illinois were well below the national average and ranked 39th nationally.

Fees are paid daily for numerous and varied functions. As a single funding source, they play an important role in the state's financial picture. It is vital to understand how these fee revenues are collected. For more information on fee revenues, see the 1999 Fee Imposition Report, available in print upon request or at the Comptroller's website: [www.ioc.state.il.us](http://www.ioc.state.il.us).

## How Illinois Stacks Up concluded

ed the most were New Jersey (\$665.5 million) and Florida (\$550.1 million). Illinois was fifth with \$355.8 million.

A review of the Midwest shows Illinois collected the most in toll road receipts during 1998. Ohio (\$185.9 million), Indiana (\$93.2 million) and Kentucky (\$33.2 million) fall sharply compared to Illinois.

Nationally, toll roads consist of both interstate and non-interstate miles. Currently, there are 4,207 miles of toll road including 1,564 non-interstate and 2,643 interstate miles. The Florida Turnpike is the longest non-interstate toll road with 500 miles and the Thomas E. Dewey Thruway in New York with 495 miles is the longest interstate toll road. The five largest states in terms of toll highway miles are Florida (577), Oklahoma (564), Pennsylvania (507), New York (518), and New Jersey (326). Combined, these five states have 2,493 miles of toll roads, or 59% of the national total. Illinois is the sixth largest state in terms of toll highway length with 273 miles.

# Happy Holidays!

## Fiscal Forum

Last month's Fiscal Forum asked readers about state tax incentives for economic development. The question and the distribution of our readers' responses are presented below.

Should the State of Illinois provide tax and other financial incentives to encourage:

	<b>YES</b>	<b>NO</b>
Outside businesses to move their operations to Illinois?	73.8%	26.2%
Inside businesses to expand their operations within Illinois?	83.1%	16.9%

Over the next month, we are asking readers for input on the following question:

After reading this month's Fiscal Smarts, should the state raise taxes in order to make toll highways into freeways?

**YES**

**NO**

To respond to our question, simply log onto our web site at [www.ioc.state.il.us](http://www.ioc.state.il.us).



## *Cemetery Care Corner*

### **Positive Changes for Cemetery Care and Burial Trust Department as it moves into the 21st Century**

The CCBT helps to regulate approximately 2,000 entities comprised of funeral homes, cemeteries, and sellers of pre-need goods and services in Illinois. New changes have resulted in improved services to the public and increased scrutiny on fraud and neglect in the death care industry. During the summer and fall, Comptroller Hynes held six public statewide hearings in an effort to obtain feedback from consumers and licensees on various issues ranging from care and maintenance of cemeteries to funding constraints.

The last of these hearings was concluded on October 26, 1999, in Lake County. Approximately 50 people attended the hearing, including elected officials from the Lake County area. As a result of the hearings, the Comptroller's Office is developing a spring legislative reform package for the death care industry.

Comptroller Dan Hynes' efforts to increase public awareness about problems in the death care industry and to implement meaningful reforms have generated some positive results. Many cemeteries, including those not regulated by this Office, have been prompted to clean up debris and improve the general condition of the grounds.

The Office has also implemented a new state-of-the-art internal database to capture comprehensive financial information submitted by cemetery, funeral, and pre-need licensees as part of their statutory reporting responsibilities. This enhanced system will capture valuable financial and consumer information across the state. It will greatly assist the CCBT in tracking everything from trends in the industry to organizing the consumer complaints to evaluating applicants for licenses. The Comptroller's vision regarding tightening up the scrutiny of the application process is now reality. The CCBT now conducts background checks of individuals applying for licensure to ensure that only those individuals who operate within the law and with the highest record of integrity are permitted to conduct cemetery or funeral business in Illinois.

In addition to holding the licensees to the highest level of scrutiny, Comptroller Hynes is in the process of developing new consumer protection legislation that he intends to introduce in Springfield during the spring session. In a cooperative effort with numerous advocacy groups, legislators, and representatives of the death care industry this legislation should reflect the most current needs and concerns.

The Comptroller has also formed the Cemetery and Funeral Advisory Council. The Council held its first meeting on December 7, 1999, in the Comptroller's Springfield office. The Council will focus its current efforts on the reform legislation. Prospectively, the Council will provide vital input in the oversight of this often overlooked industry.

The positive changes that have taken place in the CCBT in the last year will lay the groundwork for future improvements and efficiencies in the Office of the Comptroller as it moves into the 21st Century. More comprehensive information, sweeping consumer-friendly reforms, and rising standards for licensees will result in improved services to Illinois consumers and will provide the appropriate tribute to their deceased loved ones in the future.

## Cover Story continued

infrastructure maintenance. In addition, highways built during the peak years of interstate construction were approaching the end of their design life and wearing out. The issue of how to finance the construction and maintenance of highways began to reemerge. And the issue has spawned a continuum of proposals ranging from publicly owned and operated systems to public-private partnerships to privately owned and operated facilities.

### Structure and Powers

The Illinois State Toll Highway Authority is comprised of 11 members. The Governor and the Secretary of the Department of Transportation serve as ex officio members, and the Governor appoints 9 persons at large from the state subject to the advice and consent of the Senate. In addition, the statutes provide for a 29-member Advisory Committee (7 members of the House of Representatives appointed by the Speaker, 7 members of the Senate appointed by the President, and 15 persons appointed by the Governor). The Advisory Committee is responsible for advising the Authority on policy matters concerning the toll highway system, but it is the Authority itself which

has the power to acquire, construct, maintain, operate and regulate a system of toll highways in Illinois.

To carry out its responsibilities, the ISTHA has broad powers. For example, the Authority is empowered to prepare detailed plans and specifications for toll highways, to make surveys and prepare maps of locations and rights of way needed for future construction, and to acquire, hold and use real and personal property as may be necessary. The Authority may acquire any right of way needed for additions to the system at any time, and the acquisitions can be made by purchase or by condemnation. The Authority also has the power to enter into contracts, employ and discharge employees, make rules and by-laws, fix and collect tolls, and to fix, assess and collect civil fines for vehicles operating on a toll highway if the required toll has not been paid.

### Current Toll Highway System

Since beginning operations in 1958, the Toll Highway Authority has constructed a 273-mile system with over 1,600 lane miles, 535 bridge structures, 20 main plazas, 36 ramp plazas and 7 patron service areas ("Oases"). The system accom-

modates over 1.9 million vehicles per day and collects nearly \$1 million per day in tolls. The major components include the Tri-State Tollway (Interstate 94, 82 miles), the Northwest Tollway (Interstate 90, 76 miles), the East-West Tollway (Interstate 88, 98 miles), and the recently completed North-South Tollway (Interstate 355, 17 miles). [see map on page 16]

Four additional toll highways totaling 93 miles have been proposed. The Toll Highway Act requires the ISTHA to submit to the Governor, for his approval, preliminary plans and cost estimates for new construction. The Act also requires the General Assembly to authorize any proposed project by joint resolution prior to the issuance of any bonds for, or the commencement of, construction of any new toll highway. In 1993, the General Assembly passed joint resolutions authorizing a 32-mile extension of the North-South Tollway southward, a 23-mile extension of the North-South Tollway northward, and a 26-mile Richmond-Waukegan toll highway. In 1995, a 12-mile O'Hare Bypass along the western side of O'Hare Airport was added to the list. Of the four proposals, the ISTHA has only completed traffic and engineering

feasibility studies, conducted a public hearing, and received the Governor's approval for the southward extension of the North-South Toll Highway. However, litigation against the ISTHA brought in 1996 by a coalition of environmental and citizens groups halted the project. The court ruled that ISTHA failed to make a compelling argument as to the definitive need for the tollway and ignored the negative environmental impacts the road would cause. The ISTHA has announced that they will comply with a 1997 federal court order requiring further study of the controversial project. They plan to

**Illinois State Toll Highway Authority  
Expenditures by Major Object, FY 1997-99**

	FY 1997	FY 1998	FY 1999	% Change FY 1998-99
<b>Personal Services</b>	\$104,832,835	\$108,871,732	\$113,618,379	4.4%
<b>Contractual Services</b>	26,924,123	42,121,085	34,397,427	-18.3%
<b>Commodities</b>	3,175,046	2,763,347	3,041,280	10.1%
<b>Equipment</b>	10,344,975	2,428,293	6,031,738	148.4%
<b>Electronic Data Processing (EDP)</b>	565,118	77,978	2,847,295	3551.4%
<b>Telecommunications</b>	3,328,495	9,307,907	7,522,652	-19.2%
<b>Automotive Equipment</b>	1,959,405	1,704,027	1,969,173	15.6%
<b>Lump Sums</b>	430,258	42,735	38,996	-8.7%
<b>Awards and Grants</b>	60,000	0	150	100.0%
<b>Permanent Improvements</b>	1,116,110	1,372,981	887,741	-35.3%
<b>Refunds</b>	86,909	162,560	128,937	-20.7%
<b>Highway Construction</b>	145,498,327	122,017,738	217,131,815	78.0%
<i>Land Acquisition</i>	35,979,048	2,482,309	2,030,212	-18.2%
<i>Attorney/Appraisal/Abstract Fees</i>	839,531	349,790	285,152	-18.5%
<i>Construction and Improvement</i>	67,834,102	79,794,058	175,191,191	119.6%
<i>Architectural/Engineering Fees</i>	40,845,646	39,391,582	39,625,261	0.6%
<b>Debt Service</b>	84,248,469	76,549,946	78,026,293	1.9%
<i>Current Principal</i>	31,361,884	26,455,464	30,170,913	14.0%
<i>Current Interest</i>	52,390,714	49,637,806	47,333,259	-4.6%
<i>Payments to Trustee/Future Debt Service</i>	495,871	456,676	522,120	14.3%
<b>TOTAL</b>	<b>\$382,570,070</b>	<b>\$367,420,329</b>	<b>\$465,641,877</b>	<b>26.7%</b>

SOURCE: Illinois Office of the Comptroller

evaluate all reasonable alternatives to the proposed toll highway, such as improving local roads and upgrading commuter rail service, and to work with local interest groups in developing the next environmental study.

### Administration

The ISTHA is headed by an Executive Director and has approximately 2,000 full- and part-time employees under its jurisdiction including about 1,500 that are represented by unions. About seven hundred fifty are employed as toll collectors and approximately 450 staff are devoted to maintenance activities. Routine activities such as crack sealing, mowing, trash removal, landscaping, snow removal and the like are performed by Authority employees, and fleet maintenance and the cost of State Police vehicles and other equipment are also paid for by the Authority. District 15 of the Illinois State Police provides approximately 130 officers to patrol the toll highways, and the ISTHA reimburses the State Police for all expenses incurred. The ISTHA also provides about 15 employees to District 15 as support staff.

### Operations/Expenditures

Given that the 273-mile system has been completed, and that the proposed extensions are not under construction, a major responsibility is maintaining the current system. Expenditures for general maintenance costs are spread across three areas: roadway maintenance such as crack sealing, trash removal, mowing, and snow removal; fleet maintenance such as fuel costs, vehicle and equipment repairs and maintenance; and building maintenance such as lighting, heating, air-conditioning, and so forth. In addition, more serious infrastructure repairs are handled under the Major Improvement Program (MIP).

Total expenditures of the ISTHA increased by over \$98 million or almost 27% from FY 1998 to FY 1999. Most of this increase is attributable to highway construction and improvement expenditures, which at \$175 million, were up over \$95 million from the FY 1998 amount. However, the largest percentage increase occurred in electronic data processing (EDP) where expenditures for hardware grew by over

35 times. Equipment spending also jumped from FY 1997 to FY 1998, increasing by \$3.6 million or almost 150%. [see Illinois State Toll Highway Authority Expenditures by Major Object table]

The ISTHA is installing an electronic toll collection system called I-PASS and establishing I-PASS only lanes and I-PASS express lanes. This program is designed to reduce toll collection costs, but it has had several set backs. The original contract was rebid nearly halfway through completion of the program. Rebidding resulted in the Authority having to purchase all new hardware for the I-PASS system, and the new equipment issued by the company had many problems and more than 30,000 transponders (the devices installed in vehicles) had to be recalled. The Authority originally projected the system would be fully in place by the end of 1998; but it is now expected to be completed by 1999. I-PASS has been expensive from a capital standpoint, and installing I-PASS has so far cost the authority at least \$110 million. I-PASS express plazas cost about \$30 million each and I-PASS only lanes cost about \$400,000 each to complete.

### Revenue

The majority of revenue for operations of the Authority comes from vehicle tolls. Of the \$363 million in revenues generated in 1998, \$324 million or about 89% came from tolls while investment income contributed \$27 million and concessions and miscellaneous sources added \$12 million.

Tolls are based on the

number of axles and are higher for dual-tired vehicles (e.g., 40 cents for automobiles, 50 cents for a single bus, \$1 for trucks with four axles), but they have not been increased since 1983. The 2% growth in toll revenues from about \$318 million in 1997 to \$324 million in 1999 is low relative to previous years. For example, in the 1970's the average annual rate of growth in toll revenues was about 5% and in the 1980's the average annual rate was approximately 10%. From 1991 to 1997 the average annual increase was about 4%. Passenger cars account for the majority of the annual toll transactions (about 90%) and of the annual toll revenues (about 79%). [see Toll Revenues

*COVER STORY continued, page 10*

**Illinois State Toll Highway Authority  
Toll Revenues and Transactions  
Selected Years, 1959-1998  
(\$ and transactions in thousands)**

Year	Toll Revenues	Passenger Vehicle Revenues	Percent Passenger	Passenger Vehicle Transactions	Percent Passenger
1959	\$14,536	\$11,943	82.20%	37,884	88.20%
1964	\$31,172	\$26,284	84.30%	72,721	91.20%
1969	\$55,675	\$46,872	84.20%	146,476	91.00%
1970	\$56,908	\$47,565	83.60%	160,016	90.90%
1971	\$58,579	\$47,941	81.80%	174,757	89.80%
1972	\$61,242	\$50,093	81.80%	183,763	88.60%
1973	\$67,978	\$54,420	80.10%	201,139	88.60%
1974	\$70,310	\$55,419	78.80%	204,360	87.80%
1975	\$72,061	\$58,784	81.60%	216,180	88.90%
1976	\$79,553	\$63,578	79.90%	233,564	88.20%
1977	\$86,794	\$66,939	77.10%	246,051	87.50%
1978	\$92,868	\$70,946	76.40%	261,486	86.90%
1979	\$97,116	\$73,048	75.20%	268,051	86.30%
1980	\$95,452	\$73,248	76.70%	269,106	87.00%
1981	\$98,748	\$75,361	76.30%	275,863	87.20%
1982	\$99,152	\$76,004	76.60%	278,508	87.70%
1983	\$117,228	\$88,074	75.10%	290,687	87.90%
1984	\$157,327	\$114,233	72.60%	308,104	87.80%
1985	\$164,298	\$120,397	73.30%	324,673	88.20%
1986	\$179,161	\$131,620	73.50%	355,325	88.30%
1987	\$190,115	\$139,629	73.40%	377,924	88.30%
1988	\$208,213	\$150,803	72.40%	408,233	87.80%
1989	\$212,781	\$155,394	73.00%	428,745	88.20%
1990	\$241,079	\$183,237	76.00%	485,085	89.30%
1991	\$248,528	\$192,518	77.50%	507,927	89.90%
1992	\$254,144	\$197,241	77.60%	518,872	90.10%
1993	\$260,096	\$200,908	77.20%	528,120	90.00%
1994	\$282,143	\$215,221	78.30%	565,601	89.40%
1995	\$297,908	\$227,519	76.50%	597,026	89.50%
1996	\$308,567	\$236,381	76.60%	619,491	89.50%
1997	\$317,980	\$246,310	77.50%	646,456	89.70%
1998	\$323,524	\$256,799	79.40%	648,251	89.50%

SOURCE: 1998 Bond Prospectus, and the Illinois Office of the Auditor General, Illinois State Toll Highway Authority Audit, Years Ending December 31, 1997 and December 31, 1998.

## Cover Story continued

and Transactions table]

The ISTHA can also issue bonds for construction projects and operational costs, and can issue refunding bonds. The bonds must mature within 25 years. The first bonds were issued in 1955 to pay for the original toll highways, but subsequent refunding bond issues were often used to pay off earlier bonds. Under a process called “defeasement,” new bonds are sold and the proceeds are turned over to a trustee to pay the interest and principal on old bonds that come due. Despite the fact that the original 1955 bonds used to pay for the first three toll highways have been retired, the ISTHA still has a debt of about \$890 million due to the issuance of refunding bonds and the construction of the North-South toll highway. [see Focus on Spending section] This continuous debt, in addition to some recent scandals, have led opponents to call for the elimination of the ISTHA.

### No More Tolls?

State statutes contain language that suggests that the ISTHA was to be a temporary agency. According to Chapter 605, Section 10/21 of the Illinois Compiled Statutes (1998), when all revenue and refunding bonds and all interest thereon have been paid (or a sufficient amount for payment has been set aside in trust), and all money appropriated by the General Assembly to the ISTHA has been repaid to the State treasury, the Authority shall be dissolved. The toll highways, bridges, tunnels, approaches and other appurtenances shall become part of the State highway system and operated free of tolls. But how easy would it be to accomplish this, and how much would it cost? What are some of the factors that first need to be considered and evaluated if the State would assume control of the toll highways?

- The ISTHA is self-supporting. Revenues collected are used for operations that include items from salaries and employee benefits to materials, maintenance, vehicles and fuel costs. Obviously, if no tolls are collected, where would the money come from to replace about \$350 million in lost rev-

enue? [see Fiscal Smarts section]

- How would the State pay off all of the outstanding bond debt (about \$890 million), and how long would it take to do so?
- Since the ISTHA pays for State Police District 15 employees and vehicles, how much would the State have to increase the appropriations for the Department of State Police to cover this loss?
- What is the recent trend in construction and maintenance costs? Is the cost per mile rate increasing at a pace the State could afford in future years.
- What would happen to the current ISTHA employees?
- What physical changes would have to be made in the toll highways and at what cost? For example, removing toll plazas and reducing the number of lanes at those locations might be desirable, but how would such renovation be afforded?
- Are there any hidden costs the State might have to assume? If roadways have an anticipated life of 20 to 40 years, might the State have to begin major rebuilding within a few years of taking over the toll highways?
- How would the State pay for the new construction already planned? Or should the new projects be removed from the drawing board?

Some opponents of the ISTHA argue that the operations of the toll highway system should be privatized. However, if the issue of selling to private business is considered, other questions remain.

- Would private owners be able to issue bonds in which interest is exempt from the federal income tax? If not, the ability to raise revenue could be limited.
- Would State and local governments have to pay for the costs of police patrols on the toll highways? In some states, private owners provide free access to State and local police, but they do not pay for police costs.
- Would private owners be required to pay for snow removal themselves, or would State and local governments have to pay the bill?

- Would the State have a voice in setting toll rates?
- Would private owners have the power of eminent domain if future expansion was desirable?
- Is there any incentive to provide quality services if the private owners have “monopoly” control of the toll highways?

### Proposals for Change

State legislators have attempted to change the status of the ISTHA for a number of years. In the early 1990's, the proposals introduced tended to stress the privatization of toll highways, but recent bills call for abolishing the Authority and transferring its assets, employees, and operations to the Illinois Department of Transportation (DOT). Other bills have been introduced to require action such as:

- annual appropriation by the General Assembly of the Authority's operating expenses,
- establishment of an Inspector General to investigate waste, fraud, or financial mismanagement in Authority operations,
- use of all surplus revenues to fund construction or repairs before issuing bonds to finance those activities,
- refinancing of debt to facilitate conversion of tollways into free State highways in future years,
- earmarking of tolls to require they be spent for maintenance on highway segments on which they are collected, and
- scheduling, in every county where a current toll highway is located, an advisory referendum on the question of whether or not the Illinois State Toll Highway Authority should be abolished

These bills have remained in committee, and have not passed out of the House or Senate.

### Conclusion

It seems clear that the debate over the status of the ISTHA will parallel the debate over how to finance the construction and maintenance of major highways in the 21st century. Some persons will argue that the costs should be supported

*COVER STORY continued, page 16*



## Economic Focus

### State Aid for Venture Capital

Several Illinois agencies are involved in venture capital markets. These include state pension funds, state universities, the Department of Commerce and Community Affairs (DCCA), and the Illinois Development Finance Authority (IDFA). In addition, a state supported quasi-governmental agency, the Illinois Coalition, utilizes Illinois' private sector to promote the development of high technology firms. With a Board that consists of Illinois business, labor, education, and government leaders, the Coalition promotes collaborative efforts to encourage research and technology-based economic development. While the pension systems are passive venture capital investors, limiting their activity to placing funds with experienced venture capital firms, the other agencies take a more active role in assisting and taking equity positions in promising technology ventures.

The state pension systems invest in equity partnerships managed by venture capital firms as part of a well-diversified portfolio. With their massive size and long-term investment horizon, pension funds are ideal providers of venture capital funds. Their concern is with the average profit from a large number of venture capital investments over a long period of time, rather than the performance of each individual investment. As of June 30, 1999, state pension funds held venture capital investments worth \$586 million or 1.4% of their total assets.

DCCA initiatives provide both funding for promising start-up companies and an environment where those companies can thrive. Of particular interest is the Technology Venture Investment

Program (TVIP), which provides equity financing to Illinois companies developing innovative technologies. Through TVIP, DCCA provides investment capital for young or growing Illinois businesses in cooperation with private investment companies or investors. The co-investor must assume at least 50% of the equity financing of the business project for commercializing advanced technologies. Program funds are used for research and development costs, acquisition of assets, working capital, purchase or lease of machinery and equipment, and the acquisition or improvement or rehabilitation of land and buildings.

An entrepreneur with a promising business plan still needs help with many of the mundane tasks of operating a business such as finding and maintaining a facility. DCCA has assisted in the establishment of a network of Illinois small business incubators. The incubators try to reduce these distractions by making facilities and management assistance available to worthy start-ups. DCCA also supports two Small Business Innovative Research Centers which provide assistance to technology-oriented entrepreneurs to improve their competitiveness for federal research and development awards.

The Illinois Development Finance Authority (IDFA) invests in qualified venture capital securities through its Technology Development Bridge program in conjunction with private co-investors and with the Illinois Coalition which oversees proposal reviews. These investments are for start-up financing to small high-technology firms.

Investments are normally \$150,000 to \$300,000 and cannot exceed \$1 million. As of September 1, 1999, IDFA's venture capital program had invested \$3.3 million in 13 companies.

University researchers and university owned patents are a starting point for university sponsored venture activities. Researchers at Stanford University were early pioneers in the establishment of the Silicon Valley. Several of Illinois' public universities have established offices to manage the transfer of University technology to the private sector. For example, the Research and Technology Management Office at the University of Illinois at Champaign-Urbana was established to identify the University's intellectual property and monitor contracts and licenses for the use of that property. Business development is encouraged using university technologies and management assistance is provided to these firms.

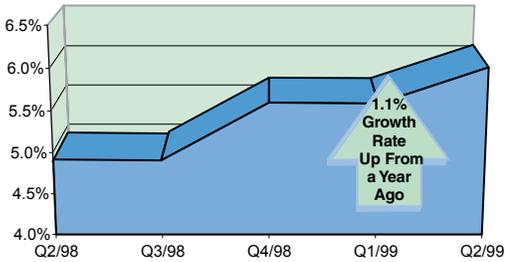
As newspapers regularly report on the spectacular successes of new high tech ventures, the temptation is strong to provide increased financing for such ventures located in Illinois. This is reflected in the fiscal year 2000 budget which includes \$6 million for technology-related grants, loans, and investments and \$1 million to create the Illinois Technology Enterprise Corporation Program. Managed by DCCA and the Illinois Coalition and similar to efforts in California and Pennsylvania, ITEC centers will provide assistance to entrepreneurs in developing business plans, raising funds, and forming alliances with universities, research laboratories, or larger corporations. In addition, IDFA is committing an additional \$2.5 million to the Technology Development Bridge Fund for fiscal year 2000.

**State Pension System Investments June 30, 1999**  
(dollars in millions)

<u>System</u>	<u>Venture Capital</u>	<u>Total</u>
Teachers' Retirement System	\$296.3	\$23,276.2
State Universities Retirement System	\$109.5	\$11,705.8
State Board of Investment	\$179.7	\$8,309.0
Total	\$585.5	\$43,291.0

# Illinois Stats: Economic and Financial

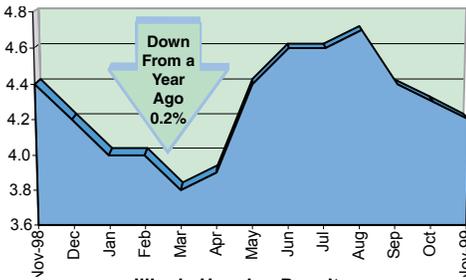
**Illinois Personal Income**  
Change From Prior Year (Reported Quarterly)



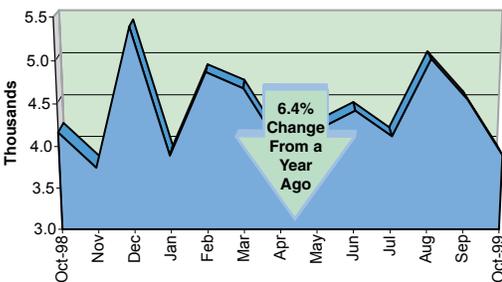
**New Claims Unemployment Insurance**



**Illinois Unemployment Rate**

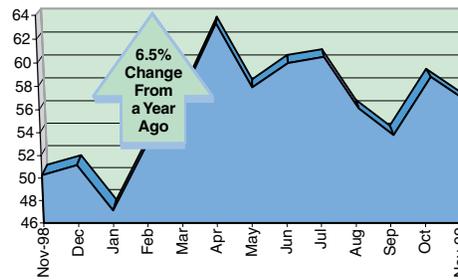


**Illinois Housing Permits**

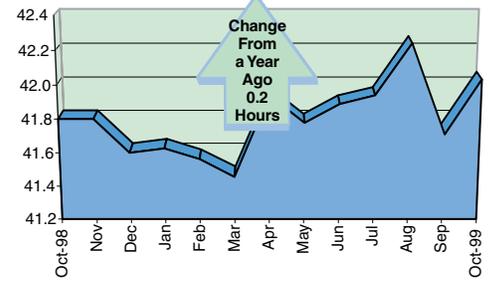


The November Illinois unemployment rate equaled 4.2%, the thirty-fourth consecutive month this rate has been below 5.0%. The November Illinois rate was 0.1% greater than the November national rate, 0.1% less than the October Illinois rate, and 0.2% below its prior year level. Inflation remained modest in November with the national Consumer Price Index up 2.6% from its year earlier level. Finally, the November Chicago Purchasing Managers Index (56.8) remained above the 50 level that indicates equal numbers of reports of increasing economic activity and decreasing activity for the tenth consecutive month.

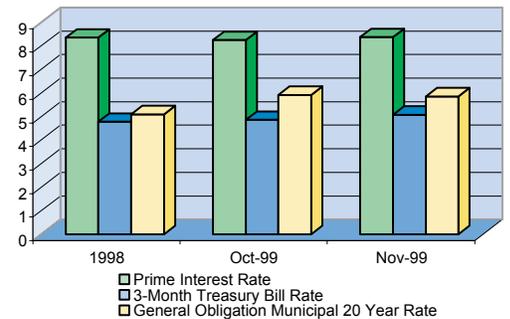
**Chicago Purchasing Managers Index**



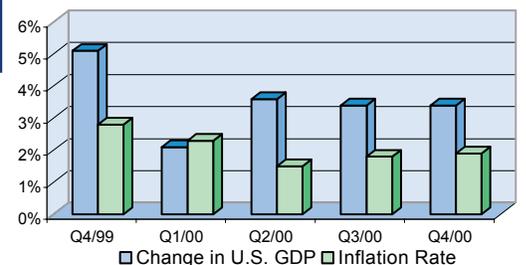
**Average Hours Worked Illinois Manufacturing**



**Interest Rate Trends**



**Economic Outlook**



**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

The latest Standard & Poor's DRI forecast of the U.S. economy combines the ideals of healthy economic growth and continued low inflation during calendar 2000. During the final quarter of 1999, U.S. real Gross Domestic Product (GDP) is expected to increase at a 5.1% rate and the inflation rate is forecast at 2.8%. During 2000, the rate of growth for U.S. GDP is forecast to vary between 2.1% and 3.6%; while, the inflation rate is forecast to remain at rates below 2.5%.

**Standard & Poor's DRI:**  
Economic Forecasts

**Federal Reserve System:**  
Interest Rates

# Vital Statistics

The Heartbeat of Illinois' Finance

Through five months of fiscal year 2000, the available cash balance in the General Funds totaled \$791 million, \$14 million or 1.8% above last November. The cumulative balance in the three school funds is up \$22.5 million over last year while the balance in the General Revenue Fund is down \$8.6 million.

Compared to fiscal year 1999, General Funds expenditures as a percentage of appropriations are on a slightly faster pace through five months. Through November, 37.1% of total General Funds appropriations have been expended compared to 36.4% last year. By itself, the General Revenue Fund's percentage of appropriations expended through five months is up 0.5 percentage points from 36.7% in 1999 to 37.2% in 2000.

While the General Revenue Fund accounts for most of the activity in the General Funds and largely determines the financial stability of the Fund Group, the pace of spending from the Education Assistance Fund is most noteworthy at this time. Through November, 51.9% of Education Assistance Fund appropriations have been spent compared to only 24.3% in 1999. Low available cash balances in the Education Assistance Fund in the early months of fiscal year 1999 delayed spending until later in the year. The combination of increased revenues to the Education Assistance Fund from both the restructured riverboat gambling wagering tax and dockside gambling, in conjunction with decreased appropriations levels since 1998, has not only increased available cash but will push the fund balance into record territory later in fiscal year 2000.

## General Funds Revenues Through Five Months - Up 5.9% Over FY 1999

Through the first five months of fiscal year 2000, General Funds revenues totaled \$8.787 billion, \$492 million or 5.9% higher than last year. Of this increase, \$244 million or 49.6% occurred in the month of November as there were two more processing days than last November. Significant increases in personal income, sales, public utility, inheritance and liquor taxes as well as transfers in were partially offset by a decline in corporate income taxes (down \$36 million or 12.9%), Cook County Intergovernmental transfers (down \$40 million or 42.6%) and federal source revenues (down \$65 million or 4.0%). The drop in corporate income taxes is due in part to a misallocation of receipts at the Department of Revenue. That misallocation is expected to be corrected by the end of December.

Personal income taxes are up \$172 million or 7.0% compared to the first five months of fiscal year 1999, including a \$70 million jump in November. Sales taxes have increased \$198 million or 8.6% over last year with \$70 million of the increase occurring in November. Public utility taxes are up \$78 million or 20.7% for the year despite a decline of \$19 million in November. Inheritance taxes are up \$38 million or 32.8% through the first five months of the year as a couple of large estates were settled. Liquor taxes have increased by \$22 million or 88.0% due to the rate increases instituted as part of Illinois FIRST.

The strong increase in transfers in (up

\$139 million or 28.7%) reflects a new transfer of \$76 million in surplus monies from the Income Tax Refund Fund to the General Revenue Fund in August. In addition, gaming fund transfers from riverboat gambling proceeds are up \$31 million or 25.8% due in part to the implementation of dockside gambling.

## General Funds Spending Through Five Months Up 7.2% Over FY 1999

Through November, General Funds cash spending totaled \$9.347 billion, \$627 million or 7.2% above last year. The \$627 million increase includes a \$334 million increase in spending for awards and grants, a \$220 million increase in operations, a \$45 million increase in transfers out, a \$46 million increase in all other, and an \$18 million decline in vouchers payable. After five months of fiscal year 2000, expenditures have exceeded revenues by \$560 million resulting in a decrease in the available cash balance from \$1.351 billion at the beginning of the fiscal year to \$791 million at the end of November.

Of the \$334 million increase in grant spending, Public Aid is up \$178 million or 10.9%, State Board of Education grants are up \$56 million and the Department of Human Services has increased by \$47 million or 4.3%.

Spending for operations totaled \$2.662 billion through November, \$220 million or 9.0% higher than comparable expenditures last year. Higher education operations are up 4.1% or \$28 million, while all other operations increased \$192 million (10.9%).

## A Look Ahead

The drop in the General Funds available cash balance from the beginning of the year to the end of November was expected and is due to a seasonal mismatch of revenues and spending. In fact the December balance will likely follow the same pattern. However, the decline in the balance will reverse itself as the fiscal year progresses with revenues typically outpacing spending in the second half of the fiscal year.

GENERAL FUNDS TRANSACTIONS

(Dollars in Millions)

	October		Change	Four Months		Change	
	1998	1999		FY 1999	FY 2000	Amount	Percent
AVAILABLE CASH BALANCE, BEGINNING	\$ 1,187	\$ 1,180	\$ (7)	\$ 1,202	\$ 1,351	\$ 149	12.4 %
Revenues:							
State Sources:							
Cash Receipts:							
Income Taxes:							
Individual	\$ 457	\$ 520	\$ 63	\$ 2,021	\$ 2,123	\$ 102	5.0 %
Corporate	59	42	(17)	265	213	(52)	(19.6)
Total, Income Taxes	516	562	46	2,286	2,336	50	2.2
Sales Taxes	464	518	54	1,871	1,999	128	6.8
Other Sources:							
Public Utility Taxes	62	72	10	270	368	98	36.3
Cigarette Taxes	33	31	(2)	137	133	(4)	(2.9)
Inheritance Tax (gross)	26	34	8	87	126	39	44.8
Liquor Gallonage Taxes	6	8	2	19	35	16	84.2
Insurance Tax and Fees	9	14	5	70	49	(21)	(30.0)
Corporation Franchise Tax and Fees	10	15	5	39	42	3	7.7
Investment Income	22	19	(3)	84	67	(17)	(20.2)
Cook County IGT	54	54	0	147	107	(40)	(27.2)
Other	21	38	17	70	90	20	28.6
Total, Other Sources	243	285	42	923	1,017	94	10.2
Total, Cash Receipts	\$ 1,223	\$ 1,365	\$ 142	\$ 5,080	\$ 5,352	\$ 272	5.4 %
Transfers In:							
Lottery Fund	\$ 35	\$ 40	\$ 5	\$ 135	\$ 129	\$ (6)	(4.4) %
State Gaming Fund	25	28	3	95	123	28	29.5
Protest Fund	2	2	0	5	2	(3)	(60.0)
Other Funds	41	63	22	174	273	99	56.9
Total, Transfers In	\$ 103	\$ 133	\$ 30	\$ 409	\$ 527	\$ 118	28.9 %
Total, State Sources	\$ 1,326	\$ 1,498	\$ 172	\$ 5,489	\$ 5,879	\$ 390	7.1 %
Federal Sources:							
Cash Receipts	\$ 245	\$ 277	\$ 32	\$ 1,290	\$ 1,191	\$ (99)	(7.7) %
Transfers In	0	0	0	89	46	(43)	(48.3)
Total, Federal Sources	\$ 245	\$ 277	\$ 32	\$ 1,379	\$ 1,237	\$ (142)	(10.3) %
Total, Revenues	\$ 1,571	\$ 1,775	\$ 204	\$ 6,868	\$ 7,116	\$ 248	3.6 %
Expenditures:							
Awards and Grants:							
State Board of Education	\$ 368	\$ 527	\$ 159	\$ 1,351	\$ 1,361	\$ 10	0.7 %
Public Aid	324	374	50	1,337	1,456	119	8.9
Human Services	210	195	(15)	913	961	48	5.3
Teachers Retirement	70	54	(16)	211	216	5	2.4
Higher Education	43	36	(7)	228	218	(10)	(4.4)
All Other Grants	121	135	14	505	550	45	8.9
Total, Awards and Grants	1,136	1,321	185	4,545	4,762	217	4.8
Operations:							
Other Agencies	348	379	31	1,441	1,573	132	9.2
Higher Education	155	163	8	534	544	10	1.9
Total, Operations	503	542	39	1,975	2,117	142	7.2
Transfers Out	165	165	0	579	614	35	6.0
All Other (Includes Prior Adjustments)	2	4	2	14	57	43	307.1
Total, Expenditures	\$ 1,806	\$ 2,032	\$ 226	\$ 7,113	\$ 7,550	\$ 437	6.1 %
Adjustment for Vouchers Payable	(19)	(8)	11	(14)	(14)	0	N/A
Total, Cash Expenditures	1,787	2,024	237	7,099	7,536	437	6.2
AVAILABLE CASH BALANCE, ENDING	\$ 971	\$ 931	\$ (40)	\$ 971	\$ 931	\$ (40)	(4.1) %

GENERAL FUNDS TRANSACTIONS  
(Dollars in Millions)

	November		Change	Five Months		Change	
	1998	1999		FY 1999	FY 2000	Amount	Percent
AVAILABLE CASH BALANCE, BEGINNING	\$ 971	\$ 931	\$ (40)	\$ 1,202	\$ 1,351	\$ 149	12.4 %
Revenues:							
State Sources:							
Cash Receipts:							
Income Taxes:							
Individual	\$ 443	\$ 513	\$ 70	\$ 2,464	\$ 2,636	\$ 172	7.0 %
Corporate	13	29	16	278	242	(36)	(12.9)
Total, Income Taxes	456	542	86	2,742	2,878	136	5.0
Sales Taxes	428	498	70	2,299	2,497	198	8.6
Other Sources:							
Public Utility Taxes	105	86	(19)	376	454	78	20.7
Cigarette Taxes	33	33	0	170	166	(4)	(2.4)
Inheritance Tax (gross)	29	28	(1)	116	154	38	32.8
Liquor Gallonage Taxes	6	12	6	25	47	22	88.0
Insurance Tax and Fees	1	0	(1)	71	49	(22)	(31.0)
Corporation Franchise Tax and Fees	9	10	1	48	52	4	8.3
Investment Income	17	22	5	101	89	(12)	(11.9)
Cook County IGT	0	0	0	147	107	(40)	(27.2)
Other	15	16	1	85	105	20	23.5
Total, Other Sources	215	207	(8)	1,139	1,223	84	7.4
Total, Cash Receipts	\$ 1,099	\$ 1,247	\$ 148	\$ 6,180	\$ 6,598	\$ 418	6.8 %
Transfers In:							
Lottery Fund	\$ 39	\$ 52	\$ 13	\$ 173	\$ 181	\$ 8	4.6 %
State Gaming Fund	25	28	3	120	151	31	25.8
Protest Fund	0	0	0	5	3	(2)	(40.0)
Other Funds	12	15	3	186	288	102	54.8
Total, Transfers In	\$ 76	\$ 95	\$ 19	\$ 484	\$ 623	\$ 139	28.7 %
Total, State Sources	\$ 1,175	\$ 1,342	\$ 167	\$ 6,664	\$ 7,221	\$ 557	8.4 %
Federal Sources:							
Cash Receipts	\$ 252	\$ 311	\$ 59	\$ 1,542	\$ 1,502	\$ (40)	(2.6) %
Transfers In	0	18	18	89	64	(25)	(28.1)
Total, Federal Sources	\$ 252	\$ 329	\$ 77	\$ 1,631	\$ 1,566	\$ (65)	(4.0) %
Total, Revenues	\$ 1,427	\$ 1,671	\$ 244	\$ 8,295	\$ 8,787	\$ 492	5.9 %
Expenditures:							
Awards and Grants:							
State Board of Education	\$ 306	\$ 352	\$ 46	\$ 1,657	\$ 1,713	\$ 56	3.4 %
Public Aid	293	352	59	1,630	1,808	178	10.9
Human Services	176	175	(1)	1,089	1,136	47	4.3
Teachers Retirement	46	54	8	257	270	13	5.1
Higher Education	89	90	1	317	308	(9)	(2.8)
All Other Grants	99	103	4	604	653	49	8.1
Total, Awards and Grants	1,009	1,126	117	5,554	5,888	334	6.0
Operations:							
Other Agencies	321	381	60	1,762	1,954	192	10.9
Higher Education	146	164	18	680	708	28	4.1
Total, Operations	467	545	78	2,442	2,662	220	9.0
Transfers Out	135	145	10	714	759	45	6.3
All Other (Includes Prior Adjustments)	1	4	3	15	61	46	306.7
Total, Expenditures	\$ 1,612	\$ 1,820	\$ 208	\$ 8,725	\$ 9,370	\$ 645	7.4 %
Adjustment for Vouchers Payable	9	(9)	(18)	(5)	(23)	(18)	N/A
Total, Cash Expenditures	1,621	1,811	190	8,720	9,347	627	7.2
AVAILABLE CASH BALANCE, ENDING	\$ 777	\$ 791	\$ 14	\$ 777	\$ 791	\$ 14	1.8 %

