

# Budget Bulletin

## What Passed

The General Assembly and the Governor have approved a budget that fails to close the state's deficit and jeopardizes critical programs for children and families. The FY 2010 budget relies heavily on \$3.4 billion in borrowing through five-year pension obligation notes and requires deep spending cuts in early childhood, mental health and other programs totaling more than \$1 billion. It puts an additional \$1 billion "in reserve," meaning agencies can't count on using the money to provide services. The backlog of delayed payments to providers will also continue, totaling more than \$3 million.

## Implications

This budget leaves many questions unanswered. The General Assembly has given the Governor authority to allocate the \$3.4 billion in bond-related revenues to state agencies, including \$2.2 billion for human services. Although the budget has been described as funding human-service grant programs at 86 percent of FY 2009 appropriations, funding levels will not be uniform, and many individual services will be drastically reduced or eliminated entirely.

Most agencies have not yet released information on funding levels for individual programs. However, providers and the families they serve already feel the pain of cuts, as many have laid-off staff or cut back in other ways. Many providers will have to restrict services even further.

The Illinois State Board of Education has approved budget specifics that severely cut early childhood, bilingual, homeless and alternative education programs as well as early intervention, prevention and mental health supports, threatening to deprive children of services they need to thrive and stay healthy.

This budget is bad for kids and families, as well as for economic recovery efforts. Deep budget cuts lead to immediate layoffs as well as indirect job losses; these offset any jobs created under the state's new construction program. An unbalanced budget reliant on borrowing sets the state up for even deeper pain next year: Illinois will need more than \$10 billion in new revenue just to maintain current funding levels.

## What's Next

While state policymakers failed to approve an income tax increase that could have averted many budget cuts this summer, many legislators have become vocal proponents of raising new revenue through such measures as House Bill 174. Both Governor Quinn and Senate President Cullerton have vowed to continue fighting for an income tax increase.

**The battle for a balanced income tax increase must continue. It's the only responsible way to ensure that children and families receive the services they rely on while addressing the budget shortfall.**

**Tell legislators and the governor to support a  
balanced income tax increase.**