February 17, 2017

The below memo details a preliminary analysis of Illinois Governor Bruce Rauner’s Fiscal Year 2018 (FY18) proposed budget. It provides an overarching view of important health and human service priorities within the Governor’s proposed FY18 Illinois state budget.

**Overall, the Governor’s FY18 proposed budget has approximately a $7.5 billion shortfall.** Governor Rauner’s suggestion in his budget address was for the General Assembly to work with him on proposed changes he suggests will plug up approximately $3 billion out of the $7.5 billion shortfall. The governor has indicated an openness to raise revenue to plug up some or all of the remaining shortfall in his proposed FY18 budget only if the IL general assembly agrees to his previously proposed structural reforms (AKA some of his “Turnaround Agenda” items).

While Governor Rauner does not specify what new revenue proposals he would support, he does indicate in his [budget address](#) that he will not support a tax on food and medicine or taxing retirement income. In addition, the proposed changes that he suggests will garner $3 billion in savings in FY18 include but are not limited to: creating a tier 3 pension option; state procurement code changes; and sale of the Thompson Center.

**EverThrive Illinois’ position** is that the state budget shortfall and backlog of unpaid bills, whether for FY16, FY17, or FY18, should be plugged through raising the necessary revenue in a responsible and fair way, as well as utilizing other mechanisms (such as state bonds) to pay down the state's $11.9 billion backlog of unpaid bills, without any non-budget related preconditions. After 20 months without a state budget and almost a decade of year over year cuts, all sectors of our state and especially health and human services, have endured more than their fair share of devastating state budget cuts.

Since we are now in month 20 without an enacted state budget, the below compares the funding levels in the Governor’s FY18 proposed budget vs "FY17 estimated maintenance budget". When available and appropriate, the below also compares the Governor’s FY18 proposed budget vs the FY15 funding level (FY15 was the last time IL had a full state budget).

As always, please feel free to reach out if you have any questions.

Best,

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Governor Bruce Rauner’s Fiscal Year 2018 (FY18) Proposed Budget - Highlights

1. Illinois Department of Public Health (IDPH)
Overall the FY18 Proposed Budget for IDPH is $571.6 million

-3.4% cut (reduction of $20.3 million) compared to "FY17 estimated maintenance" budget of $591.9 million
(Director Shah stated that the total IDPH proposed budget for FY18 is slightly lower than the FY17 IDPH estimated maintenance budget mainly because of anticipated loss of federal dollars for the Affordable Care Act’s (ACA) Navigator program as well as anticipated loss of other federal American Recovery and Reinvestment Act (ARRA) dollars)

-5.3% cut (reduction of $32.2 million) compared to FY15 funding level of $603.8 million

A) Expenses Associated with School Health Centers - $1,151,100
   - Flat funding compared to FY17 estimated maintenance budget
   ~10% cut (reduction of $127,900) compared to FY15 funding level of $1,279,000

B) Grants for Community Health Center Expansion Program - $1,364,600
   - Flat funding compared to FY17 estimated maintenance budget
   - Flat funding compared to FY15 funding level

C) Grants for Immunizations and Outreach Activities - $4,157,100
   - Flat funding compared to FY17 estimated maintenance budget
   - 8% cut (reduction of $358,000) compared to FY15 funding level of $4,515,100

D) Expenses Associated with the Childhood Immunization Program - $145,500
   - Flat funding compared to FY17 estimated maintenance budget
   - 2% increase (increase of $3,300) compared to FY15 funding level of $142,200

E) Expenses for Promotion of Women’s Health - $485,000
   - Flat funding compared to FY17 estimated maintenance budget
   - 2% increase (increase of $10,900) compared to FY15 funding level of $474,100

F) Expenses of Women’s Health Programs - $200,000
   - Flat funding compared to FY17 estimated maintenance budget
   - Flat funding compared to FY15 funding level

G) Perinatal Services - $1,002,700
   - Flat funding compared to FY17 estimated maintenance budget
   - 9% cut (reduction of $86,400) compared to FY15 funding level of $1,089,100

H) Grants to Family Planning Programs for Contraceptive Services - $423,400
   - Flat funding compared to FY17 estimated maintenance budget
   - 9% cut (reduction of $36,400) compared to FY15 funding level of $459,800
I) Costs Associated with Children’s Health Programs - $1,229,700
   - Flat funding compared to FY17 estimated maintenance budget
   - Flat funding compared to FY15 funding level

J) Expenses Associated with Breast and Cervical Cancer Screenings and Other Related
   Activities - $6,000,000
   - $2,000,000 increase compared to FY17 estimated maintenance budget
   - 56% cut (reduction of $7,512,400) compared to FY15 funding level of $13,512,400

K) Expenses Associated with Sudden Infant Death Syndrome (SIDS) - $0 (Program Eliminated)
   - 100% cut (reduction of $238,300) compared to FY17 estimated maintenance budget
   - 100% cut (reduction of $250,000) compared to FY15 funding level of $250,000

L) ACA Marketplace - $5 million (All Federal Dollars)
   - 83% cut (reduction of $25,000,000) compared to FY17 estimated maintenance budget
   - 83% cut (reduction of $25,000,000) compared to FY15 funding level of $30 million

2. Illinois Department of Human Services (IDHS)
Overall, the FY18 Proposed Budget for DHS is $6.505 billion

   - 5% cut (reduction of $347 million) compared to "FY17 estimated maintenance" budget of $6.852 billion

Many programs in the FY18 DHS proposed budget were reduced or eliminated. The following is not an
exhaustive list but a snapshot of the program reductions and eliminations in the Governor’s FY18
proposed budget for DHS.

A) Reductions or eliminations of state funding for the following programs:
   - Addiction Prevention $1 million
   - Teen Parent Services $1.4 million
   - Children’s Place $371,700
   - Welcoming Centers $1.5 million
   - Community Services $5.4 million
   - Westside Health Authority $286,000
   - Emergency Food $210,000
   - Youth Employment $12.2 million
   - Funeral & Burial $8.8 million
   - After School Youth Program $13.2 million
   - Immigrant Integration $5.9 million

A few programs in the FY18 DHS proposed budget saw an increase, including Early Intervention and the
Child Care Assistance Program.

A) Increase in state funding for the following programs (when compared to FY17 estimated
maintenance budget):
   - $151.3 million increase to the Child Care Assistance Program to restore eligibility to families earning up to 185% of the Federal Poverty Level (FPL)
   - $4 million increase to funding for Early Intervention
3. Illinois Department of Healthcare and Family Services (HFS)
HFS stated that there are no service reductions, program eligibility reductions, or provider rate reductions in the Governor's FY18 proposed budget for the Medicaid program. However, it is important to keep in mind that Congressional Republicans and President Trump are actively working at the federal level to change federal law and regulation to repeal the Affordable Care Act, including Medicaid Expansion, and make drastic negative changes to the Medicaid program (known as block grants or per capita caps). If the Congressional Republicans' efforts are successful, the Medicaid program would go back to where it was in 1965! Block grants and per capita caps are nothing but cuts in federal funding that force states to make the tough decisions of cutting eligibility, benefits, or rates. In addition, Congress can go back and further limit funds to the states any time.

EverThrive Illinois is advocating aggressively against the Congressional Republican proposals. We are a leading member of the Protect Our Care Illinois coalition and through this coalition, we will continue to fight against these proposed changes that take our healthcare system back to the 1960's. To join the Protect Our Care Illinois coalition, check out the links below.

Your organization can join the coalition here: http://tinyurl.com/PoCIL-organization
You, as individuals (or your consumers, patients, members, etc), can sign up here: http://tinyurl.com/PoCIL-individual