

State report: Budget out of balance by \$1.7 billion

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CHICAGO — The state's fiscal year 2018 budget is out of balance by \$1.7 billion, according to a fiscal policy report released today by the Governor's Office of Management and Budget. The imbalance might have been avoided if the General Assembly had enacted \$2 billion in reforms proposed by the Rauner Administration and Republican leaders earlier this year.



The Illinois Economic and Fiscal Policy Report provides a five-year economic outlook based on the budget along with state and national growth forecasts. The GOMB compiles the report, which is available for public view at <https://www.illinois.gov/gov/budget/Pages/PolicyReports.aspx>

In the report, GOMB Director Scott Harry asserts that with stronger economic growth accompanied by spending controls, Illinois could achieve budget surpluses and reduce its bill backlog to an estimated \$500 million by the end of fiscal year 2023.

Enacting the Rauner Administration and Republican leaders 2018 budget proposals, according to Harry, would have saved the state enough to balance this year's budget. The plan proposed savings through reforms in government group health insurance programs (\$600 million); Medicaid (\$525 million); and issuing revenue rather than general obligation bonds to pay down the state's bill backlog (\$60 million in interest this year, and \$390 million over the 12-year life of the bond).

Harry said nearly \$700 million in pension reform savings were part of the governor's plan, including a call to end the practice of near-retirement salary spiking.

"Balancing the budget and enacting reforms would let us grow the economy, control spending, pay down our debt, and invest in jobs," Harry said.

"It is time for the political leaders of our state to come together to build long-term fiscal stability so we can expand our economy," he added. "The only way to resolve our fiscal issues is to grow the economy faster than our spending."