

## Fact Sheet – FY12 Budget Management

The Fiscal Year 2012 budget does not provide enough money in personnel and state operations to run a number of state agencies for the entire year. The appropriations passed by the General Assembly are inadequate to meet staffing, facility and payroll needs while also maintaining core services. Without the money in the personnel and operation lines you cannot keep the lights on in facilities. You cannot pay people to run them.

The total amount of operations and personnel shortfall across all agencies is approximately \$313.5 million. The most severe deficiencies are at DHS and DOC.

The shortfalls at the agencies affected today are:

|      |                           |
|------|---------------------------|
| DHS: | \$140.8 million (approx.) |
| DOC: | \$110 million (approx.)   |
| DJJ: | \$9.8 million (approx.)   |
| DHR: | \$2.5 million (approx.)   |
| CSC: | \$51,500 (approx.)        |
| ICC: | \$5 million (approx.)     |
| Ag:  | \$1.7 million (approx.)   |

The General Assembly passed a line item budget. This means that they chose how much money is allowed to be spent in particular areas. The Administration cannot move money from other areas of state government to make up the shortfall in operations and personnel.

To most effectively manage the budget and operational lines, the Governor's office first sought to prevent automatic pay raises at the affected agencies. In July, we notified the directors at 14 state agencies and the impacted unions that approximately 30,000 employees would not be receiving scheduled pay increases in the new fiscal year.

Cancelling the pay raises was only the first step to prevent these agencies from running out of money for payroll and operating facilities (such as, lights, meals, running water), thus disrupting core services for the people of Illinois, including children, the elderly, and those with special needs. However, even the \$76 million saved by cancelling the raises does not fill the \$313.5 million deficit in appropriations provided by the General Assembly. Put simply, we must also lay off workers and close facilities, in addition to pay freezes, to manage the budget passed in May.

In the spring, the Administration made it clear to the General Assembly there would be serious consequences to the budget they passed.

Today, the Governor notified the General Assembly that the following **seven state facilities** would be closed, resulting in **1,938 layoffs** of state employees. However, this is not an overnight process; it will take several months to complete the closures and layoffs.

## DHS - Division of Mental Health

### Closures:

#### **Tinley Park Mental Health Center**

Tinley Park, IL

FY11 budgeted bed capacity: 75

Staff: 195

Annualized Operational Cost: approximately \$20.1 million

#### **Singer Mental Health Center**

Rockford, IL

FY 11 budgeted bed capacity: 76

Staff: 150

Annualized Operational Cost: approximately \$13.6 million

#### **Chester Mental Health Center**

Chester, IL

FY11 budgeted bed capacity: 243

Staff : 464

Annualized Operational Cost: approximately \$34.7 million

Savings in FY12: **\$18.1 million**

## DHS - Division of Developmental Disabilities

### Closures:

#### **Jacksonville Developmental Center**

Jacksonville, IL

Residents: 196

Staff (actual): 420

Annualized Operational Cost: approximately \$27.9 million

#### **Jack Mabley Developmental Center**

Dixon, Illinois

Residents: 91

Staff (actual): 163

Annualized Operational Cost: approximately \$10.7 million

Savings in FY12: **\$14.6 million**

Note: DHS has identified funds to put toward transitions to community care and to update facilities for transferring populations.

## Department of Corrections

### Logan Correctional Center

Lincoln, IL

Security Level: Medium

Population: 1,980 on 8/29/11

Staff: 270 security staff and 87 non-security staff

Annualized Operational Cost: approximately \$30.5 million

Net Savings in FY12: **\$9.2 million**

## Department of Juvenile Justice

### IYC Murphysboro

Murphysboro, IL

Security Level: Medium

Population: 59 youth on 8/27/11

Staff: 101

Annualized Operational Cost: approximately \$8.6 million

Net Savings in FY12: **\$3.1 million**

## Number of remaining facilities after closures by agency/division

|          |   |
|----------|---|
| DHS/DMH: | 6   |
| DHS/DD:  | 6   |
| DOC:     | 26 prisons (does not include bootcamps, transition centers) |
| DJJ:     | 7   |

## Layoffs by Agency

|               |                                  |
|---------------|----------------------------------|
| DHS:          | 1,392 (due to facility closures) |
| DOC:          | 357 (due to facility closures)   |
| DJJ:          | 101 (due to facility closures)   |
| DHR:          | 23                               |
| ICC:          | 41                               |
| AG:           | 23                               |
| CSC:          | 1                                |
| <b>Total:</b> | <b>1,938</b>                     |

## Office of the Governor (GOV)

At some agencies, such as DHS, we are able to move towards long-term goals (such as moving people with developmental disabilities into community-based care), but are forced to do it on an accelerated deadline. While this is the right policy, it is the wrong implementation – putting our clients and our workers at a disadvantage.

Implementing the budget is a year-round process. Today's actions are the second of many steps required to manage the FY12 budget.

However, as serious as these actions are, they do not fill the deficit in personnel and state operations in the budget. After today's action, **DHS** will still have a shortfall of more than **\$100 million**; **DOC** will have a shortfall of more than **\$68 million**. Many state agencies still have deficits even after the first two phases of this budget implementation.

### **FY12 Budget Management**

|   |                           |
|---|---------------------------|
| Phase I (cancelling pay raises)                         | \$76 million (approx.)    |
| Phase II (today's layoffs and closures)                 | \$54.8 million (approx.)  |
| Remaining Gap (to be addressed in Phase III and beyond) | \$182.8 million (approx.) |
| Total Operations and Personnel Shortfall                | \$313.5 million (approx.) |

Without action by the General Assembly, there will be further steps to ensure that core services for the people of Illinois continue to function.

The Administration will continue to work with members of the General Assembly during the veto session to explore the shortfalls in the budget. We will continue to implement this incomplete budget in the most responsible manner possible.

### **Timeline**

|                                |                    |
|--------------------------------|--------------------|
| Notification to COGFA:         | 9/8/11             |
| DHR, AG, ICC layoffs:          | 11/1/11 (approx.)  |
| Tinley Park (DHS/DMH) closure: | 11/30/11 (approx.) |
| Murphysboro (DJJ) closure:     | 12/31/11 (approx.) |
| Logan (DOC) closure:           | 12/31/11 (approx.) |
| Singer (DHS/DMH) closure:      | 12/31/11 (approx.) |
| Jacksonville (DHS/DD) closure: | 2/29/12 (approx.)  |
| Mabley (DHS/DD) closure:       | 2/29/12 (approx.)  |
| Chester (DHS/DMH) closure:     | 3/31/12 (approx.)  |

Note: Union notification of layoffs precede both employee notification letters and ultimate effective date of the layoff. For DHS, DJJ, and DOC, union notification of layoffs will be delivered after the conclusion of COGFA's review (approximately 50 days after agency submission of recommendation for closure for each facility). DHR, AG and ICC are delivering notices of layoffs on Sept. 9 to unions.