Commission on Government Forecasting and Accountability

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MONTHLY BRIEFING FOR THE MONTH ENDED: MARCH 2021

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FY 2022 State Employees Group Insurance Plan Summary

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As in previous years, the Commission recently published its annual liability estimates report on the State Employees Group Insurance Program (SEGIP) as required under state statute. This report details state estimates of revenues, expenditures, membership, and trends within health insurance for the 2022 fiscal year. This report also details the status of health insurance bills held by the State of Illinois and historical trends in that area. The full report is available on the Commission's website, but the following presents the major points from the FY 2022 report.

In the past year, as is reflected in the FY 2022 report, the COVID-19 pandemic as well as health insurance trends and negotiated contracts with state employees resulted in a variety of points of interest. Over the past year, COVID-19 has resulted in massive changes to employee/retiree/dependent lives as well as health priorities. For the purposes of health insurance, however, a strange dichotomy was achieved, as health plan participants were unable to pursue usual health services for a lengthy period. These services were curtailed to provide health care capacity for expected COVID-19 patients and related services. As a result, overall health plan utilization was lower than expected. With the current waning of the pandemic and the opening up of hospitals and health providers to their standard suite of services and procedures, a repeat of last year in terms of artificially limited health service utilization is not anticipated.

Additionally, as a result of labor negotiations, group insurance plan premiums are expected to increase again in FY 2022 following increases in FY 2021. These increases are expected to be graduated by plan benefit levels, as was the case in FY 2021. Accordingly, the Consumer Driven Health Plan (CDHP) and traditional HMO plans are expected to have lower premiums for their participants while Open Access Plans (OAPs) and other options are expected to have significantly higher premiums, befitting their increased plan options and choices for members. At this time, the annual Commission Group Insurance meeting scheduled for April 2021 is expected to proceed as usual, where it is expected that the Department of Central Management Services (CMS) will provide more detailed information about any relevant health plan changes for employees, retirees, and dependents for FY 2022 along with additional information in their annual FY 2022 benefits choice handbook.

Liabilities/Revenues

As in years past, the Commission utilizes the CMS forecast for FY 2022 medical costs along with analyst projections from the Segal Company to formulate its FY 2022 projections for health insurance trends. Various components shape overall liability, including general medical cost inflation and leveraging (lower impact of coinsurance limits, level deductibles, etc.). Also, advances in technological innovation, more use of equipment/services, and the continued "greying" (aging and extended living) of the population have historically contributed to greater health care costs to the State. In addition to these factors, the impact of a gradual shift by employees to HMOs, OAPs, and the relatively new CDHP from the Quality Care Health Program (QCHP) has resulted in more costly/higher risk employees remaining in the QCHP program, raising the per-member cost of that program. In terms of cost reduction, movement of Medicare-eligible retirees out of the QCHP/CDHP/HMOs/OAPs has reduced overall liability within the group insurance program in the past and continues to be a factor in overall State costs being significantly lower than otherwise. Based on these factors, trends, and assumptions, CMS estimates the FY 2022 liability to be $3.071 billion, which is a 0.8% increase from the FY 2021 anticipated final liability of $3.046 billion. Noting these predictions, the Commission has presumed that liabilities and revenues will follow trends from FY 2021 and previous fiscal years and estimates a total SEGIP liability of $3.092 billion in FY 2022, $21.3 million more than CMS.

FY 2022 GROUP HEALTH INSURANCE LIABILITY
($ in Millions)

Liability Component	FY 2021 CMS Estimate	FY 2022 CMS Projection	FY 2022 CGFA Projection
QCHP Medical	$366.5	$371.2	$373.2
QCHP Prescriptions	$126.6	$125.1	$126.3
Dental (QCHP/MC)	$110.3	$113.8	$114.0
HMO	$1,081.8	$1,019.7	$1,023.7
Medicare Advantage HMO/PPO	$174.6	$161.4	$162.4
Open Access Plan	$891.3	$954.2	$961.1
Consumer Driven Health Plan (HDHP)	$10.5	$20.5	$20.9
Mental Health	$5.5	$5.6	$5.7
Vision	$8.5	$8.6	$8.6
Administrative Services (QC)	$17.6	$17.0	$17.4
Life	$95.0	$98.2	$98.2
Special Programs (Admin/Int./Other)	$157.4	$175.4	$180.5
TOTAL	**$3,045.6**	**$3,070.7**	**$3,092.0**
% increase over prior year	-1.1%	0.8%	1.5%

*Rounding may cause slight differences. FY 2021 and FY 2022 Special Programs line includes Prompt Payment and Timely Payment Interest.

The Department's estimate of liability for FY 2022 represents a 0.8 percent increase from FY 2021, partly due to a significant increase in OAP liability and smaller increases in other liability components (the CDHP, Timely Payment Interest, etc.). Historically, the Quality Care Health Plan, Prescription Drugs, and HMO's have made up the largest segments of total liability. However, in recent years, the majority of liability has been contained within the HMO, OAP, and QCHP lines. The Open Access Plan is anticipated to continue the trend of composing a larger liability for the State of Illinois than the QCHP and prescription components as a whole in FY 2022 ($954 million compared to $516 million). The Special Programs line is expected to grow to $175 million in FY 2022, as Interest Payments and other administration expenses, including health insurance expenses for the Teamsters (who negotiated a health insurance arrangement outside of the rest of the group insurance program participants) continue to exert influence on overall liabilities.

In regard to revenues, in FY 2022, the SEGIP is projected to continue the trend of increased member premiums and reimbursements, increasing by $47.3 million. General Revenue (GRF) and Road Fund appropriations are expected to decrease significantly, by $70 million in the case of GRF and $40.5 million in the case of the Road Fund. However, the increases to Member Contributions, Other Funds receipts, and Rebates/Interest/Other are expected to make up the difference.

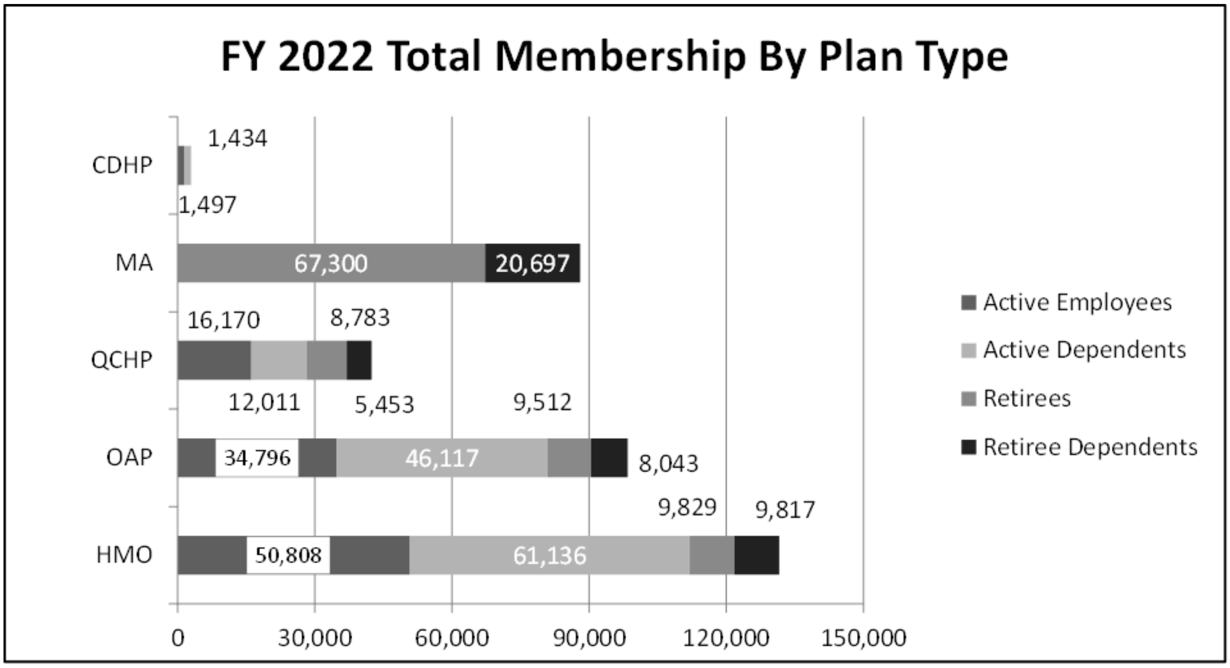
GROUP INSURANCE FUNDING SOURCES
FY 2021 - FY 2022
($ in Millions)

	FY 2021	FY 2022	$ Change from FY21	% Change from FY21
GRF Appropriation	$1,921.5	$1,851.5	($70.0)	-3.6%
GRF Not Received/Reserve	($65.0)	$0.0	$65.0	0.0%
Road Fund	$171.5	$131.0	($40.5)	-23.6%
University Cont.	$45.0	$45.0	$0.0	0.0%
Prior Year Univ. Cont.	$2.9	$0.0	($2.9)	-100.0%
Member Cont.	$499.9	$547.2	$47.3	9.5%
Other Funds	$391.1	$398.4	$7.3	1.9%
Medicare Part D rebate	$6.2	$5.9	($0.3)	-4.8%
Rebates/Interest/Other.	$97.5	$103.6	$6.1	6.3%
TOTAL	**$3,070.6**	**$3,082.6**	**$12.0**	**0.4%**

Source: CMS

Membership

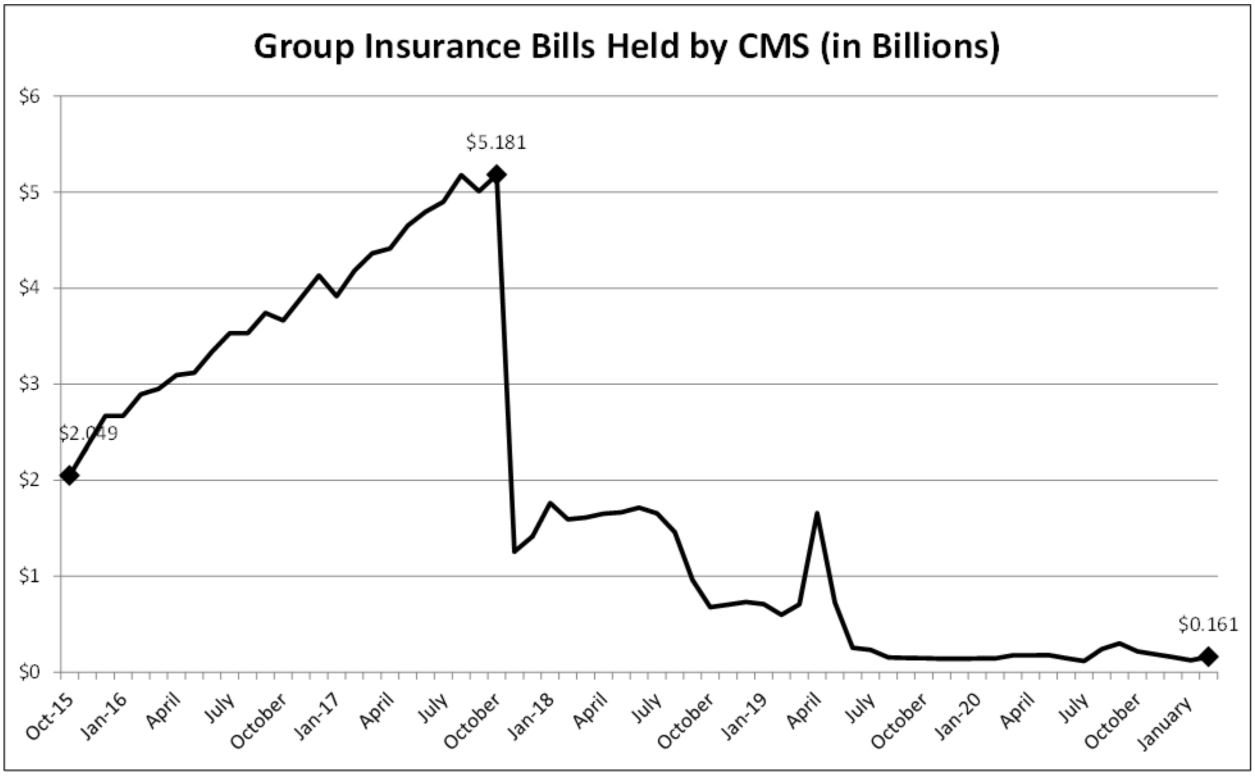
For FY 2022, the QCHP is estimated to have 16,170 employees, 12,011 active employee dependents, 5,453 retiree dependents, and 8,783 retirees. Medicare advantage HMO/PPO plans are expected to have 20,697 dependents and 67,300 retirees. Non-Medicare Advantage HMO Plans are expected to have 50,808 employees, 61,136 active dependent lives, 9,817 retiree dependents, and 9,829 retirees. OAPs are expected to have 34,796 employees, 46,117 active dependents, 8,043 retiree dependents, and 9,512 retirees in FY 2022. The new Consumer Driven Health plan is projected to have 1,434 employees and 1,497 active employee dependents, which are primarily assumed to come from existing HMO plans. Total FY 2022 membership is expected to increase 1.0% from 359,705 to 363,403.



Group Insurance Bonding

For many years, group insurance bills and interest have grown as the State has struggled to pay off debts in a timely manner. Depending on the bill, interest is accrued at between 9% and 12%. This created a backlog of bills in which the total held by CMS rose to as much as $5.2 billion in October 2017. Bonding and supplemental appropriations were undertaken starting in November 2017, which along with increased payments in following years, have brought the held bills total at CMS down significantly. As of the end of February 2021, approximately $161 million in Group Insurance bills are being held by CMS awaiting transmission to the Comptroller's office for payment. Of that total, there are $149 million in HMO claims (including Medicare Advantage) awaiting payment, and approximately $3.6 million in interest payments has yet to be paid off on those claims. Open Access Plans claims account for $0 currently in claims (but approximately $573,000 in interest owed). Aetna PPO (QCHP) claims account for $290,000 in interest owed.

Life Insurance ($7.9 million) and Other Fees ($3.4 million) make up the majority of the remaining claims held by Illinois. Interest due on these debts amounts to $323,000 as of the end of February 2021. Current projections by CMS estimate a total of $4.9 million in interest liability (not including amounts sent to the Comptroller awaiting payment to vendors) at this point, considerably smaller than the total of $335.0 million in interest awaiting payment as recently as FY 2018. According to the Comptroller's office, as of the end of January 2021, they had approximately $525 million in Health Insurance Reserve Fund vouchers awaiting payment as the cash flow becomes available.



March 2021 General Obligation Bond Sale
Lynnae Kapp, Senior Revenue/Bond Analyst

BOND SALES

Illinois sold $1.258 billion in General Obligation bonds on March 16, 2021, a day earlier than planned due to a high amount of market interest in the sale. The March 2021A bonds will be used for capital projects and pension acceleration bonds. The March 2021B will be used for information technology projects and the March 2021C bonds will be refunding previous GO bonds for savings. The combined true interest cost was 2.90%, and the refunding portion will save the State almost $22 million in interest.

"The state said it had received strong enough order interest in the pre-marketing wire distributed Monday that it decided to accelerate the sale which drew 'more than 700 orders from more than 130 different investors, including respected names that have not invested in the state for a decade,' the state's Director of Capital Markets Paul Chatalas said in a statement…A confluence of factors helped the sale, from the return of inflows and demand for higher-yielding paper to the state's improving tax projections and a looming infusion of $7.5 billion from the $1.9 trillion American Rescue Plan signed by President Biden last week…The state's one-year bond settled at 0.69%, a 63 basis point spread to Refinitiv MMD's AAA benchmark. The 10-year landed at 2.22%, 120 basis point spread, and the 25-year bond at 2.75%, a 115 basis point spread. All came with 5% coupons." [*Illinois primary market penalties shrink to levels of bygone era*, Yvette Shields, The Bond Buyer, March 17, 2021]

BOND SALES									
DATE	BOND SALE TYPE	AMOUNT	TAXABLE v. TAX-EXEMPT	NEGOTIATED v. COMPETITIVE SALE	TRUE INTEREST COST	S&P	FITCH	MOODY'S	KROLL
FY 2019									
Sep-18	General Obligation Refunding A & B	$966 million	tax-exempt	negotiated	combined 4.19%	BBB-	BBB	Baa3	
Oct-18	Build IL October 2018 A	$115 million	tax-exempt	competitive	4.16%	A-	BBB		AA+
Oct-18	Build IL October 2018 A	$125 million	tax-exempt	competitive	4.27%	A-	BBB		AA+
Oct-18	Build IL October 2018 A	$10 million	taxable	competitive	4.09%	A-	BBB		AA+
Apr-19	General Obligation Pension Obligation Acceleration Bonds April 2019A	$300 million	taxable	competitive	5.74%	BBB	BBB-	Baa3	
Apr-19	General Obligation Refunding April 2019B	$140 million	tax-exempt	competitive	3.33%	BBB	BBB-	Baa3	
FY 2020									
Nov-19	General Obligation November 2019A/B/C	$750 million	tax-exempt	competitive	all in TIC 3.4578%	BBB	BBB-	Baa3	
May-20	General Obligation May 2020	$800 million	tax-exempt	negotiated	all in TIC 5.83%	BBB-	BBB-	Baa3	
Jun-20	General Obligation Certificates (MLF)	$1.2 billion	tax-exempt	negotiated	all in TIC 3.9198%	BBB-	BBB-	Baa3	
FY 2021									
Oct-20	General Obligation October 2020 A	$125 million	taxable	competitive	2.83%	BBB-	BBB-	Baa3	
Oct-20	General Obligation October 2020 B	$325 million	tax-exempt	competitive	3.71%	BBB-	BBB-	Baa3	
Oct-20	General Obligation October 2020 C	$300 million	tax-exempt	competitive	4.32%	BBB-	BBB-	Baa3	
Oct-20	General Obligation October 2020 D	$100 million	tax-exempt	competitive	2.15%	BBB-	BBB-	Baa3	
Dec-20	General Oblgation Certificates (MLF)	$2.0 billion	tax-exempt	negotiated	3.42%	BBB-	BBB-	Baa3	
Mar-21	General Obligation March 2021A	$850 million	tax-exempt	negotiated	2.90%	BBB-	BBB-	Baa3	
Apr-21	General Obligation March 2021B	$150 million	tax-exempt	negotiated		BBB-	BBB-	Baa3	
May-21	General Obligation Refunding March 2021C	$258 million	tax-exempt	negotiated		BBB-	BBB-	Baa3	

GENERAL OBLIGATION BOND RATINGS:

S&P BBB-; outlook stable

"When we revised the outlook to negative from stable one year ago, we viewed the state's lack of a reserve fund, history of liquidity challenges, and very high fixed costs as potentially limiting flexibility in addressing the economic and budget demands stemming from the pandemic. However, the administration has had adequate controls to maintain liquidity (including accessing the municipal liquidity facility), revenues for the most part have been stronger than forecast, and expenditure cuts or freezes have provided budgetary flexibility. Because the outlook revision is directly related to COVID-19 and the state's budgetary actions during the pandemic, we view this as a remaining, but lessening, social risk in our environmental, social, and governance factors. Credit risks remain and the 'BBB-' rating is appropriate, in our view, but the economic conditions, federal support, and administrative actions have pulled the rating away from the speculative-grade category and support the stable outlook.

"The rating also reflects our opinion of governance risks that we view as being above the sector norms due to the constitutional limits the state faces to modify its rising pension costs, and that the state is not contributing to meet static funding, limiting current and future budgetary flexibility. However, we view the state's environmental risks as in line with our view of the sector. Our outlook revision also reflects our view that the COVID-19 pandemic's impact on the state's economy, budget, and forecast is a social rating factor elevating the public health and safety issues.

"We could lower the rating if we believe Illinois's bill backlog is climbing meaningfully or the state's liquidity position weakens to a level that jeopardizes its ability to finance core government services in a timely manner. Given the state's high fixed costs, particularly pension and other postemployment benefits, and a lack of reserves, we believe that if Illinois does not address these conditions, downward pressures will return. Given the state's recent tenuous fiscal position, near-term progress toward resolving the ongoing structural imbalance and realizing budgetary control targets is critical to maintaining an investment-grade rating.

"Any upside to the state's creditworthiness, however, remains somewhat constrained by the poorly funded pension systems and other outsize liabilities. But even with these, the state's economic base could support a higher rating pending improvement in fiscal operations and overall budget management. If Illinois were to make sustainable progress toward structural balance, including meeting its pension obligations, further reducing its bill backlog, and increasing reserves, we could raise the rating." [*State Of Illinois Debt Rating Outlook Revised To Stable From Negative On Better-Than-Expected Performance***,** S&P Global Ratings, March 9, 2021]

Fitch Ratings BBB-; outlook negative

"Illinois' 'BBB-' IDR and GO bond rating, notably lower than other states, have long reflected an ongoing pattern of weak operating performance and irresolute fiscal decision-making that has produced a credit position well below the level that the state's broad economic base and substantial independent legal ability to control its budget would otherwise support. The ratings also reflect the state's elevated long-term liability position, modest long-term economic and revenue growth profile and adequate expenditure flexibility.

"The Negative Outlook reflects the risks posed by the state's lack of meaningful reserves and its already extensive use of other fiscal-management tools, such as deficit financing, but increasingly likely substantial federal aid could prove an effective mitigant. State revenues have widely exceeded enacted budget expectations year-to date providing budget relief but still trail the pre-pandemic outlook. To manage the ongoing fiscal and economic uncertainty, Illinois may implement nonstructural budget management measures it finds difficult to quickly unwind once a full and sustained economic recovery takes hold. Enactment of the American Rescue Plan (HR 1319, or ARP), with approximately $7.5 billion for Illinois state coffers, could provide an immediate boost to the state's fiscal resilience. The bill cleared the Senate this past weekend and appears likely to pass the House this week before heading to the President for final enactment.

"Factors that could, individually or collectively, lead to positive rating action/upgrade:

-- Enactment of the ARP, followed by a clear dedication of the state to using new federal aid to unwind one-time budgetary measures taken over the past year and restore fiscal resilience, would support stabilization of the Outlook and potentially upward rating movement toward its pre-pandemic level.

-- A quick and sustained recovery in Illinois' economic activity and revenue collections could support stabilization of the Outlook by allowing the state to preserve financial resilience and minimize exacerbating its structural budget challenges. Such a recovery is more likely now than even a few months ago given the rollout of multiple vaccines nationally and globally as well the high likelihood of substantial new federal economic stimulus. Similarly, structural changes that lead to materially higher revenues or reduced spending could also support stabilization of the Outlook.

"Factors that could, individually or collectively, lead to negative rating action/downgrade:

-- A downgrade could be triggered by the lack of a credible path to reversing the state's current pandemic-driven use of non-structural budget measures or by a reliance on short-term measures that materially compound the state's long-term challenges such as its pension liability burden. Specifically, Fitch will assess any additional federal aid that could mitigate the state's fiscal challenges and the long-term structural implications of the state's fiscal 2022 budget currently under legislative consideration. Actions that materially exacerbate structural budget challenges, such as substantial use of one-time federal aid for recurring expenditures, could trigger negative rating action.

--More severe economic weakness than envisioned in Fitch's coronavirus baseline scenario that triggers greater than anticipated, sustained and deep revenue declines and materially erodes the state's gap-closing capacity could lead to negative rating action. Fitch's assessment of the state's long-term economic growth prospects could also be fundamentally weakened from an already modest level. This would pressure all aspects of the state's credit profile." [*Fitch Affirms Illinois IDR at 'BBB-' and Rates $1.3B GO Bonds 'BBB-'; Outlook Remains Negative*, FitchRatings, March 9, 2021]

Moody's Baa3; outlook negative

"Affirmation of the state's rating and the revision of its outlook to stable reflect the state's financial performance through the pandemic, in combination with increased levels of federal support that will moderate near-term fiscal and economic pressure. State and local government funds expected under the latest federal aid package may help the state repay deficit financing loans, support its financially pressured local governments and spur employment, income and tax revenue growth. While credit risks raised by the pandemic during the past year are receding, the longer-term challenges associated with the state's very large unfunded post-employment liabilities remain. The state's Baa3 rating is supported by a large, diverse economy with above-average wealth, and it benefits from powers over revenue and spending. [*Moody's revises Illinois' outlook to stable and affirms Baa3 GO rating*, Moody's Investor Service, March 25, 2021]

"The state's Baa3 rating is supported by a large, diverse economy with above-average wealth, and it benefits from powers over revenue and spending and from substantial non-operating fund liquid resources. These strengths are significantly offset by outsized unfunded pension liabilities, which in turn indicate institutional governance shortcomings. The coronavirus pandemic and its economic consequences continue to test Illinois' resilience compared with other states. The state's pension liabilities are growing in relation to its economic capacity. The past year's social and economic dislocations from the pandemic not only eroded the state's economy but impeded progress toward addressing the state's long-term retirement benefit funding pressure. Federal aid is clearly providing a substantial buffer to help absorb the pandemic's fiscal effects, but the long-term pension funding challenges will remain in place.

"FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS
- Enactment of recurring financial measures that support sustainable budget balance
- Decisive actions to improve funding of the state's main pension plans
- Progress in lowering a backlog of unpaid bills that does not rely on either long-term borrowing or a significant decrease in non-operating fund liquidity

"FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS
- Fiscal measures that greatly add to the state's near- or long-term liabilities, including reductions in pension contributions to provide fiscal relief
- Large or persistent structural imbalance that leads to significant increase in the state's unpaid bills or other liabilities
- Substantial assumption of debt or pension liabilities accrued by local governments " [*Moody's assigns Baa3 to State of Illinois' $1.26 billion GO Bonds, Series of March 2021; outlook negative*, Moody's Investor Service, March 8, 2021]

ILLINOIS' GENERAL OBLIGIATION RATINGS HISTORY						
Date of	Fitch		S&P		Moody's	
Rating Action	Rating	up/down	Rating	up/down	Rating	up/down
April 2020	BBB-	↓1x				
June 2017			BBB-	↓1x	Baa3	↓1x
February 2017	BBB	↓1x				
September 2016			BBB	↓1x		
June 2016			BBB+	↓1x	Baa2	↓1x
October 2015	BBB+	↓1x			Baa1	↓1x
June 2013	A-	↓1x			A3	↓1x
Jan 2013			A-	↓1x		
Aug 2012			A	↓1x		
Jan 2012					A2	↓1x
Jun 2010	A	↓1x			A1	↓1x
Mar-Apr 2010	A-/A+ recal	↓1x/↑2x			Aa3 recal	↑2x
Dec 2009			A+	↓1x	A2	↓1x
Mar-Jul 2009	A	↓2x	AA-	↓1x	A1	↓1x
Dec 2008	AA-	↓1x				
May 2003	AA	↓1x			Aa3	↓1x
Jun 2000	AA+	↑1x				
Jun 1998					Aa2	↑1x
Jul 1997			AA	↑1x		
Feb 1997					Aa3	↑1x
Sep 1996	AA	initial rating				
Feb 1995					A1	↓1x
Aug 1992			AA-	↓1x	Aa*	↓1x
Aug-Sep 1991			AA	↓1x	Aa1	↓1x
Mar 1983			AA+	↓1x		
Feb 1979			AAA	initial rating		
1973					AAA	initial rating

Note: "recal" means recalibration, when Fitch and Moody's revised their ratings on municipal bonds to match global/corporate ratings. These are not considered upgrades.
*Moody's rating of Aa was before that level had modifiers of Aa2 and Aa3, so it was considered one level in between AA1 and A1

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY

INDICATORS*	LATEST MONTH	PRIOR MONTH	A YEAR AGO
Unemployment Rate (Average) (Feb.)	7.4%	7.7%	3.6%
Inflation in Chicago (12-month percent change) (Feb.)	1.2%	0.7%	2.0%

	LATEST MONTH	CHANGE OVER PRIOR MONTH	CHANGE OVER A YEAR AGO
Civilian Labor Force (thousands) (Feb.)	6,138.3	-0.1%	-3.4%
Employment (thousands) (Feb.)	5,684.1	0.2%	-7.3%
Nonfarm Payroll Employment (Feb.)	5,681,600	21,100	-461,200
New Car & Truck Registration (Feb.)	39,373	-3.8%	0.4%
Single Family Housing Permits (Feb.)	675	9.8%	17.4%
Total Exports ($ mil) (Jan.)	4,437.6	-9.9%	-4.4%
Chicago Purchasing Managers Index (Mar.)	66.3	11.4%	38.7%

* Due to monthly fluctuations, trend best shown by % change from a year ago

REVENUE: STRONG PERFORMANCE FROM ECONOMIC SOURCES FUELS MARCH GAINS—OFFSETS WEAKER FEDERAL SOURCES AND TRANSFERS

Jim Muschinske, Revenue Manager

Base general funds revenues grew $422 million in March. Strong performances from both personal income and corporate income tax receipts were complemented by an impressive month for sales tax revenues. Also factoring into the monthly gain were timing elements related to quirks in both this year and last year's receipting for a couple of revenue lines. An overall weaker month for federal sources, coupled with lower transfers, served to offset some of the overall positive monthly performance. An extra receipt day also contributed to the positive March total.

For the month, gross personal income tax posted impressive growth of $223 million, or $196 million on a net basis. Gross corporate income taxes also performed well as receipts were up $101 million, or $81 million net. Gross sales tax revenue followed suit, generating $80 million in gains, or $84 million on a net basis.

The growth of the large economic sources weren't the only areas to experience a strong March. The Cook County IGT was up $94 million due to a scheduled timing change [no further transfer amounts are expected over the remainder of FY 2021]. Inheritance tax receipts continued its remarkable performance, rising $58 million. Corporate franchise taxes posted growth of $33 million in March. However, this gain was related to a quirk in last year's receipting whereby a receipt reclassification at the Secretary of State resulted in a negative adjustment last March. Insurance taxes also continued to impress, as receipts grew $31 million for the month. Public utility taxes managed to post a $2 million increase, while both liquor tax and vehicle use tax each ticked up $1 million.

Despite overall monthly receipt growth, a few revenue sources experienced monthly declines. Other sources fell $31 million [related to the earlier mentioned receipt reclassification at the Secretary of State last March], cigarette tax decreased by $15 million, and interest income dropped $4 million.

Overall March transfers into the general funds dropped $36 million. While Lottery transfers were up $10 million, other miscellaneous transfers offset that rise by falling $42 million, and proceeds from the sale of the 10th license was off $4 million. As mentioned, federal sources experienced a comparatively weaker month, falling $73 million.

Year To Date

Excluding borrowing related activity, through the first three-fourths of the fiscal year, base receipts are up $3.141 billion. In addition to December's surge in federal sources, that growth also reflects the timing of income tax receipts related to last year's [2020] filing deadline extension. Through March, combined net income tax receipts are up $2.259 billion. While just over half of those gains continue to be attributed to the shift of FY 2020 final payments into early FY 2021, very respectable underlying base income tax receipting continues to impress. Also positive is the continued trend of sales tax receipt performance as the growth rate continues to improve and now stands at 3.3%.

All of the other revenue sources combined are ahead of last year's pace by $28 million. While exceptional performance has been seen from inheritance tax and insurance tax, those gains have been mostly erased by lower public utility tax receipts and interest earnings, as well as timing related to one-time court settlement proceeds receipted last fiscal year.

Overall transfers are off considerably, down $894 million, reflecting the lack of riverboat gaming transfers [$195 million] significantly lower Income Tax Refund transfer levels [$336 million] as well as lower other miscellaneous transfers [$480 million]. Despite a comparatively weaker month of March, federal sources are still up $1.489 billion year to date.

March

FY 2021 vs. FY 2020

($ million)

Revenue Sources	**March FY 2021**	**March FY 2020**	**$ CHANGE**	**% CHANGE**
State Taxes				
Personal Income Tax	$2,545	$2,322	$223	9.6%
Corporate Income Tax (regular)	309	208	101	48.6%
Sales Taxes	786	706	80	11.3%
Public Utility Taxes (regular)	84	82	2	2.4%
Cigarette Tax	21	36	(15)	-41.7%
Liquor Gallonage Taxes	13	12	1	8.3%
Vehicle Use Tax	4	3	1	33.3%
Inheritance Tax	72	14	58	414.3%
Insurance Taxes and Fees	34	3	31	1033.3%
Corporate Franchise Tax & Fees	22	(11)	33	N/A
Interest on State Funds & Investments	0	4	(4)	-100.0%
Cook County IGT	94	0	94	N/A
Other Sources	18	49	(31)	-63.3%
Subtotal	$4,002	$3,428	$574	16.7%
Transfers				
Lottery	$55	$45	$10	22.2%
Riverboat transfers & receipts	0	0	0	N/A
Proceeds from Sale of 10th license	6	10	(4)	-40.0%
Refund Fund transfer	0	0	0	N/A
Other	48	90	(42)	-46.7%
Total State Sources	$4,111	$3,573	$538	15.1%
Federal Sources	$391	$464	($73)	-15.7%
Total Federal & State Sources	$4,502	$4,037	$465	11.5%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($229)	($221)	($8)	3.6%
Corporate Income Tax	(43)	(30)	(13)	43.3%
LGDF--Direct from PIT	(140)	(121)	(19)	15.7%
LGDF--Direct from CIT	(18)	(11)	(7)	63.6%
Downstate Pub/Trans--Direct from Sales	(55)	(59)	4	-6.8%
Subtotal General Funds	$4,017	$3,595	$422	11.7%
Treasurer's Investments	$0	$0	$0	N/A
Interfund Borrowing	$0	$105	($105)	N/A
Short Term Borrowing	$0	$0	$0	N/A
Total General Funds	$4,017	$3,700	$317	8.6%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 1-Apr-21

GENERAL FUNDS RECEIPTS: YEAR TO DATE

FY 2021 vs. FY 2020

($ million)

Revenue Sources	FY 2021	FY 2020	$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	$18,113	$16,081	$2,032	12.6%
Corporate Income Tax (regular)	2,361	1,748	613	35.1%
Sales Taxes	7,022	6,796	226	3.3%
Public Utility Taxes (regular)	576	644	(68)	-10.6%
Cigarette Tax	207	209	(2)	-1.0%
Liquor Gallonage Taxes	134	135	(1)	-0.7%
Vehicle Use Tax	27	22	5	22.7%
Inheritance Tax	379	195	184	94.4%
Insurance Taxes and Fees	346	224	122	54.5%
Corporate Franchise Tax & Fees	258	189	69	36.5%
Interest on State Funds & Investments	46	116	(70)	-60.3%
Cook County IGT	244	150	94	62.7%
Other Sources	148	453	(305)	-67.3%
Subtotal	$29,861	$26,962	$2,899	10.8%
Transfers				
Lottery	$556	$435	$121	27.8%
Riverboat transfers & receipts	0	195	(195)	-100.0%
Proceeds from Sale of 10th license	6	10	(4)	N/A
Refund Fund transfer	281	617	(336)	-54.5%
Other	343	823	(480)	-58.3%
Total State Sources	$31,047	$29,042	$2,005	6.9%
Federal Sources	$3,774	$2,285	$1,489	65.2%
Total Federal & State Sources	$34,821	$31,327	$3,494	11.2%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	($1,630)	($1,528)	($102)	6.7%
Corporate Income Tax	(331)	(249)	(82)	32.9%
LGDF--Direct from PIT	(999)	(838)	(161)	19.2%
LGDF--Direct from CIT	(139)	(98)	(41)	41.8%
Downstate Pub/Trans--Direct from Sales	(276)	(309)	33	-10.7%
Subtotal General Funds	$31,446	$28,305	$3,141	11.1%
Treasurer's Investments	$400	$400	$0	0.0%
Interfund Borrowing	$0	$255	($255)	N/A
Short Term Borrowing	$1,998	$0	$1,998	N/A
Total General Funds	$33,844	$28,960	$4,884	16.9%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding 1-Apr-21