

How a \$13 Billion State Budget Deficit Affects Trinity Services

On March 10th, Governor Quinn delivered his FY11 budget address to the General Assembly. The budget outlined Illinois' continuing economic woes and noted the significant decrease in state revenues, as well as a staggering 6 billion in deferred payments meaning that Illinois does not have enough money to pay its bills. At this time most experts are agreeing that Illinois indeed has a 13 billion dollar deficit.

In Governor Quinn's budget, he is suggesting a 276 million dollar cut to human services and extending current payment delays for up to an additional 45 days.

Before continuing this narrative, please stop and think how a small business would survive under these circumstances. Following the State of Illinois' model of doing business with providers like Trinity, the business owner would be taxed another 2.5% (the equivalent to Trinity's decrease in overall payments from the State). Additionally, the minimum wage will be going up by 25¢ per hour on July 1st; health insurance premiums and other operating expenses are also increasing; and your customers would not have to pay their bills for six months. And just to add challenge, let's add an increase in rules and regulations. Going back to Trinity as the reference point, it should be noted that Trinity cannot raise its prices, unlike the small business owner. Faced with these constraints, how would a business owner continue to stay in business? How can Trinity?

As of this writing, we know that the cuts to Trinity are well in excess of 1 million dollars for services to the developmentally disabled. At this time, we have not received specific financial information from the Mental Health Division but we are told it's devastating.

The cuts are far reaching and will have a significant impact on Trinity and the people we serve. For example, all of our Medicaid programs have been cut by 2.5% and there will be even greater delay in filling our residential vacancies – even though there are thousands of people seeking residential services in Illinois.

To underline an earlier point, besides these cuts, Trinity will be paid later - leading to a situation where we will have to borrow even more money. Each of our payrolls amounts to almost 1 million dollars and we have 26 payrolls per year.

Adding to this concern is an increase in insurance payments, and an increase in the minimum wage, as well as in other operating expenses.

Current Planning Activities

This, of course, follows the cuts experienced last year and the necessary cost reduction measures that were taken at that time.

Trinity has already frozen many staff vacancies, delayed the hiring of others, not given staff a salary increase in 3 years, put off vehicle replacement, postponed many physical plant

improvements and examined virtually every aspect of our budget including telephone service, utilities, and transportation. We are at the level of detail of reviewing the cost and utilization of paper towels.

At this time, we are planning on consolidating some of our small homes in order to decrease personnel costs. This may mean that some individuals will be sharing bedrooms who previously had their own. We may also combine or recombine some of the smaller day programs in an effort to save lease expenses. Additionally, certain of our programs may have to be scaled back or be eliminated entirely. We will also decrease the monies we spend contractually, whether on professional services or maintenance.

Approximately seventy-five percent of Trinity's budget is spent on personnel costs. It therefore becomes apparent that most of the reductions will have to come from this expenditure thus reducing the number of employees.

It is our strong desire not to discharge any of our Trinity residents. At this time, our planning in this regard is incomplete.

What you can do

I hate the idea and thought of a tax increase but, quite candidly, I do not know how Illinois can cut its way out of a 13 billion dollar deficit without great harm to vulnerable people.

As in times past, we are asking you to contact Governor Quinn and especially the legislative leaders. Senate President John Cullerton, House of Representatives Speaker Michael Madigan, House Republican Leader Tom Cross and Senate Republican Leader Christine Radogno.

If you need additional information, please contact me or your Program Director. Look for updates on our website, www.trinity-services.org.

Lastly, please note the article on page 3 of this newsletter. We do need your email addresses to speed the rate at which we can share important information with you. It is our current understanding that the legislature intends to adjourn on May 7th. Thanks for your continued support.

Best Regards,

Art Dykstra
Executive Director