

ILLINOIS STATE BUDGET FISCAL YEAR 2025



GOVERNOR JB PRITZKER



NOTICE

For release at 12:00 PM, Wednesday, February 21, 2024.

There is a total embargo on the Fiscal Year 2025 budget document until 12:00 PM, Wednesday, February 21, 2024. This prohibition includes references to any and all material in this document. There must be no premature release of this document, nor should any of its contents be paraphrased, alluded to, or commented upon in stories prior to 12:00 PM, February 21, 2024.

Alexis Sturm, Director
Governor's Office of Management and Budget
February 21, 2024

Please visit the Governor's Office of Management and Budget website to download a copy of the *Fiscal Year 2025 Budget*, the *Fiscal Year 2025 Capital Budget* or to view the Interactive Budget portal.
<https://www2.illinois.gov/sites/budget/Pages/default.aspx>



The Proposed Fiscal Year 2025 Budget:

- ✓ Builds on five years of **historic fiscal progress** with balanced budgets, nine credit rating upgrades, \$2B Rainy Day Fund, eliminated bill backlog and has a GDP that exceeds \$1 trillion.
- ✓ Maintains the Governor's commitment to fiscal responsibility while growing Illinois into an economic powerhouse.
- ✓ Continues **transformative investments** in early childhood education and child care, K-12 education, higher education, and efforts to fight poverty.
 - ✓ Continues record level K-12 funding
 - ✓ Extends SMART START ILLINOIS to provide historic investments and comprehensive approach to early learning
 - ✓ Builds on previous higher education investments
 - ✓ Provides record funding for human services and Illinois' social safety network
 - ✓ Increases funding for the Governor's HOME ILLINOIS plan to fight homelessness
 - ✓ Ensures healthcare and food access to raise families out of poverty
 - ✓ Further invests in Illinois' economic infrastructure to support private sector job creation and making Illinois competitive on the national stage



THE FISCAL YEAR 2025 BUDGET

A Stronger Future for Every Illinoisan



In 2019, Governor JB Pritzker laid out a vision for rebuilding Illinois during his first budget address.

- ✓ That budget blueprint was the foundation for Governor Pritzker's multi-year plan to move Illinois forward, restoring the fiscal and economic health of the State.
- ✓ It was bold and ambitious because that was what the moment called for.
- ✓ Governor Pritzker inherited a hollowed-out state government notorious for its fiscal instability and structural deficits that prevented the State from moving forward.



Overview

Fiscal Year 2020 Budget – Meeting the Challenges of Illinois' Third Century

The proposed fiscal year 2020 budget lays out a path that begins to restore Illinois over the next few years to a place of fiscal and economic health.

- ✓ Restore Economic and Budgetary Stability
 - ✓ Implement a fair income tax system
 - ✓ Stabilize pension funding
 - ✓ Eliminate structural deficits
- ✓ Create a World Class Education System Accessible to All
 - ✓ Invest in our children from cradle to career
 - ✓ Invest in the higher education infrastructure
- ✓ Strengthen Illinois' Social Safety Network
 - ✓ Assist the state's most vulnerable
- ✓ Reform the Criminal Justice System and Invest in Public Safety
- ✓ Rebuild and Expand Illinois' Infrastructure
 - ✓ We need to do more than just fix what's broken
 - ✓ Invest in roads, facilities and broadband
- ✓ Make Illinois a World Leader/Competitive in a Global Economy

Embargoed until 12:00 Noon, Wednesday, February 20, 2019

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Source: [Budget in Brief: Fiscal Year 2020 GOMB, February 20, 2019](#)



5 Years Later... Illinois Looks Different than 2019

Restored Economic and Budgetary Stability

- ✓ Passed five balanced budgets with nine credit upgrades
- ✓ Grew the rainy-day fund over \$2 billion
- ✓ Added \$700 million in pension funding above certified levels
- ✓ Retired the State's overdue bill backlog

Education — High Quality Learning from Cradle to Career

- ✓ Provided record levels of early childhood, K-12, college scholarship and grant funding
- ✓ Raised teachers' salaries and increased funding for public schools by over \$2 billion
- ✓ Proposed creation of a new agency dedicated to early childhood investments
- ✓ Launched SMART START Illinois to eliminate preschool deserts and increase access to affordable childcare
- ✓ Increased financial aid by more than \$325 million to make college affordable and attractive in Illinois
- ✓ Eliminated the unfunded liability for the College Illinois! pre-paid tuition program

Strengthen Illinois' Social Safety Network

- ✓ Increased annual investment in healthcare and human services agencies by billions of dollars
- ✓ Addressed the long-standing backlog of individuals waiting for their Medicaid determination
- ✓ Increased DCFS funding nearly 90%, authorizing headcount at levels not reached in over 20 years
- ✓ Created Home Illinois with a first-year investment of \$200 million towards preventing and ending homelessness
- ✓ Made historic investments in community-based services to support people with disabilities

Reform the Criminal Justice System and Invest in Public Safety

- ✓ Provided funding for 19 Illinois State Trooper cadet classes
- ✓ Created the Office of Firearm Safety and invested \$250 million through the Reimagine Public Safety Act in communities hardest hit by gun violence
- ✓ Initiated the 988 Suicide & Crisis Lifeline number to ensure people with mental health challenges find pathways to support and recovery as well as the creation of programs designed to divert people from arrest and into services

Rebuild and Expand Illinois' Infrastructure

- ✓ Passed the bipartisan \$45 billion Rebuild Illinois plan, the largest multi-year program to fix infrastructure in Illinois' history

Economic Growth — Creating Jobs and Investing in Businesses

- ✓ Grew Illinois' GDP to exceed \$1 trillion
- ✓ Passed business attraction and economic development legislation with the General Assembly resulting in thousands of new jobs and billions in private sector investments
- ✓ Passed the Climate and Equitable Jobs Act

Illinois Fiscal Progress 2019 to Today		
	2019	Today
Bills Outstanding	\$8 billion	Now Accounts Payable
Rainy Day Fund	\$4 million	\$2.0 billion
Credit Ratings	Near Junk	9 upgrades
Gross Domestic Product	\$881 billion	\$1.092 trillion
Pension Funded Ratio	40.3%	44.6%

*While great strides have been made since 2019, the work is not done.
The proposed FY25 budget balances strategic investments and common-sense fiscal planning.*



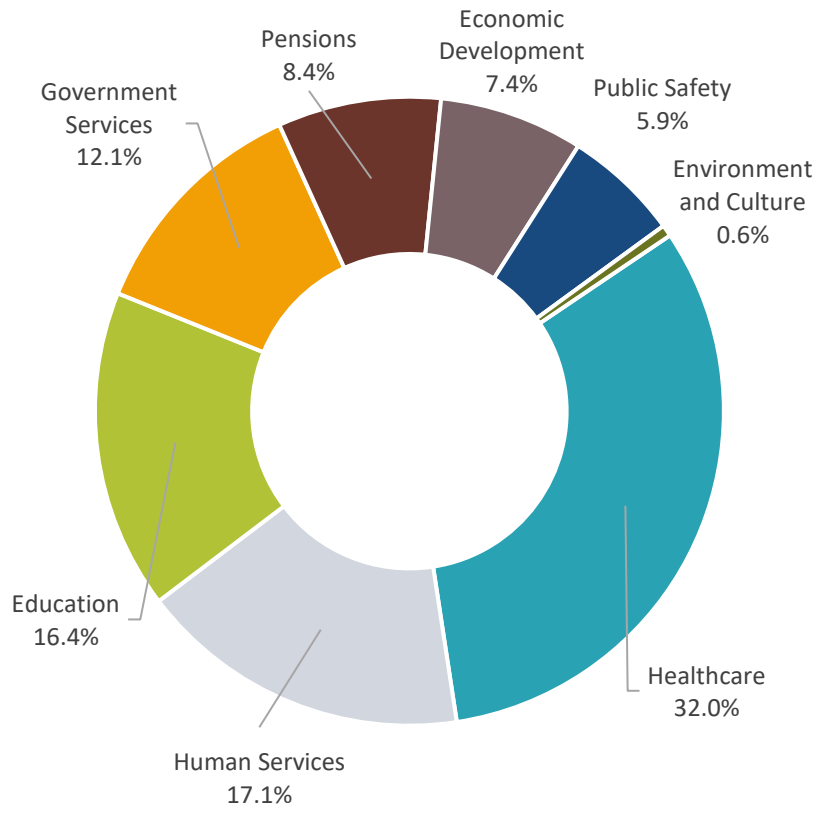
FISCAL YEAR 2025 FISCAL PLAN

Budget Walk Down

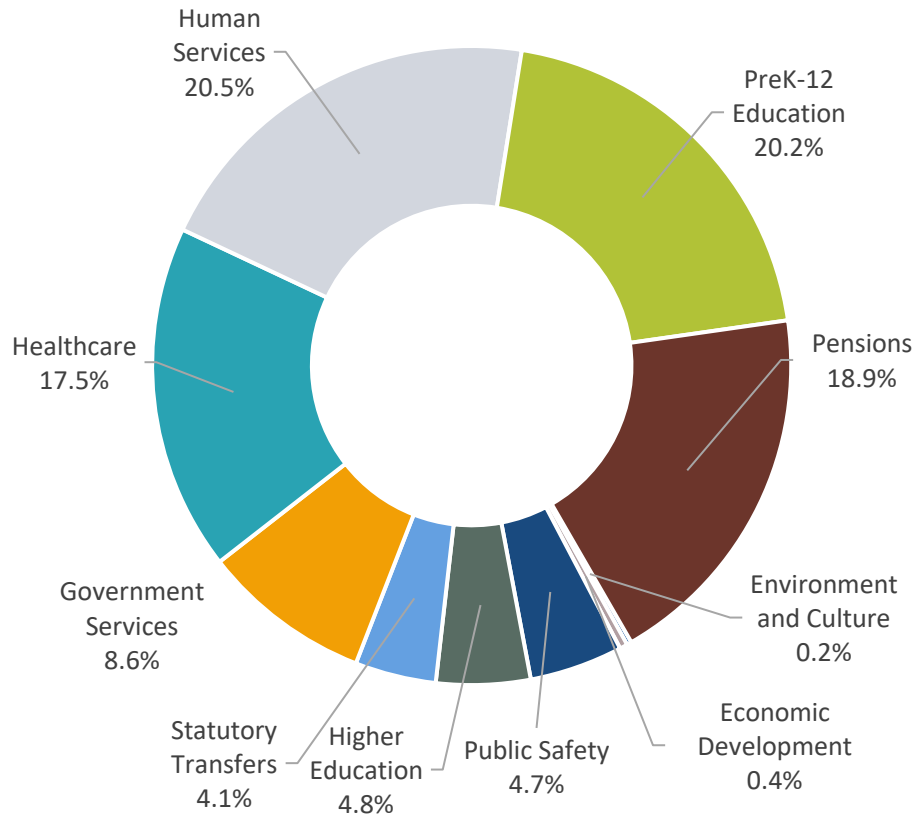


FY25 Proposed Operating Budget

All Funds: \$123.2 Billion



General Funds: \$52.7 Billion

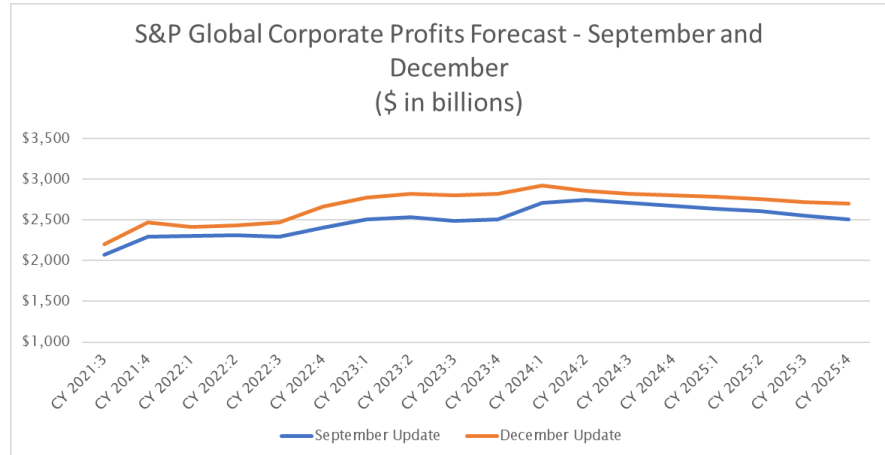
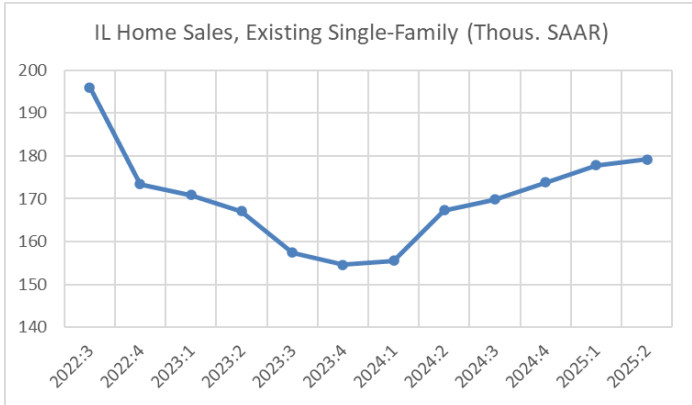
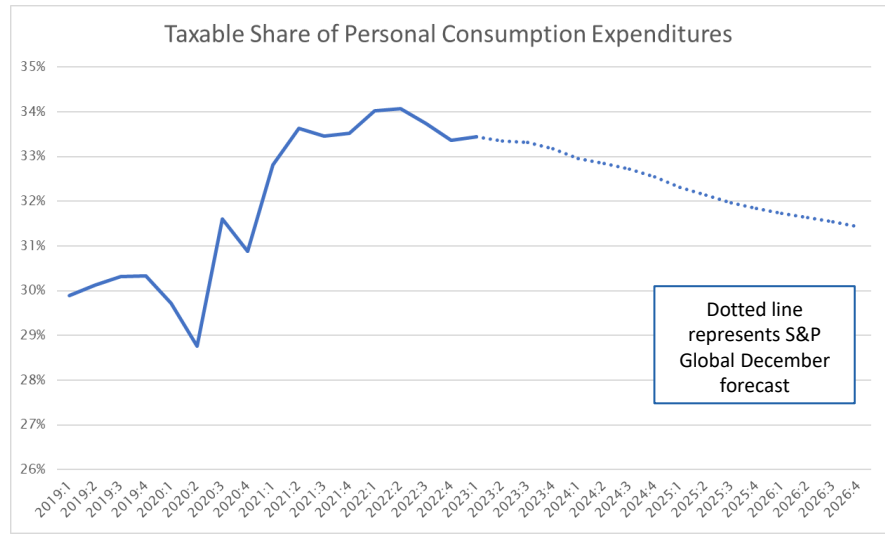


Note: Totals may not add due to rounding



FY24 and FY25 Revised Revenue Outlook

- FY24 General Funds revenue forecast is revised to \$52.216 billion, a \$199 million revision upwards from November 2023 forecast
 - While economic activity is stable, it is not outperforming expectations by much
- Federal Reserve acted to raise interest rates to slow inflation, that move also slowed the overall economic growth rate
- While several aspects of the national economy remain stronger than expected, the economic activity does not always impact the state’s taxable base
 - Home sales linked closely to state sales tax revenues – negatively impacted by higher interest rates
 - Consumption patterns are switching back towards services
 - Corporate profits have leveled out
- FY24 and FY25 revenue forecast built on S&P Global December baseline economic forecast





FY24 and FY25 General Funds Revenues Summary

- ✓ General Funds FY25 revenues are estimated to total \$52.993 billion, a \$777 million, or 1.5%, increase from revised FY24 estimates.
- ✓ FY25 individual income taxes are forecasted to grow \$979 million, or 3.8%.
- ✓ FY25 Other Transfers-in are expected to drop by \$563 million due to the one-time nature of certain FY24 transfers.
- ✓ FY25 Federal revenue forecast \$339 million below FY24 due to one-time retroactive Medicaid claim draws in FY24.
- ✓ FY25 revenue forecast benefits from several proposed revenue adjustments, including:
 - ✓ Increase in Sports Wagering Tax from 15% to 35% - **\$200 million**
 - ✓ Continue the limit on the Corporate Net Operating Loss Deduction, but increase the cap to \$500,000 in allowable loss - **\$526 million**
 - ✓ Cap Sales Tax Retailers' Discount - **\$101 million** state/\$85 million local governments
 - ✓ Transfer mass transit costs from sales taxes to Road Fund - **\$175 million**

General Funds Resources (\$ in millions)	Estimated FY 2024	Projected FY 2025
RESOURCES		
State Sources: Revenues		
Net Individual Income Taxes	25,711	26,690
Net Corporate Income Taxes	5,169	5,477
Net Sales Taxes	10,531	10,874
All Other Sources	3,854	3,623
Total State Sources: Revenues	45,266	46,663
State Sources: Transfers In		
Lottery	850	902
Gaming	155	177
Adult-Use Cannabis	116	123
Sports Wagering	-	200
Other Transfers	1,521	959
Total State Sources	47,908	49,024
Federal Sources	4,308	3,969
TOTAL RESOURCES	52,216	52,993



FY24 and FY25 General Funds Expenditures Summary

- ✓ FY24 revised estimated spending reflects proposed spring supplemental appropriations of \$1.183 billion and proposed transfers.
- ✓ Estimated FY24 budgetary surplus of \$273 million, with \$205 million set aside in Budget Stabilization Fund.
- ✓ Proposed FY25 General Funds expenditures total \$52.695 billion, a \$752 million (<2%) increase from FY24 estimated spending.
- ✓ The proposed budget reflects full payment of the certified FY25 pension contribution.
- ✓ FY25 Government Services recommended budget reflects direct funding of enterprise-wide IT budget lines to DOIT and current estimates of employee and retiree health insurance liabilities.
- ✓ Estimated FY25 budgetary surplus of \$298 million, with an estimated \$170 million reserved in the Budget Stabilization Fund.

Expenditures (\$ in millions)	Estimated FY 2024	Projected FY 2025
EXPENDITURES		
Education	12,905	13,378
Economic Development	427	213
Public Safety	2,515	2,530
Human Services	10,267	10,983
Healthcare	9,292	9,383
Environment and Culture	102	131
Government Services	3,877	4,587
Proposed FY24 Supplemental Appropriations	1,183	-
Unspent Appropriations	(890)	(840)
Total Operating Budget	39,679	40,364
EXPENDITURES: PENSIONS		
K-12 Education Pensions	6,043	6,204
State Universities' Pensions	1,918	1,998
State Employees' Pensions	1,851	1,933
Total Pension Costs	9,813	10,135
EXPENDITURES: TRANSFERS OUT		
Statutory Transfers Out	443	445
Proposed Transfer to Fund #611	350	-
Debt Service	1,658	1,751
Total Transfers Out	2,452	2,196
TOTAL EXPENDITURES	51,943	52,695
General Funds Surplus/(Deficit)	273	298
Statutory Budget Stabilization Fund Contribution	(205)	(170)
Base General Funds Surplus/(Deficit)	68	128

Note: Totals may not add due to rounding



FISCAL YEAR 2025 BUDGET IN SUMMARY

Highlights of Governor Pritzker's Fiscal Year 2025 Proposed Budget



Fiscal Year 2025: Governor Pritzker's Investment Priorities

- ✓ Early Childhood Development (Birth to Age 5)
- ✓ K-12 Education
- ✓ Higher Education
- ✓ Social Service Programs
- ✓ Public Safety and Violence Prevention
- ✓ Economic Development and Infrastructure
- ✓ Environmental and Cultural Resources

SMART START ILLINOIS: Investing in Early Childhood

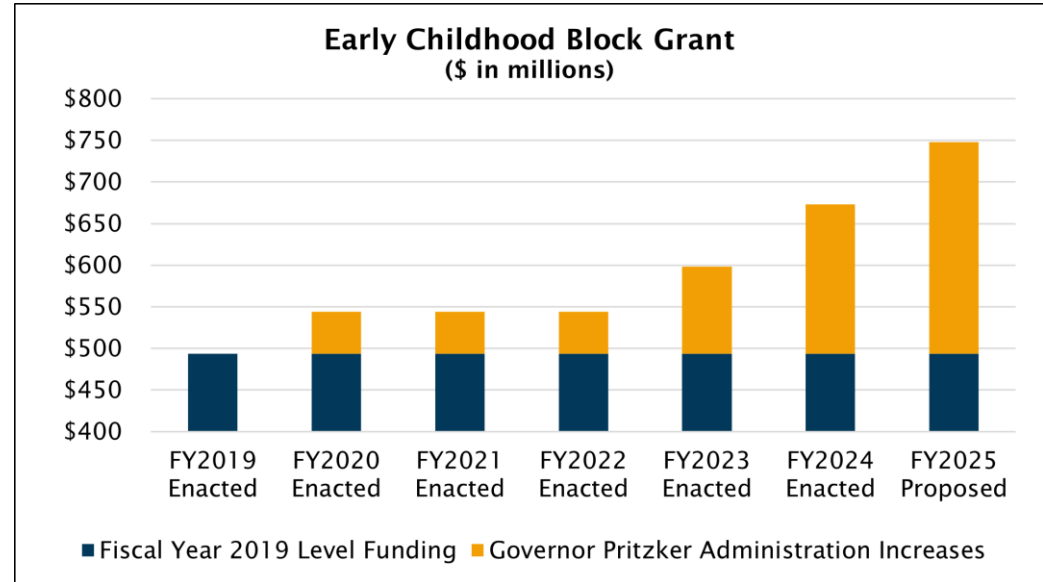
Provides over \$400 million for the second year of the Governor's early childhood initiative

This multi-year program provides a comprehensive approach to investments in preparing children to be lifelong learners. Year 2 investments include:

- ✓ **\$13 million** to launch the Department of Early Childhood
- ✓ **\$75 million** in additional ISBE Early Childhood Block Grant funding
 - ✓ Adds an additional 5,000 slots in preschool deserts
 - ✓ Increases block grant to \$748 million, \$254 million more than 2019
- ✓ Approximately **\$200 million** investment in funding for Early Childhood Workforce Compensation Contracts
 - ✓ Provides stabilizing operational funding to promote quality
- ✓ **\$5 million** increase for the continued expansion of DHS' Home Visiting Program

Other Early Childhood Investments include:

- ✓ **\$36.5 million** to support higher participation in the Child Care Assistance Program
- ✓ **\$5 million** in state funds for ECACE scholarships to replace federal funds that have been discontinued
- ✓ **\$3.5 million** for the 2nd year of the Dolly Parton Imagination Library early childhood literacy program



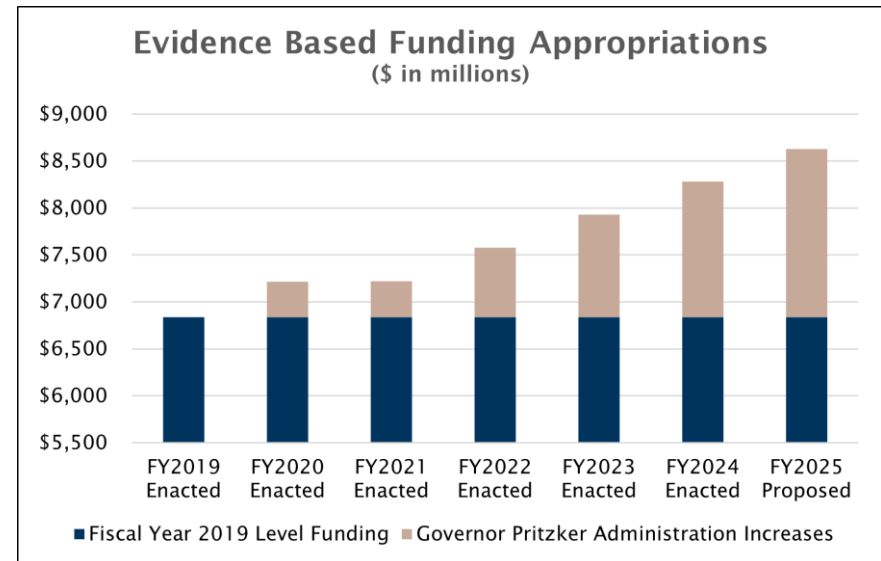


K-12 Education Funding

Continues to put Illinois on the right path to equitably serve every child in Illinois with adequate funding

FY25 ISBE Proposed Budget: \$17.38 billion All Funds, \$10.814 billion General Funds (\$449 million ISBE General Funds increase)

- ✓ Increases Evidence-Based Funding (EBF) **\$350 million.**
 - ✓ Brings EBF program to **\$8.6 billion**
 - ✓ **\$1.8 billion** aggregate increase during the Pritzker Administration
 - ✓ Reflects \$202 million in EBF Property Tax Relief Grants to eligible school districts.
- ✓ Includes a **\$30.7 million** increase, for a total of **\$1.1 billion** in grants for transportation and special education.
- ✓ Includes **\$10.2 million** increase for Career Technical Education Programs.
 - ✓ Year 1 investment in an updated, equity-based formula.
 - ✓ Increases the number of students served and allows district programs to upgrade technology and equipment to current industry standards.
- ✓ Includes **\$3 million** for State Literacy Plan Implementation.
- ✓ Provides **\$45 million** for the 2nd year of Teacher Vacancy Grant Pilot Program.
 - ✓ Grant recipients across 170 school districts have hired more than 5,300 teachers, created 166 pathway programs to prepare new teachers, and established retention initiatives focused on more than 10,000 current teachers.





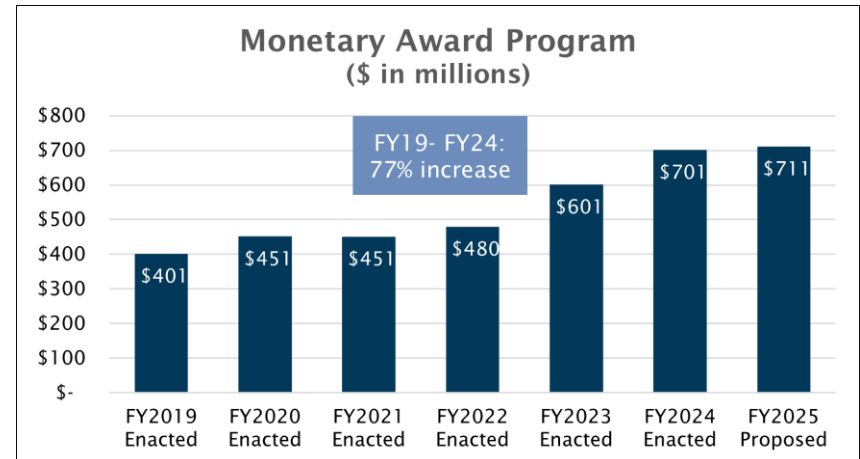
Higher Education

Investing in our Colleges and Universities

Increasing college affordability and expanding economic opportunity for our students

FY25 Proposed Budget: \$2.55 billion General Funds

- ✓ Increases Monetary Award Program (MAP) by \$10 million
 - ✓ Increases total MAP funding to **\$711 million**, a 77% increase in 6 years
 - ✓ In FY25, a projected 146,000 students will benefit from MAP grants, up from 128,864 in 2019.
- ✓ A **\$30.6 million**, or 2 percent, general funds increase for public universities' (\$24.6 million) and community colleges' (\$6 million) operating costs
- ✓ Continues funding to support community college investments in dual-credit and non-credit workforce grant programs
- ✓ **\$450,000** to extend the Common Application simplified admissions process to transfer students from community colleges
- ✓ Maintains teacher pipeline program funding for Golden Apple Scholars (**\$10.75 million**), Golden Apple Accelerators (**\$5 million**), and Minority Teachers of Illinois (**\$8 million**)
- ✓ **\$20 million** in continued funding for the Pipeline for the Advancement of the Healthcare (PATH) Workforce Program





Improving Healthcare Access and Outcomes

State Based Marketplace (SBM) – Expanding Access to Affordable Healthcare

PA 103-0103, signed into law by Governor Pritzker in June 2023, authorized the creation of a state-based marketplace for Illinois, which gives the State the authority to create a more consumer-focused health insurance exchange specific to Illinoisans.

- ✓ SBM will go live for plan year 2026
 - ✓ ACA Open Enrollment Period begins November 1, 2025.
 - ✓ During the interim year, the State will advertise, provide consumer assistance, begin staffing and building IT infrastructure for the marketplace.
- ✓ The proposed FY25 budget includes funding to ensure the success of this roll out:
 - ✓ Agency funding will support staffing, consumer assistance navigators, marketing and advertising, and costs for an enrollment website.
 - ✓ **\$17.8 million** to the Department of Insurance
 - ✓ **\$6 million** to Department of Healthcare and Family Services
 - ✓ Funding increases to **\$6 million** for Get Covered Illinois, to expand the State’s marketing and outreach effort to assist consumers in accessing affordable healthcare.
 - ✓ Close collaboration between DoI and HFS will ensure a smooth transition for individuals moving between Medicaid and the marketplace, avoiding potentially devastating coverage gaps.

Birth Equity Investments

The FY25 proposed budget includes additional funding to reduce maternal mortality and support a full spectrum of community-based reproductive healthcare, including:

- ✓ A new child tax credit for working families with children under the age of 3
 - ✓ The proposed tax credit will be 20 percent of the taxpayer’s state earned income tax credit
 - ✓ Estimated value of **\$12 million**
- ✓ **\$4.4 million** to DPH to assess the State’s maternal mortality rate and create an action plan that centers on reproductive care through community-based providers, supports community-based, full-spectrum care birth centers, and a state action plan that centers on community-based reproductive healthcare providers that are in and of the communities they serve.
- ✓ **\$5 million** increase to continue and expand DHS’s Home Visiting Program.
 - ✓ Provides resources, training and education for young and low-income parents including parenting skills and healthy child development
 - ✓ It will expand access to Early Head Start Home-Based (EHS), Healthy Families America (HFA), Nurse-Family Partnership (NFP), and Parents as Teachers (PAT).
- ✓ **\$1 million** to DHS for a low-income diaper program
- ✓ **\$1 million** to DCEO for grants to providers to expand safe and accessible pregnancy support



Building on FY24 Investments

Foundations for the Future

HOME ILLINOIS - Preventing and Ending Homelessness in Illinois

HOME ILLINOIS, housed at the Department of Human Services, targets the prevention of homelessness, provides crisis response, expands housing support and increases job opportunities for the homeless.

The proposed FY25 request increases the Home Illinois line by **\$50 million** and includes:

- ✓ **\$35 million** to maintain court-based rental assistance.
- ✓ **More than \$181 million** to support unhoused populations seeking shelter and services, inclusive of \$52.4 million to the Emergency and Transitional Housing Program.
- ✓ **\$25 million** in Rapid ReHousing services, including short-term rental assistance and targeted support services for households for up to two years.
- ✓ **\$42 million** to maintain funding for current supportive housing for individuals.
- ✓ **More than \$33 million** to provide street outreach, medical respite, re-entry services, access to counsel, and other shelter diversion supports.
- ✓ **In addition, \$5 million** is included in IDHS' budget to convert temporary shelters to sustainable community assets.

Continuing the Children's Behavioral Health Transformation

The proposed FY25 budget includes almost **\$35 million** to continue funding and implementing recommendations from the Children's Behavioral Health Transformation Initiative, a collaborative and coordinated effort across six state agencies (DHS, HFS, ISBE, DJJ, DPH and DCFS) and their community partners.

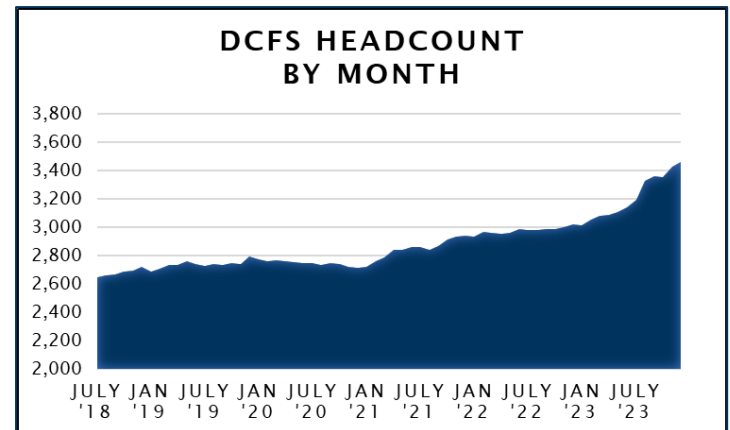
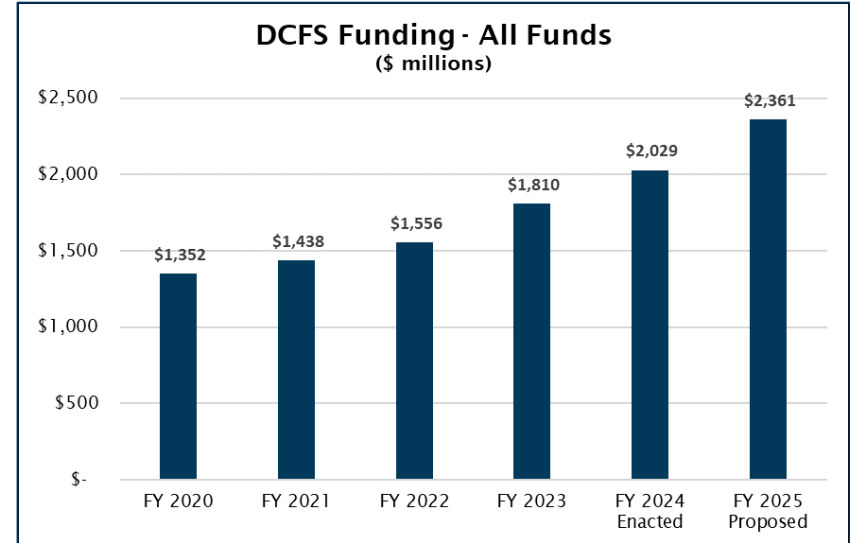
- ✓ **\$1.5 million** for BEACON (Behavioral Health Care and Ongoing Navigation), the portal developed in partnership between Illinois and Google Public Sector.
 - ✓ This new state-of-the-art online portal will provide a user-friendly experience for Illinois families to access behavioral and mental health resources for children.
- ✓ **\$31.3 million** for Comprehensive Community Based Youth Services (CCBYS) Expansion.
- ✓ **\$2 million** for Pediatric Mental Health Training.



Department of Children and Family Services

FY25 Proposed Budget: \$2.36 billion All Funds, including \$1.478 billion General Funds (up \$76.2 million)

- ✓ Funding to hire an additional 392 positions to support DCFS caseloads.
 - ✓ Between FY24 and FY25, DCFS will have added 584 positions.
 - ✓ Total agency positions will be at 4,000 – a level not seen since 2001.
- ✓ Continues rate reform for private sector providers to address the staffing shortages of social service workers at DCFS partner agencies.
 - ✓ **\$29.8 million** was invested in FY24 for rates that went into effect on October 1, 2023.
 - ✓ An additional **\$50.3 million** will be invested in FY25 to fully fund the October 1st increases and increases scheduled for July 1, 2024.
- ✓ Includes **\$38.9 million** increase to continue the rollout of the Comprehensive Child Welfare Information System.
- ✓ Includes a one-time investment of **\$100 million** for the Level of Care Support Services, capital grants to providers which will help increase capacity for youth placement in the most clinically appropriate settings.
- ✓ Provides an additional **\$10 million** for worker and private sector partner security investments.





Department of Human Services

Protecting the Most Vulnerable

FY25 Proposed Budget: \$14.248 billion All Funds, \$7.282 billion General Funds

- ✓ Provides an additional **\$50 million** for Home Illinois to continue initiatives launched in FY24 through investments in eviction mitigation, shelter diversion, scattered site housing, and court-based rental assistance.
- ✓ **\$2.4 billion** for services for people with developmental disabilities (DD) in support of the *Ligas* consent decree – an increase of \$940 million since 2019. The FY25 budget proposes a nearly **\$116 million** general funds increase for these services, including:
 - ✓ **Preserves over 2 million** statewide service hours for I/DD group home Direct Support Professionals.
 - ✓ **\$100 million** to annualize the cost of the accelerated Guidehouse rate increases for Direct Service Providers effective January 1, 2024.
 - ✓ **\$30.1 million** for continued compliance with the *Ligas* Consent Decree including \$13.6 million to annualize FY24 placements and \$16.5 million for 630 new placements.
 - ✓ **\$11.7 million** to adjust for the SSI increase of 3.2 percent for the Home and Community Based Waiver.
- ✓ **\$36.5 million** increase for the Child Care Assistance Program to serve approximately 135,000 children.
- ✓ Funds the Division of Rehabilitation Services' Home Services Program with an increase of **\$116 million** to support expected caseload growth and liability increases.
- ✓ Provides emergency funding to support the joint response of the State of Illinois, City of Chicago, and Cook County to thousands of asylum seekers arriving in Illinois with a **\$182 million** commitment through allocations of funding at Welcoming Centers (\$115 million) and Home Illinois (\$67 million).
- ✓ Supports mental health care and treatment through a **\$19 million** increase for forensic inpatient and outpatient services, 9-8-8 hotline, and support of the *Williams* and *Colbert* consent decrees.

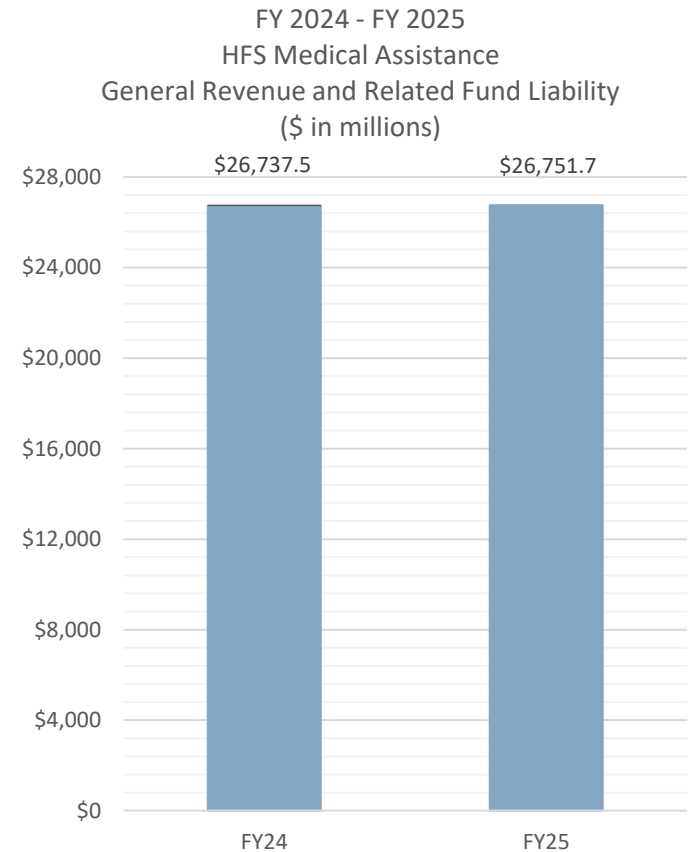


Healthcare and Family Services

Caring for Illinois Families

FY25 Proposed Budget: \$39.478 billion All Funds, including \$9.383 billion General Funds

- ✓ FY25 Medicaid liability is projected to total **\$26.8 billion** all funds, approximately 0.1% increase.
 - ✓ Total enrollment is projected at 3.6 million Illinoisans.
 - ✓ State continues to work through eligibility reviews following the end of the federal public health emergency’s continuous enrollment requirement.
- ✓ Includes an increase of **\$497.9 million** to annualize Medicaid program rate increases and changes effective mid-FY24.
- ✓ Includes a new **\$50 million** for a Medicaid tiered safety net hospital add-on.
- ✓ Includes funding of **\$629 million** for the Health Benefits for Immigrant Adults and Health Benefits for Immigrant Seniors programs, of which \$440 million will be covered by State GRF.
- ✓ Includes a **\$20.6 million** GRF increase for Child Support Services.
 - ✓ Ensures 100% pass-through of child support collected on behalf of clients receiving TANF.
- ✓ The recommended budget provides **\$10 million** for a program to erase medical debts totaling an estimated \$1 billion in relief for more than 300,000 Illinois households.





Department of Public Health

Keeping Our Communities Safe and Healthy

**FY25 Proposed Budget: \$1.708 billion All Funds,
\$269.9 million General Funds**

Recognizing the importance of public health planning and investments:



- ✓ Provides **\$6 million** to hire 100 additional staff in the Office of Health Care Regulation.
- ✓ Proposes **\$4 million** to create an action plan that centers on reproductive care through community-based providers and support community-based, full-spectrum care birth centers.
- ✓ Adds **\$2 million** for grants for freestanding reproductive health care clinics and maintains the funding of **\$18 million** to support existing reproductive health initiatives, including the navigation hotline and the learning/training collaborative for providers.
- ✓ Includes **\$400,000** for a Homelessness Mortality and Morbidity Report to address health issues of those who are housing insecure.
- ✓ Includes **\$500,000** to fund community-based tuberculous prevention, follow-up, and treatment.
- ✓ Provides **\$45 million** (\$15 million GRF and \$30 million in federal funds) to support critical IT replacement for Illinois' National Electronic Disease Surveillance System (INEDSS) and Long-Term Care systems.
 - ✓ The first update for Illinois' Disease Surveillance System (IDSS), the replacement for INEDSS, will be released in March 2024 and the second release is scheduled for summer of 2024.
 - ✓ IDSS will assist in the surveillance, investigation, data collection, tracking and reporting of communicable and emerging diseases.
- ✓ Maintains **\$8.5 million** to respond to unexpected public health threats and emergencies.
- ✓ Provides capital funding to adapt plans for a Chicago-area Public Health laboratory to current needs and to rebuild the Carbondale public health lab.



Caring for our Seniors and Supporting those who Served

Department on Aging

FY25 Proposed Budget: \$1.763 billion All Funds, \$1.591 billion General Funds

- ✓ Includes funding for Community Care Program (CCP) to accommodate caseload growth and utilization, and annualize the January 1, 2024 rate increase - **\$104.4 million increase**
 - ✓ CCP will serve an estimated 69,000 senior citizens in FY25.
- ✓ Includes a **\$3 million** increase for the Home-Delivered Meals Program. The Aging Network annually provides more than 11 million meals to homebound older adults across the state.
- ✓ Maintains funding to support services in rural areas and increased outreach to minority communities.

Department of Veterans' Affairs

FY25 Proposed Budget: \$237.5 million All Funds, \$169.4 million General Funds

- ✓ Provides **\$32 million** to onboard staff and welcome new residents at the 200-bed Chicago Veterans' Home which began receiving residents in January 2022.
- ✓ Provides, in partnership with DHS, a program to assess the mental health needs of Illinois veterans.
- ✓ Includes a **\$209,500** increase for the Homeless Veterans' Program.



*Chicago Veterans' Home, opened January 2022**



Investing in Our Public Safety Agencies

Department of Corrections

FY25 Proposed Budget: \$2.032 billion All Funds, \$1.920 billion General Funds

- ✓ Provides a **\$22.6 million** increase for staffing the 28 correctional facilities across the State.
- ✓ Continues funding to expand a federally funded construction workforce vocational training program.
- ✓ Includes sufficient funding to cover increased medical expenses and food related costs.
- ✓ Includes funding to implement an electronic healthcare records system.

Illinois State Police

FY25 Proposed Budget: \$923.0 million All Funds, \$425.1 million General Funds

- ✓ Funds two cadet classes to hire 100 additional troopers- **\$5.3 million**
- ✓ Includes **\$3.3 million** for maintaining the Safe2Help tipline, a free, voluntary program offered to public and private schools in Illinois which has a goal of encouraging students to "Seek Help Before Harm."
- ✓ Funds expenses related to in-car and body-worn cameras - **\$2.6 million**
- ✓ Includes additional funding to shift Tollway assigned troopers to ISP's budget.

Illinois Emergency Management Agency and Office of Homeland Security

FY25 Proposed Budget: \$2.206 billion All Funds, \$24.3 million General Funds

- ✓ Includes an additional **\$3 million** funding round for the Illinois Nonprofit Security Grant Program, to provide grants and support to organizations throughout the State for security improvements that assist in preventing, preparing for, or responding to acts of terrorism.
- ✓ Provides a **\$500,000** Office of Homeland Security appropriation to support reorganization efforts per Executive Order 2023-03.

Law Enforcement Training Standards Board

FY25 Proposed Budget: \$149.6 million All Funds, \$4.0 million General Funds

- ✓ Includes over **\$30 million** in available funds for the Law Enforcement Camera Grant Fund to provide reimbursement to local law enforcement agencies for in-car cameras, body cameras and data storage.
- ✓ Provides funding for basic and in-service training for local law enforcement.



Supporting Restorative Justice and Violence Prevention

Spearheaded by Lt. Governor Stratton, the Justice, Equity, and Opportunity (JEO) Initiative within the Office of the Lieutenant Governor will continue to build a criminal justice system that gives Illinoisans a chance to reach their full potential.

The JEO Initiative centralizes the state's justice reform efforts and promotes economic opportunities for communities impacted by a broken criminal justice system.

Illinois Criminal Justice Information Authority:

FY25 Proposed Budget: \$561.9 million All Funds, including \$112.2 million General Funds

- ✓ Funds Restore, Reinvest, Renew (R3) program to provide flexibility with the disbursement of additional grants – **\$200 million**
- ✓ Continues funding for the Violent Crime Witness Protection Program
- ✓ **\$1 million** for InfoNet – a reporting system for victim service providers

Department of Juvenile Justice:

FY25 Proposed Budget: \$151.4 million All Funds, including \$138.4 million General Funds

- ✓ Includes **\$5.9 million** for IYC-Lincoln to become fully operational in 2025
 - ✓ The first Central Illinois youth center will allow youth to be housed in the region closest to home
- ✓ Supports additional funding of **\$1.4 million** for healthcare services and increased programming

Department of Human Services:

- ✓ Includes fourth year of funding for the multi-year Reimagine Public Safety grant program, including an additional **\$30 million** in state funds to build upon initial federal investments
- ✓ Pursues a data-driven approach to high-risk youth intervention programs and technical assistance and training



Lieutenant Governor Juliana Stratton with Team JEO at BUILD, Inc., an R3 grantee site, after the first Justice Collective Convening.

(Pictured left to right: Ariana Correa, JEO Policy Manager; Juliana Stratton, Illinois Lieutenant Governor; Chelsey Varela, JEO Program Manager; Yaacov Delaney, JEO Director and Office of Lieutenant Governor Deputy Chief of Staff)



Department of Commerce and Economic Opportunity

Investing in Economic Development and Workforce Development

FY25 Proposed Budget: \$3.877 billion All Funds, including \$157.9 million General Funds

- ✓ Continues funding for core initiatives, including business attraction and development, workforce training, energy transformation, economic assistance programs, foreign trade, administration of federal funds, and tourism and film promotion.
- ✓ Includes **\$20 million** in capital funding to continue the Illinois Works Construction Pre-apprenticeship Program.
- ✓ Includes **\$1.4 million** for Illinois Works Administration to support the Bid Credit IT system development project.
- ✓ Provides additional funds for the Illinois Grocery Initiative to address food insecurity faced by millions of Illinoisans living in urban and rural food deserts – **\$10 million**
- ✓ Includes **\$30 million** for the Fast-Track Workforce program to provide employee screening, recruitment and job training development to employers.
- ✓ Funds a Chief Workforce Officer at DCEO.
- ✓ Continues to leverage the remaining amounts from the **\$400 million** set aside in FY23 for the Invest in Illinois Act closing fund initiative. To date, these monies have helped create jobs, spur business development, and lay the groundwork for further economic growth in multiple communities.
- ✓ Continues funding for the new Office of Outdoor Recreation to promote tourism at destinations around the State and grow the outdoor recreation economy of Illinois – **\$2.5 million**
- ✓ Continues funding for the multi-year initiative to develop and implement a one-stop business portal to assist entrepreneurs wishing to create new businesses or relocate businesses to Illinois – **\$10 million**
- ✓ Includes **\$25 million** for competitive business development capital grants to expand, rehabilitate, or relocate private businesses to Illinois.
- ✓ Continues the annual **\$2 million** for rural economic development, intended to connect communities and improve access to state and federal aid through outreach or technical assistance from rural navigators.



Investing in Our Cultural and Natural Resources

Department of Natural Resources

FY25 Proposed Budget: \$669.4 million All Funds, including \$93.3 million General Funds

- ✓ Includes continued funding to support department activities, such as preservation of historic sites, authorization for an additional 100 headcount for DNR to modernize and rebuild staffing at state parks and historic sites, operation of the Illinois State Museum system.
- ✓ Supports the continued operation of key capital programs such as the Open Space Lands Acquisition and Development (OSLAD) grant with **\$30 million** proposed for new awards in FY25.
- ✓ Provides **\$2.5 million** in new funding for the Youth and Young Conservation Education program to create opportunities for underserved and underrepresented youth to receive jobs and education within environmental conservation.

Environmental Protection Agency

FY25 Proposed Budget: \$931.3 million All Funds

- ✓ Funds Electric Vehicle rebates – **\$12.0 million**
- ✓ Continues to provide funding for IJIA water infrastructure programs, with nearly **\$622 million** in IJIA-related capital appropriations.
- ✓ Provides capital funding for new Lead Service Line Replacement Inventory (LSLRI) grants – **\$20 million**
- ✓ Provides **\$10 million** for the Great Lakes Environmental Justice Program to fund environmental projects in underserved communities.
- ✓ Includes **\$70 million** for opportunities to address emerging contaminants in small and disadvantaged communities to confront per- and polyfluoroalkyl substance (PFAS) pollution.

Illinois Arts Council

FY25 Proposed Budget: \$26.9 million All Funds, including \$25.58 million General Funds

- ✓ Provides **\$10 million** to expand existing grant programs for arts organizations and individuals.
- ✓ The proposed increase for the Arts Council would move Illinois from 25th to 11th place in the nation in per capita support amongst state arts agencies.



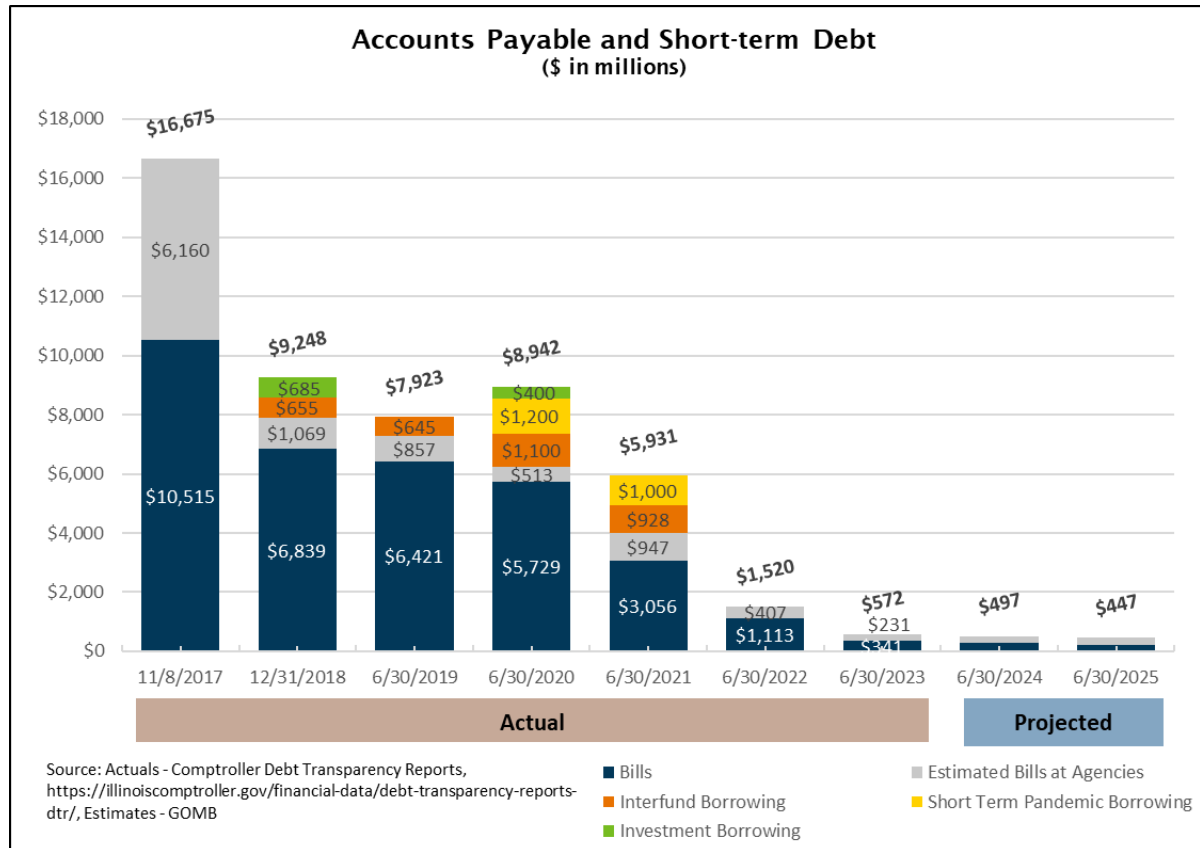
FISCAL RESPONSIBILITY RESULTS

Maintaining the Promise of Fiscal Responsibility



Continued Reduction in Accounts Payable

- ✓ By the end of FY23, Illinois' accounts payables and short-term debts were reduced by nearly 97 percent from a peak of nearly \$16.7 billion in November 2017.
- ✓ Illinois prioritized the early repayment of debts when revenues outperformed estimates in FY21 and FY22.
 - ✓ All short-term borrowing repaid.
- ✓ FY25 is projected to finish with payables less than \$450 million.





Fiscal Responsibility Results: Efficient and Effective Government

\$11 billion in Debt Paydown Across FY22 - FY25

- ✓ All COVID-related borrowing repaid
- ✓ All interfund borrowing repaid
- ✓ \$3.6 billion reduction in payables including delayed health insurance bills
- ✓ Paid off \$4 billion+ UI Trust Fund advance
- ✓ Extra \$700 million Pension Stabilization Fund contribution
- ✓ \$449 million set aside for Railsplitter bonds defeasance
- ✓ \$250 million dedicated to eliminating unfunded College Illinois! liabilities

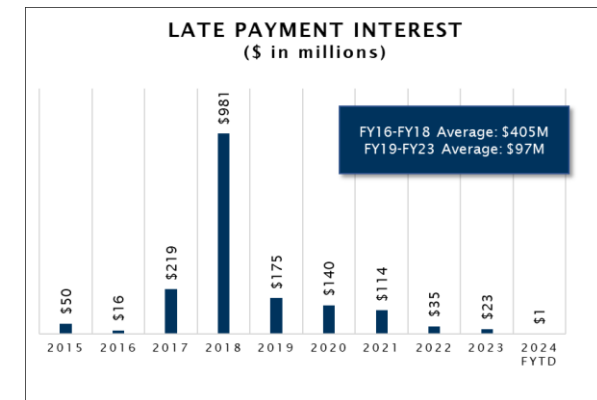
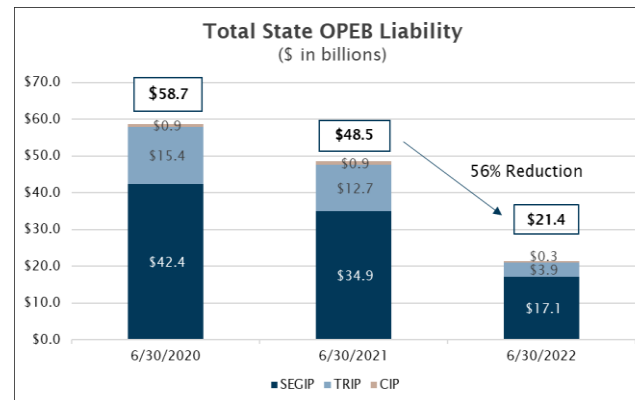
State Retiree Health Care Savings

- ✓ Negotiated a \$37.3 billion, or 63.5 percent, reduction in the State's estimated long-term liabilities for OPEB programs (Other Post Employment Benefits)
- ✓ State realized an incredible 56% reduction in OPEB long-term liabilities in FY22 alone

Reducing Interest and Operating Costs Examples

- ✓ Refinancing State bonds
- ✓ Reducing late payment interest costs
- ✓ Continued realignment of the State's real estate portfolio
- ✓ Hiring process efficiencies

Restoring Illinois' Fiscal House	
Debt Paydown	
(\$ in millions)	
FY22:	
Early COVID borrowing repayment	\$1,985
Unfunded College Illinois! liabilities	\$250
Additional Pension Contribution	\$300
Debt Transparency Act Accounts Payable Reduction	\$2,483
FY23:	
Additional Pension Contribution	\$400
Debt Transparency Act Accounts Payable Reduction	\$949
FY24/FY25:	
Railsplitter bonds defeasance (Sept 2023)	\$449
Estimated Accounts Payable Reduction	\$125
FY22/FY23 UI Trust Fund	\$4,063
Total Debt Paydown	\$11,004

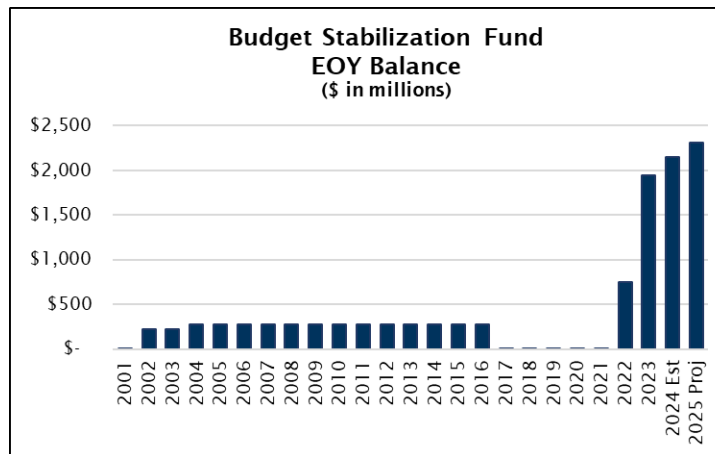




Record Setting Budget Stabilization Fund

Saving for the Future

- ✓ The Budget Stabilization Fund, Illinois’ ‘rainy day’ fund, was created in 2001 with little invested.
 - The fund was spent down during the impasse and held less than \$60,000 in December 2018.
- ✓ The Governor worked with the General Assembly to deposit \$746 million into the fund in FY22 and an additional \$1.155 billion in FY23, plus \$34 million of earned interest – reaching an account balance of nearly \$2 billion by the end of FY23
- ✓ The Budget Stabilization Fund will receive an estimated \$205 million in FY24 and \$170 million in FY25 through ongoing dedicated revenue sources, bringing the estimated balance to \$2.3 billion by the end of FY25.
- ✓ Illinois’ ranking among the 50 states in terms of the size of the state’s rainy day fund balance improved to 21st as of the end of FY23.
 - However, when looking at the relative strength of other states’ rainy-day funds, Illinois still falls below the median.
 - As of the end of FY23, Illinois would have been able to run an estimated 13.8 days while the median state had enough reserves to cover 46 days of operations.¹



¹ <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/12/07/state-reserves-cover-record-level-of-spending-as-budget-conditions-tighten>



FUNDING OUR OBLIGATIONS

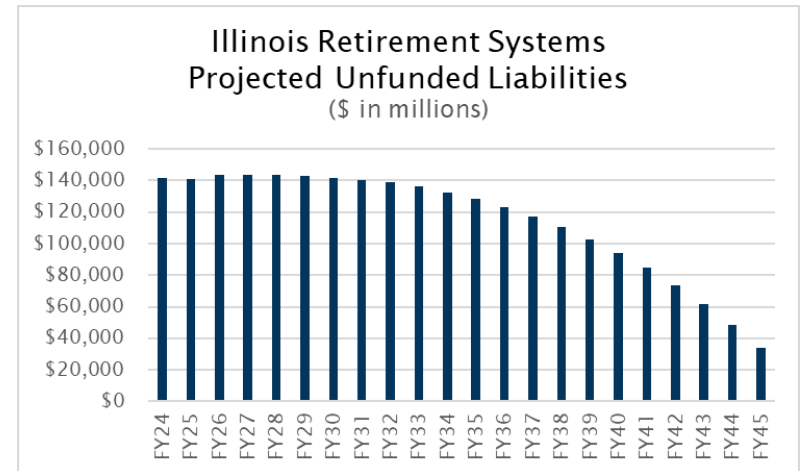
Addressing the State's Pension Funding Liabilities



Savings from Pension Liability Reductions Already Enacted

- ✓ The FY25 budget proposal fully funds the certified pension contribution of \$10.1 billion from the General Funds.
- ✓ The State contributed an additional \$700 million above certified amounts to the systems across FY22 and FY23.
 - ✓ These contributions will save taxpayers an estimated \$2.4 billion by FY45.
 - ✓ First time since the 1994 plan was enacted that the State provided contributions above certified amounts.
- ✓ Illinois is benefitting from reductions in its pension liabilities from the pension buyout program – so far reducing liability by an estimated \$2.0 billion.
 - ✓ FY25 contribution to SERS is estimated to be **\$40 million** lower and to TRS **\$96 million** lower than it would have been without the program.
- ✓ Investment returns, on average, have exceeded expectations over the last 5 years.
- ✓ These actions help to reduce the share of the General Funds budget going towards pensions, before the significant reduction in 2046.

Pension Liability Reductions
 Pension Buyouts: \$2.0 billion
 Additional \$700M contribution: \$2.4 billion
Total Savings: \$4.4 billion



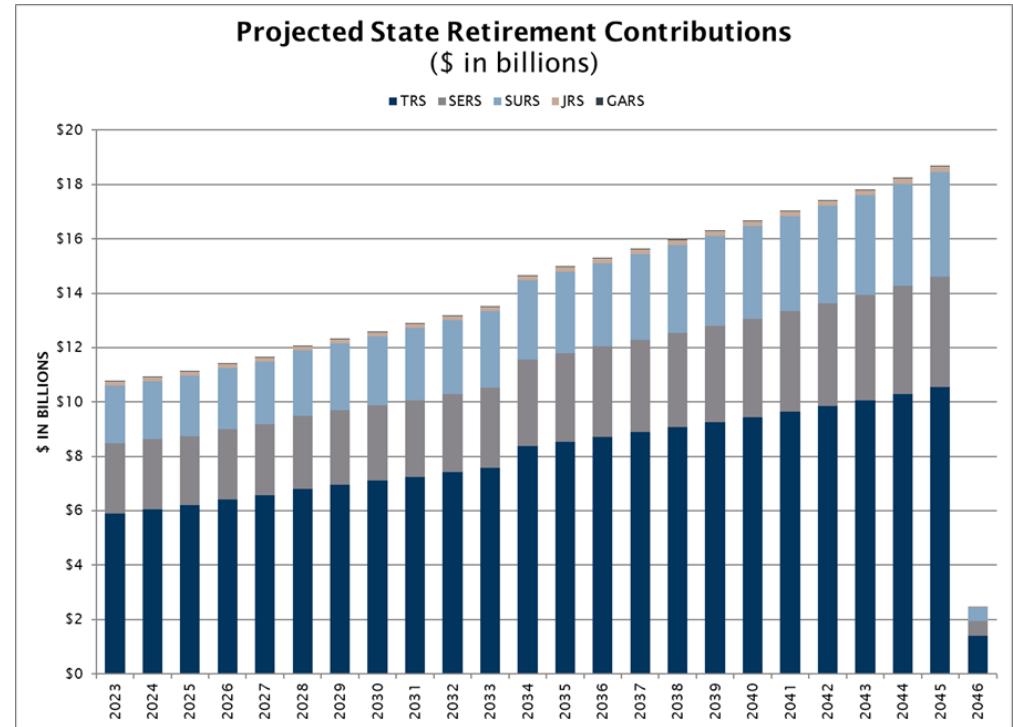
Source: CoGFA



Illinois' Pension Funding Plan

Unique Aspects to Our Remaining Pension Debts

- In 1994, Governor Edgar and the General Assembly enacted a 50-year plan to achieve 90% funding of the retirement systems' liabilities by 2045.
 - Illinois' public retirement systems are among the few large public retirement systems that do not have a 100% funded goal.
 - Under the current plan, the State's remaining unfunded pension liabilities in FY45 would total an estimated \$33.6 billion.¹
- Pension contributions are scheduled to grow from \$11 billion today to over \$18 billion by 2045 – growing roughly 2.6% per year.
- Contributions drop off drastically after FY45.
- Under current funding statute, actual performance that deviates from actuarial assumptions must be made up by 2045.
 - The 'runway' to get caught up shortens the closer to 2045 Illinois gets.²



¹ <https://cgfa.ilga.gov/Upload/1123%20Special%20Pension%20Briefing%20Revised.pdf>

² To illustrate, if there is a large drop in the stock market that impacts the systems' investment returns in FY43, the State would be required to contribute the full shortfall to reach 90 percent funding in FY45, the one remaining year under the Illinois funding plan.



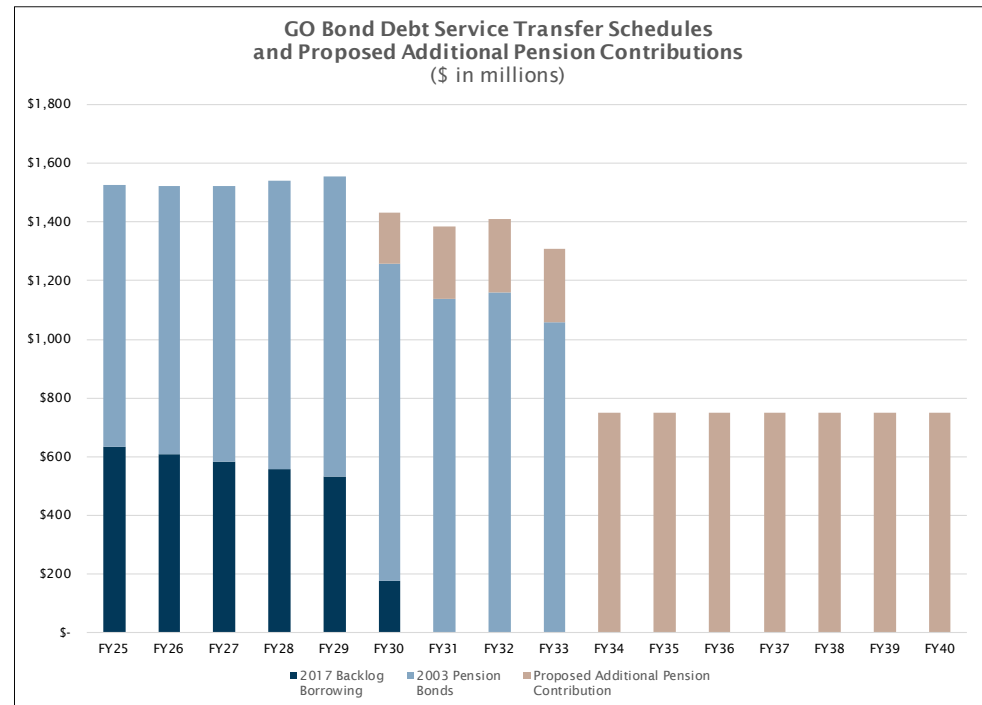
Governor's Proposal to Manage the State's Pension Funding Commitment

1. Increase statutory funded ratio goal from Edgar's 90% to 100% funded.

- ✓ Adding three additional years to the funding payment plan (FY48) will get Illinois on a path to 100% funded like peer states.
- ✓ Provides a plan to pay off the remaining \$33.6 billion in unfunded liabilities.
- ✓ Will position the State for long-term fiscal stability.

2. Increase the State's annual pension contributions when legacy debts are paid off.

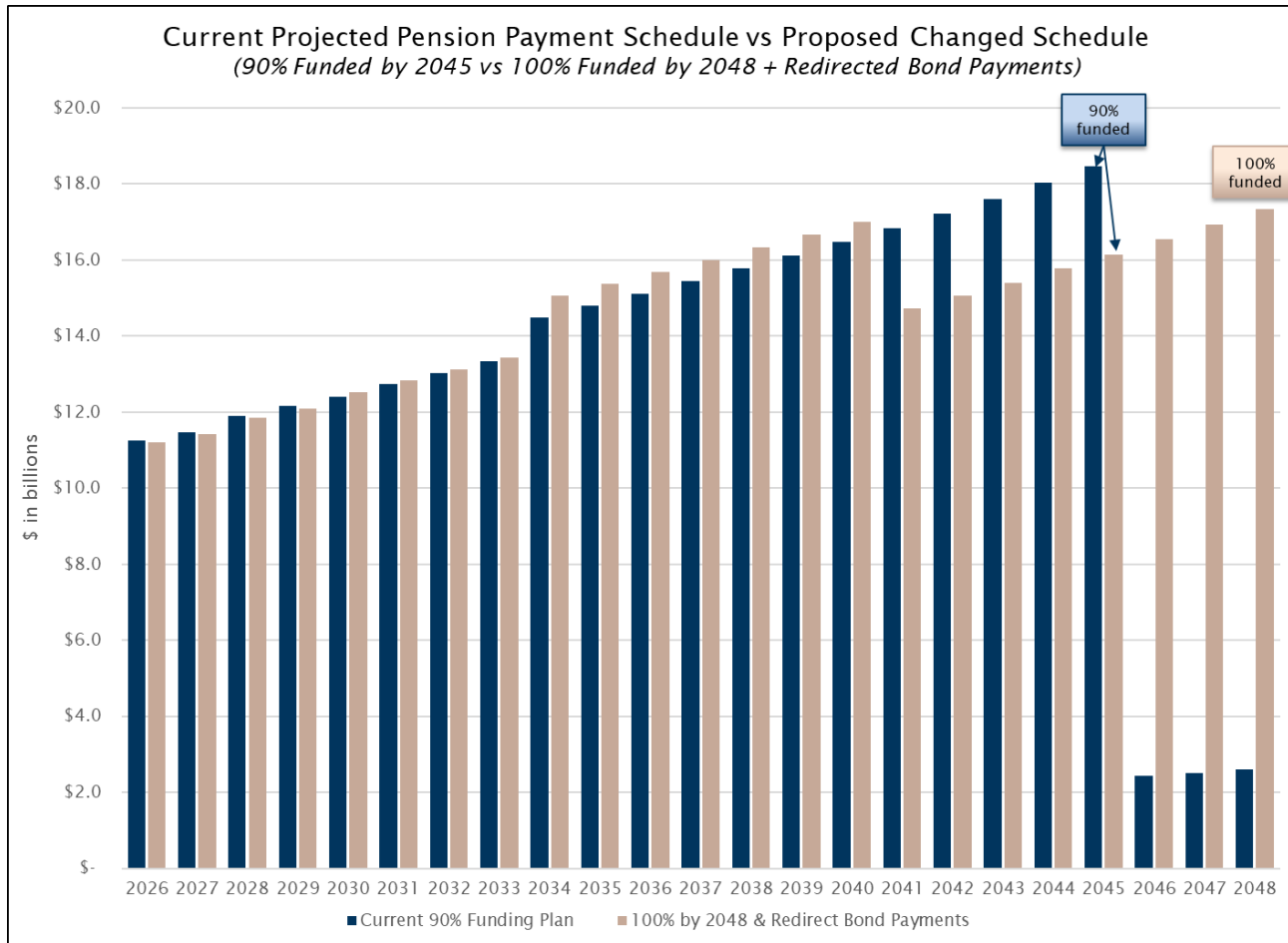
- ✓ In FY30, the 2017 \$6 billion Backlog Borrowing General Obligation Bonds will be retired.
- ✓ In FY33, the 2003 \$10 billion pension funding General Obligation Bonds will be retired.
- ✓ The Governor is proposing to dedicate half of the revenue being used to pay off the 2017 & 2003 bonds to make additional payments to the State's pension systems when the debts are paid off.
- ✓ Making the decision this year to dedicate these future savings to increase the pension contributions in FY30 through FY40 above what is currently required will save taxpayers an estimated \$5.1 billion by FY45.





The impact of these first two changes is modeled in the chart below -

- ✓ 100% funded goal by 2048
- ✓ Additional Payments FY2030 - 2040
- ✓ Under the Governor's proposal the growth rate falls to about 1.85%





Governor's Proposal to Manage the State's Pension Funding Commitment, continued

3. Address challenge of a shortening "runway" through fixed length amortization strips beginning in 2035.

- ✓ As the systems approach 100% funding and the end of the ramp, this proposal will soften the potential shock to the state budget from short-term negative returns.
- ✓ As noted by the State Actuary,¹ creating layers of fixed length amortization strips to address annual over- or under-performance is a practice commonly used by public pension systems in other states.²

4. Review and, if necessary, adjust the Tier 2 pensionable earnings cap to the Social Security Wage Base for employees not coordinated with Social Security.

- ✓ Most TRS and SURS members and a limited number of SERS members are not covered by Social Security and must rely more heavily on their State pensions for a secure retirement.
- ✓ As part of an overall review of funding the State's pension debts, the Governor encourages the boards of the affected retirement systems and the legislature to review and adjust, if necessary, the structure of the Tier 2 pensionable earnings cap for employees not coordinated with Social Security to ensure that the systems are and remain compliant with federal law.

¹ From 2023 Office of the Auditor General's State Actuary Report – "Finally, as the remaining period to achieve 90% funding shortens, the State mandated method will also produce more volatile contributions. Instead of a single fixed period, typical public plan amortization methods use layered amortization bases such that new assumption changes and experienced gains and losses are amortized over a new period (e.g., 20 years) while the remaining period for the prior amortization layers becomes one year shorter." <https://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/State-Actuary-Reports/2023-State-Actuary-Rpt-Full.pdf>

² See "Overview of Public Pension Plan Amortization Policies," National Association of State Retirement Administrators, April 2022, which notes that the Conference of Consulting Actuaries Public Plans Community recommends actuarial experience gain/loss be amortized over 15 to 20 years. <https://www.nasra.org/Files/Papers/NASRA%20Amortization%20Overview.pdf>



FISCAL YEAR 2025 CAPITAL BUDGET

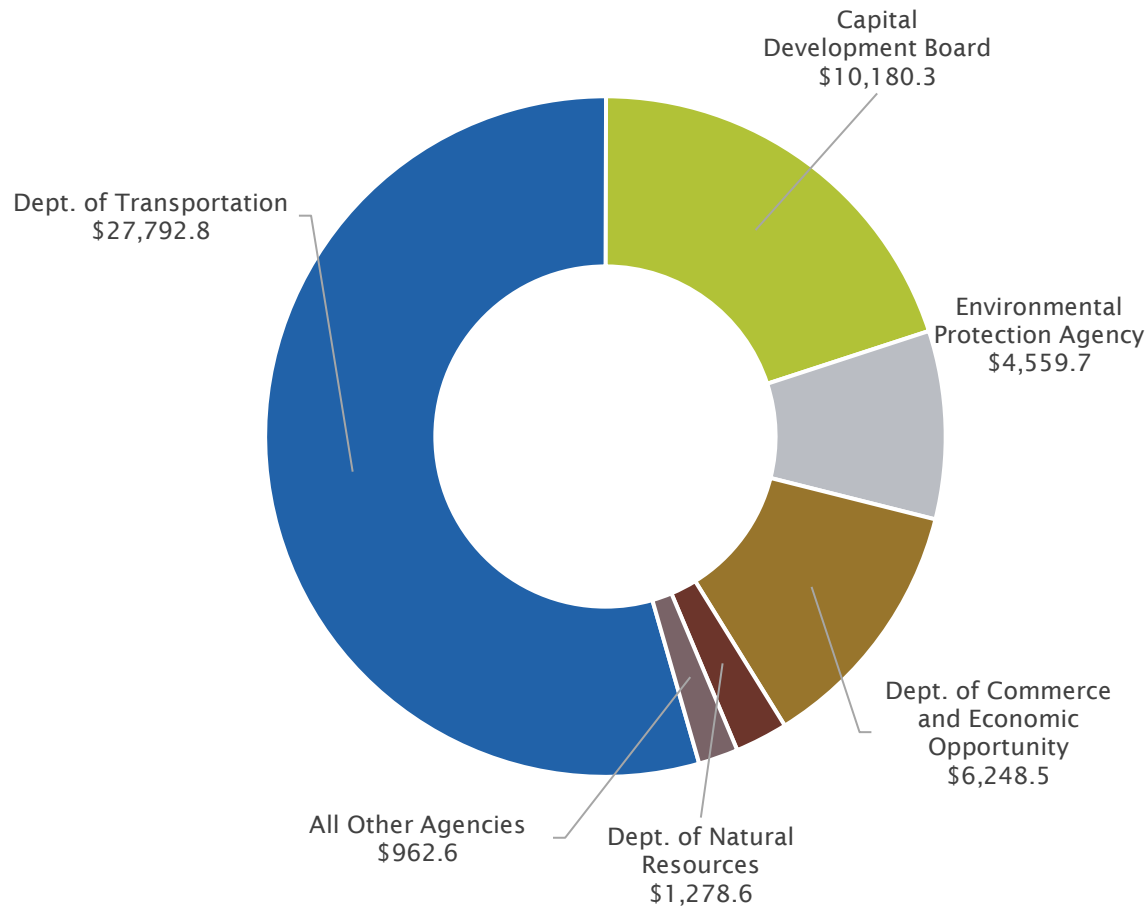
Pardon Our Dust – We're Rebuilding Illinois!



Fiscal Year 2025 Proposed Capital Budget

Continuing Investments to Rebuild Illinois

\$51.0B in FY25 Total Capital Appropriations
(\$ millions)





Fiscal Year 2025 Proposed Capital Budget

Continuing investments to Rebuild Illinois

Rebuild Illinois spurs job creation and prioritizes the health and safety of the State’s residents.

- ✓ Since the plan’s passage in 2019, more than **\$22.0 billion** had been expended as of December 31, 2023.
- ✓ Over **\$22 billion** anticipated through federal Infrastructure Investment and Jobs Act (IIJA).
- ✓ **\$14.6 billion** in IIJA funding already approved for Illinois with over 380 specific projects identified.



Total Capital Expenditures Since the Passage of Rebuild Illinois by Category (FY20 through December 31, 2023)		
(\$ millions)		
Broadband Development	\$	46
Economic and Community Development	\$	601
Education	\$	517
Environment / Conservation	\$	2,348
Healthcare and Human Services	\$	188
State Facilities	\$	1,772
Transportation	\$	16,540
Grand Total	\$	22,013

Note: Totals may not add due to rounding

Embargoed until 12:00 PM, Wednesday, February 21, 2024



Fiscal Year 2025 Proposed Capital Budget

Enhancing Rebuild Illinois with Further Investments

- ✓ The Governor's proposed budget includes **\$3 billion** in new bond fund appropriations to enhance Rebuild Illinois. The new capital proposal includes the following:
 - ✓ \$500 million for new quantum-related investments
 - ✓ \$139 million to DCEO for economic improvement programs, including:
 - ✓ \$50 million to Prime Sites
 - ✓ \$40 million for Sites Development
 - ✓ \$25 million for public infrastructure
 - ✓ \$24 million to Manufacturing Training Academies
 - ✓ \$900 million for maintenance and modernization of Department of Corrections facilities
 - ✓ \$575 million for deferred maintenance and construction at higher education facilities
 - ✓ \$450 million for universities
 - ✓ \$125 million for community colleges
 - ✓ \$157 million for additional funding to support construction of the new DPH laboratory in the Chicago area and rehabilitation of the Carbondale laboratory
 - ✓ \$513 million for deferred maintenance and construction at state facilities
 - ✓ \$100 million to DCFS for a multi-year capital grant program to improve capacity for youth placement by increasing bed capacity system-wide
 - ✓ \$65 million for CDB to complete a new DoIT central computing facility
 - ✓ \$60 million to DoIT to complete various technology projects
 - ✓ \$20 million for a new Department of Military Affairs (DMA) Illinois National Guard readiness center in Peoria



The design of the new ISP forensic lab in Joliet – one of the key projects from Rebuild Illinois



Construction Site at Western Illinois University Performing Arts Center



Key Capital Investments Made Possible by Rebuild Illinois



The MidAmerica St. Louis Airport has undertaken a project that includes a paved airport service road, dry detention basin, and access to Illinois Route 4 for a facility owned by Boeing. A \$25 million grant via Rebuild Illinois has been allocated to construct a taxiway and taxiway bridge to provide access from the runway to the facility. The project also includes supply infrastructure needs for a range of five to eight structures for aircraft manufacturing, maintenance, and storage, as well as a paved employee parking lot, new taxiway, and apron pavement.



DNR allocated \$47.7 million of its \$50 million Rebuild Illinois funding for museum development across 10 counties.



The \$251.8 million reconstruction of the I-57/I-74 interchange in Champaign-Urbana, the largest project in central Illinois. The interchange project will be completed in late 2025 and will remake a critical regional freight juncture that handles almost 40,000 vehicles a day.



The Rebuild Illinois' \$200 million allocation to the University of Illinois Urbana-Champaign, University of Chicago, and the Chicago Quantum Exchange, will establish Illinois as a leader in quantum research, development, and manufacturing.



Construction has started on a new \$109.4 million Health Science Building at the Southern Illinois University Edwardsville campus. The facility will have new and renovated structures, housing teaching and research labs, a nursing simulation lab, faculty offices, student resources, and study areas.





NEED ADDITIONAL INFORMATION?

- ✓ Please visit the Governor's Office of Management and Budget website to download a copy of the Fiscal Year 2025 Budget book, the Fiscal Year 2025 Capital Budget or to view the Interactive Budget portal.
- ✓ <https://www2.illinois.gov/sites/budget/Pages/default.aspx>