

ILLINOIS

Budget in Brief • Fiscal Year 2022

Governor JB Pritzker



NOTICE

For Release at 12:00 Noon, Wednesday, February 17, 2021

There is a total embargo on the budget for fiscal year 2022 until 12:00 noon, Wednesday, February 17, 2021. 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 noon, February 17, 2021.

Alexis Sturm, Director
Governor's Office of Management and Budget
February 17, 2021

Please visit the Governor's Office of Management and Budget website to download a copy of the *Fiscal Year 2022 Budget*, the *Fiscal Year 2022 Capital Budget* or to view the Interactive Budget portal.
<https://www2.illinois.gov/sites/budget/Pages/default.aspx>



Protecting Key Services Without the Burden of a Tax Increase

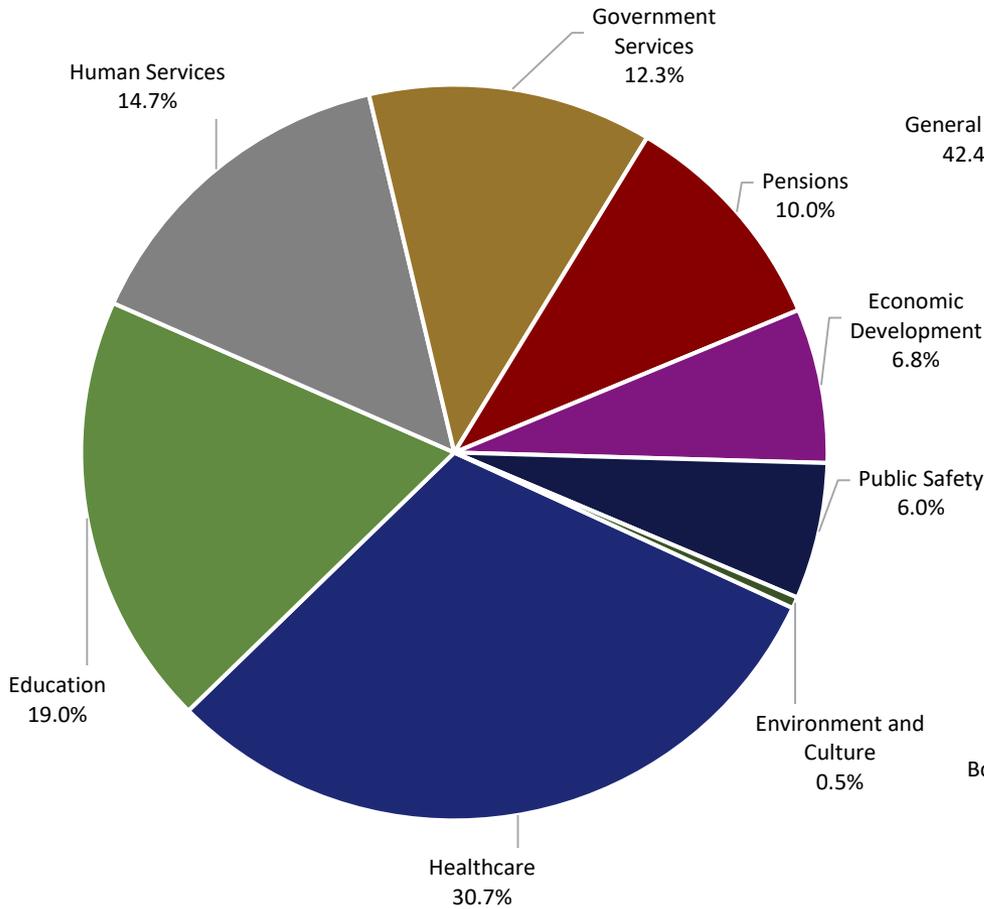
The Proposed Fiscal Year 2022 Budget:

- ✓ Balances Budget With No Tax Increases for Illinois Families
- ✓ Strengthens Safety Net Services for Illinoisans in Need
- ✓ Protects Education Funding
- ✓ Creates a More Equitable Illinois through Criminal Justice Reforms
- ✓ Strategically Deploys State and Federal Resources
- ✓ Continues Investments in Infrastructure and the Environment
- ✓ Balanced approach that holds the line on spending, helping to bend the cost curve of government

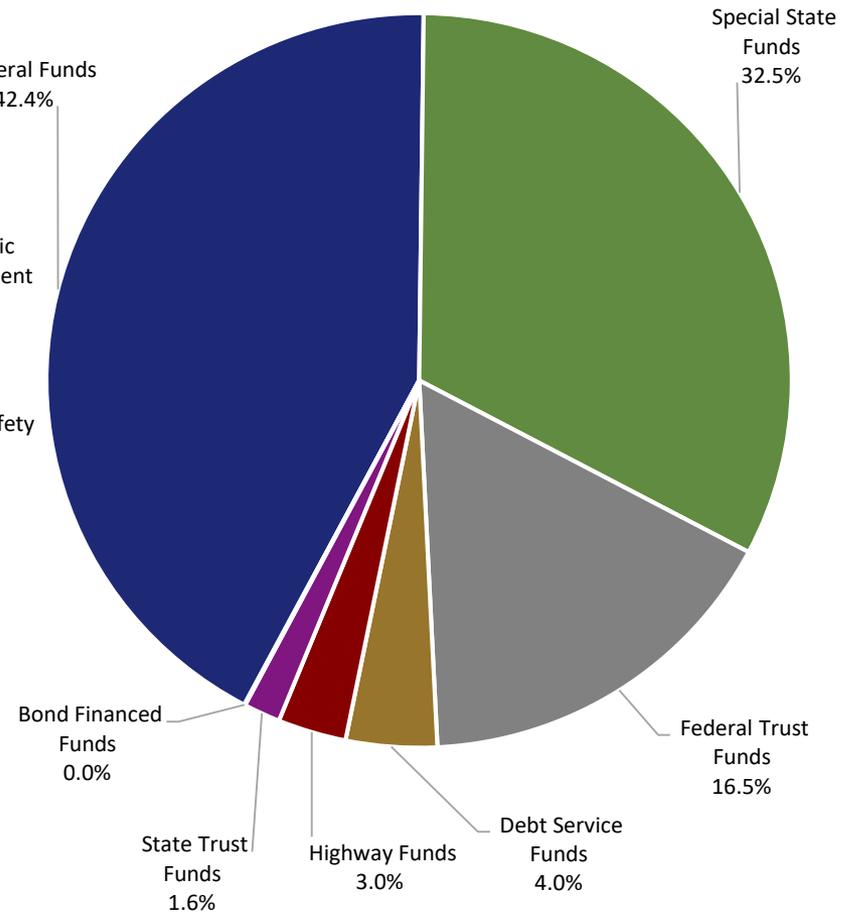


FY2022 Operating Budget Appropriations - All Funds: \$95.5 Billion

All Funds by Result Area



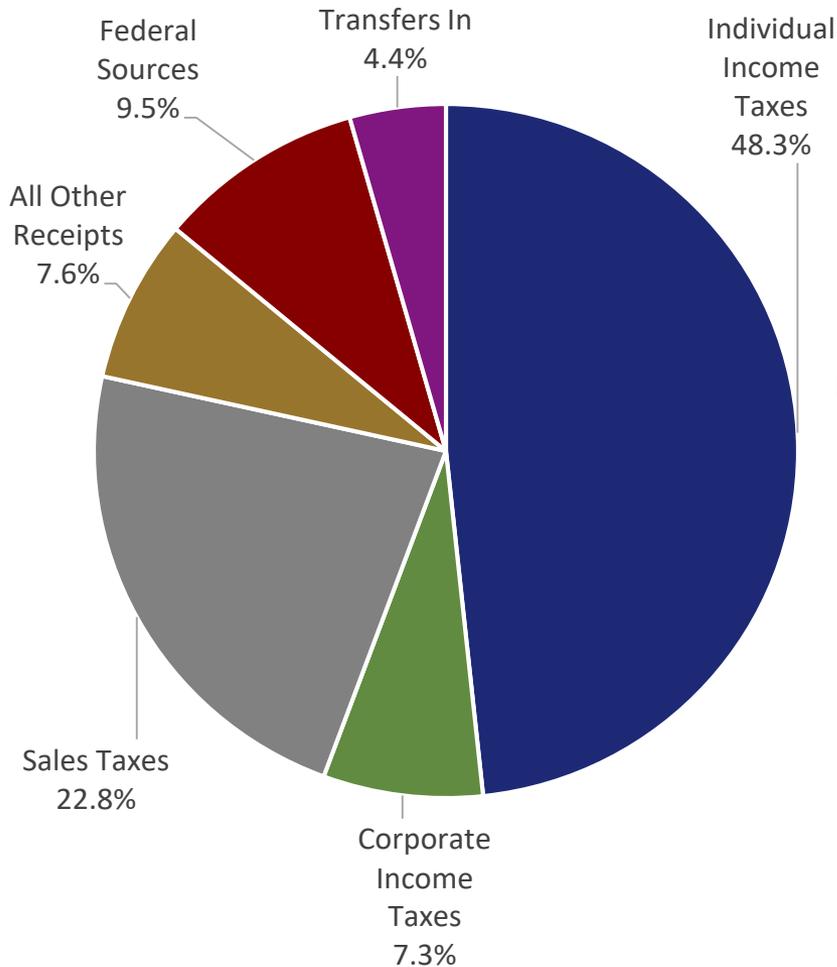
All Funds by Fund Category



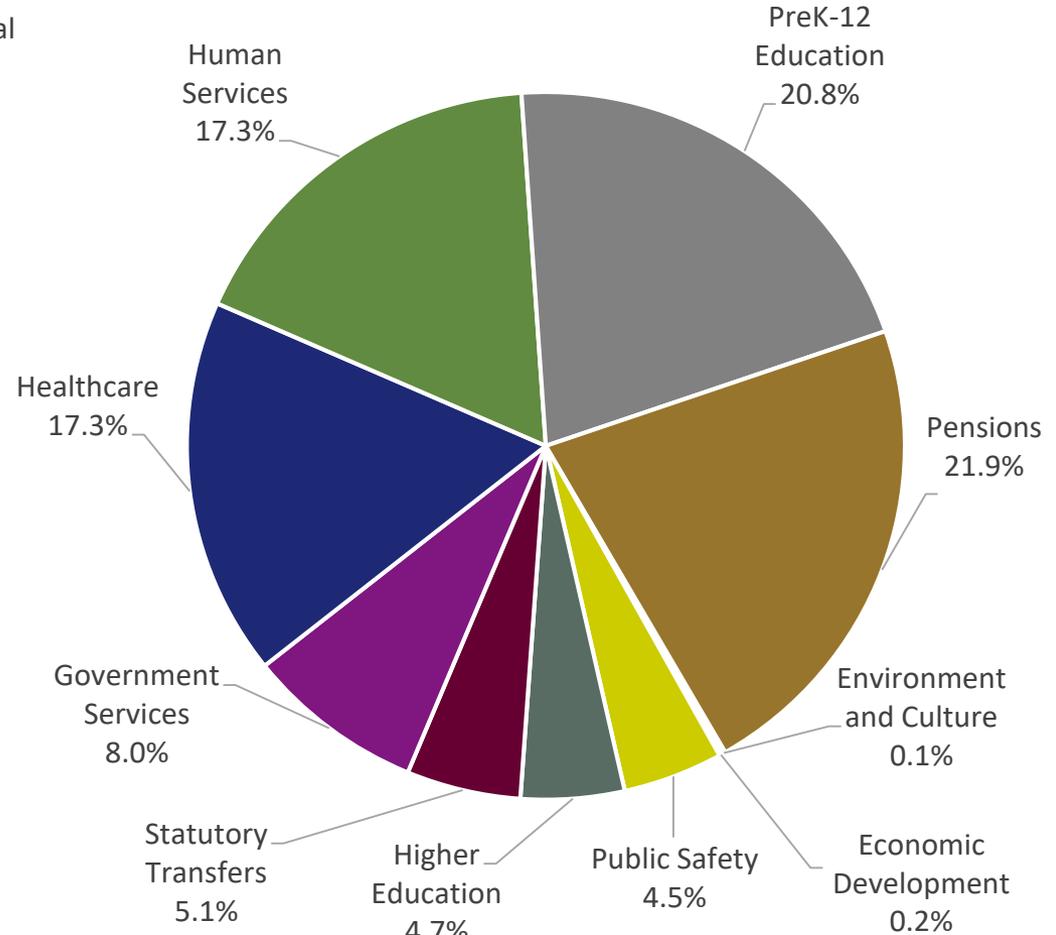


FY2022 General Funds Budget

Revenues: \$41.7 Billion



Expenditures: \$41.6 Billion





IMPACT OF COVID-19

Use of Management Tools Mitigated the State's
COVID-19 Fiscal Crisis



2020: COVID-19 Pandemic Impacted Everything

Illinois' Rapid Response to COVID-19

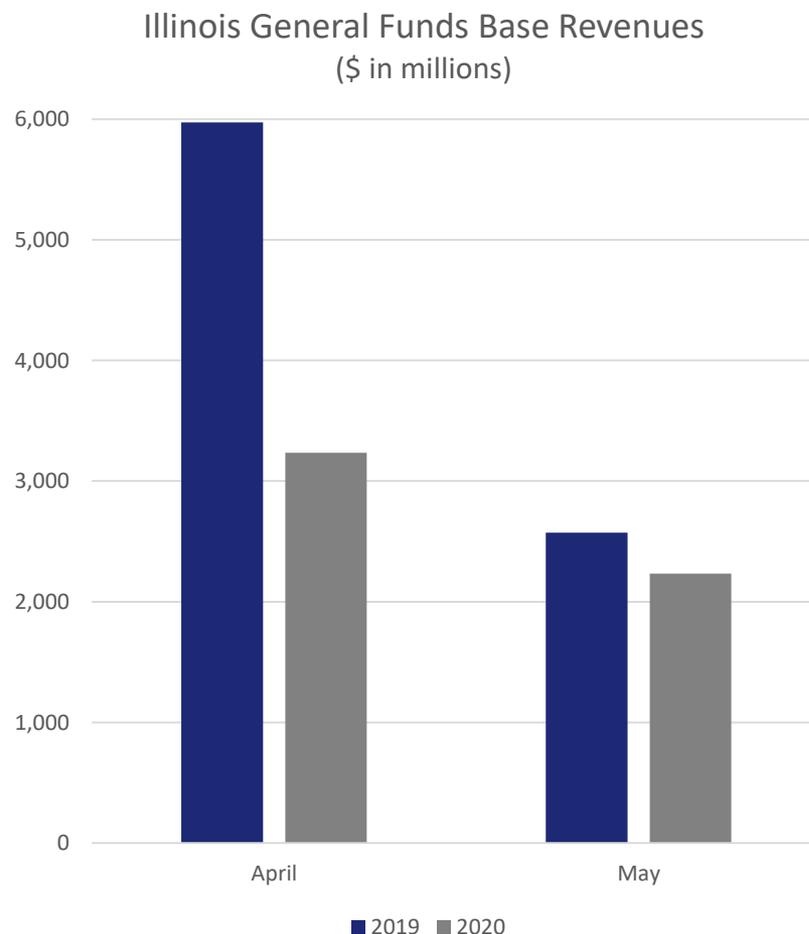
- ✓ Provided coverage of COVID-19 testing and treatment to all Illinois residents at no cost and opened all community-based testing sites to anyone regardless of insurance or symptoms.
- ✓ Began a massive vaccination campaign, consistently ranking fifth in the nation at the time of publication.
- ✓ Launched a \$50 million statewide contact tracing effort.
- ✓ Provided \$325 million in emergency rental and mortgage assistance to 54,500 families; \$290 million to thousands of child care providers; and \$275 million in aid to small businesses.
- ✓ Processed 4 million claims for unemployment benefits under the four programs offered in 2020, an eight-fold increase from approximately 500,000 claims in 2019.
- ✓ Provided \$30 million through the Department of Human Services (DHS) for mental health, substance abuse, and other counseling services for families impacted by the pandemic.
- ✓ Mandated insurance coverage of telehealth services.
- ✓ Created the Welcoming Center Health Navigator Project to provide temporary and emergency COVID-19 education and outreach training to immigrants, refugees, and limited English proficient individuals to keep immigrant families safe during healthcare emergencies.
- ✓ Initiated distribution of \$569 million in federal funds to school districts and dedicated another \$108.5 million in federal Governor's Emergency Education Relief (GEER) Funds to preK-12 public education and institutions of higher education to meet the unique challenges of COVID-19.
- ✓ Issued more than \$80 million to schools to help close the digital divide for critical access to the internet.
- ✓ Provided priority essential workers with access to child care through the Child Care Assistance Program (CCAP) and kept the child care infrastructure solvent.





COVID-19 had a Negative Impact on Illinois Revenues

- ✓ The COVID-19 Pandemic created a hole in Illinois' FY20 balanced budget.
- ✓ Income and sales taxes both dropped dramatically.
 - ✓ Federal actions to delay the income tax filing deadline combined with the economic impact of pandemic reduced April general funds tax revenues by \$2.74 billion.
 - ✓ A 45.9 percent collapse in Illinois' highest revenue month.
- ✓ Budgetary actions taken to address the revenue drops essentially closed the FY20 budget shortfall.¹
 - ✓ Cost control measures
 - ✓ Emergency short term borrowing



¹ <https://illinoiscomptroller.gov/financial-data/find-a-report/budgetary-reporting/traditional-budgetary-financial-report/fiscal-year-2020/>



Cost Control Measures Led to Savings

The Governor acted quickly to control spending in 2020 when the impact of the pandemic on the budget appeared. For example:

- ✓ Agency directors were ordered to put on hold all non-essential purchases and operational expenditures, freeze all non-essential travel, and limit all non-essential hiring.
 - ✓ Travel expenditures fell by \$13.8 million, over 50 percent, between March 2020 – January 2021 compared to the same months in the prior year.
- ✓ The enacted fiscal year 2021 general funds budget reflected reductions of operations appropriations of \$200 million and another \$140 million in transportation funds at the Department of Transportation from the Governor's introduced levels, reflecting estimated savings from the continued partial hiring freeze and restricted operations expenditures.
- ✓ In September 2020, directors were asked to identify potential 5 percent reserves from most fiscal year 2021 appropriations.
- ✓ In mid-December 2020, the Governor outlined more than \$700 million in spending reductions for fiscal year 2021, resulting from the partial hiring freeze, grant reductions and operational savings.



Preserving Liquidity

Paying vendors and providers and reducing interest costs

The Governor, Comptroller and Treasurer worked to address revenue shortfalls through several management tools – ensuring that billions could be paid to the state’s healthcare providers while reducing potential late payment interest costs:

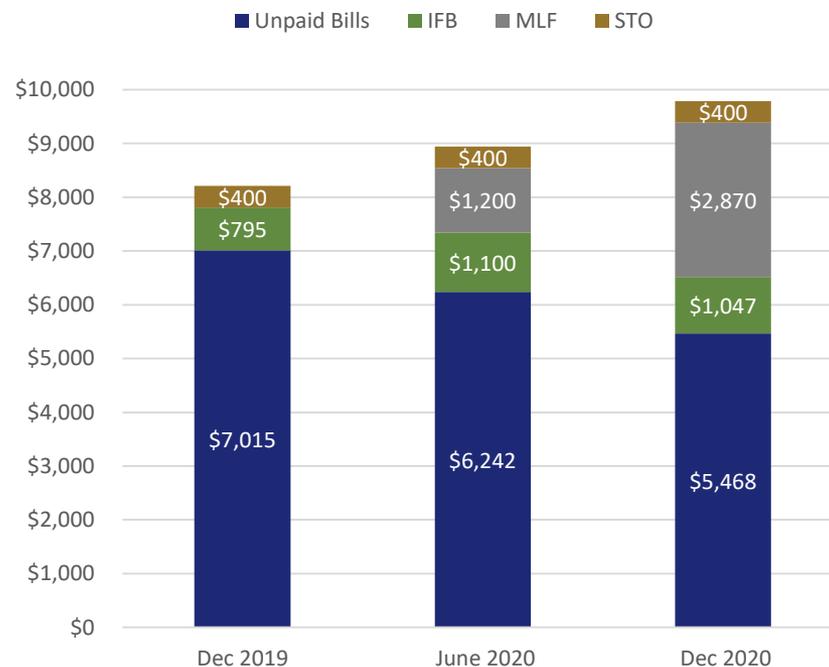
Federal Reserve Municipal Liquidity Facility (MLF)

- ✓ June 2020: \$1.2 billion. Repayment in FY21.
- ✓ December 2020: \$2.0 billion. Repayment over the next three fiscal years. \$690 million due in the middle of FY22.
- ✓ As of February 1, 2021, the state owed \$2.87 billion to the MLF.

Interfund Borrowing (IFB)/Treasurer Investment Borrowing (STO)

- ✓ The Comptroller interfund borrowed \$312 million in March and April 2020 as the impact of the pandemic was felt in the state’s revenue collections.
 - ✓ As of February 1, 2021, the state owed \$1.043 billion on interfund borrowing.
- ✓ Additionally, the State Treasurer can use the investment borrowing tool allowed under PA 100-1107 to invest up to \$2 billion of the state’s portfolio in general funds receivables. Latest borrowing in November 2020.
 - ✓ \$400 million is currently outstanding and scheduled to be repaid prior to the end of FY21.

Unpaid Bill Backlog and Borrowing
(\$ in millions)



Source: Office of the Comptroller



Federal Aid Directed to Illinois for COVID-19 Response

Rapid Deployment Avoided Greater Crisis

- ✓ Since early March, Congress has enacted five pieces of legislation to address the impact of COVID-19:
 - ✓ Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 — March 6, 2020
 - ✓ Families First Coronavirus Response Act (FFCRA) – March 18, 2020
 - ✓ Coronavirus Aid, Relief, and Economic Security (CARES) Act – March 27, 2020
 - ✓ Paycheck Protection Program and Health Care Enhancement Act —April 24, 2020
 - ✓ Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) - December 27, 2020
- ✓ Through these five laws, approximately \$9.9 billion will flow through the state budget to address various needs such as:
 - ✓ Education Funding - \$3 billion primarily for K-12 schools
 - ✓ Coronavirus Relief Fund (CRF) - \$3.5 billion for the state's 'necessary expenditures' in response to COVID-19
 - ✓ DPH costs - \$1 billion for enhanced lab capacity, testing, contact tracing, public health surveillance, vaccine distribution
 - ✓ Child Care - \$450 million
 - ✓ Transportation - \$1 billion for airports and highways
 - ✓ Higher Education and Mass Transit receive direct funding from the federal government.
- ✓ Federal Medicaid match was enhanced by 6.2 percentage points in March 2020 for the duration of the public health emergency.
- ✓ Additional federal stimulus under consideration is not reflected in this budget proposal.
- ✓ CRF was used to fund state agency operational expenditures related to COVID-19 and create several new grant programs at DCEO, IHDA and DHFS to provide support to critical areas to the extent allowed under federal guidance.
 - ✓ DCEO implemented the Coronavirus Business Interruption Grant (BIG) Program that funded \$565 million in grants to small businesses and child care providers as well as Local CURE (\$250 million) for reimbursement to units of local government for COVID related expenses.
 - ✓ Illinois Housing Development Authority used \$325 million of CRF to implement an emergency rental assistance and mortgage assistance.
 - ✓ Department of Healthcare and Family Services used approximately \$700 million CRF to pay for new grants to healthcare providers "due to needs resulting from the COVID-19 pandemic."



FISCAL YEAR 2022 FISCAL PLAN

Budget Walk Down



FY2021 Budget Updates

Economy Continues to Outperform Expectations

In November 2020, GOMB's Economic and Fiscal Policy Report estimated a budgetary shortfall of \$3.918 billion for FY21. The revenue estimates were conservative estimates, following the IHS Markit pessimistic outlook scenario.

- ✓ The following positively impacted the FY21 fiscal budgetary outlook:
 - ✓ Stronger than expected economic performance
 - ✓ Boost to the economy of additional federal stimulus and state stimulus programs such as BIG
 - ✓ Extension of enhanced Medicaid match
 - ✓ Borrowing of \$2 billion from MLF
 - ✓ Governor's budget reserves
- ✓ Revised surplus estimate of \$77 million
- ✓ FY21 budget in turn impacts FY22 budgetary assumptions

Changes to FY 2021 Projections			
(\$ millions)			
Revenues		Expenditures	
Income Taxes	\$ 1,276	Prepayment of MLF Repayment	690
Sales Taxes	663	Debt Issuance Cost Adjustments	47
Transfers In*	84	Budget Reserves/Increase to Lapsed	
Federal Sources	475	Appropriations Estimate	(461)
All Other Changes	(177)	All Other Changes	46
Total Base Revenue Changes	\$ 2,321	Total Expenditure Changes	\$ 322
Revision to Forecast			
(Deficit) from 5 Year Report		(\$3,918)	
Increase to Base Revenue Forecast		2,321	
Municipal Liquidity Facility		1,998	
Supplemental Appropriations Needed		(1)	
<u>Impact of Expenditure Changes</u>		<u>(322)</u>	
Revised Surplus/(Deficit)		\$ 77	

*Includes a revision upward of \$66 million to projected transfers from Lottery proceeds.



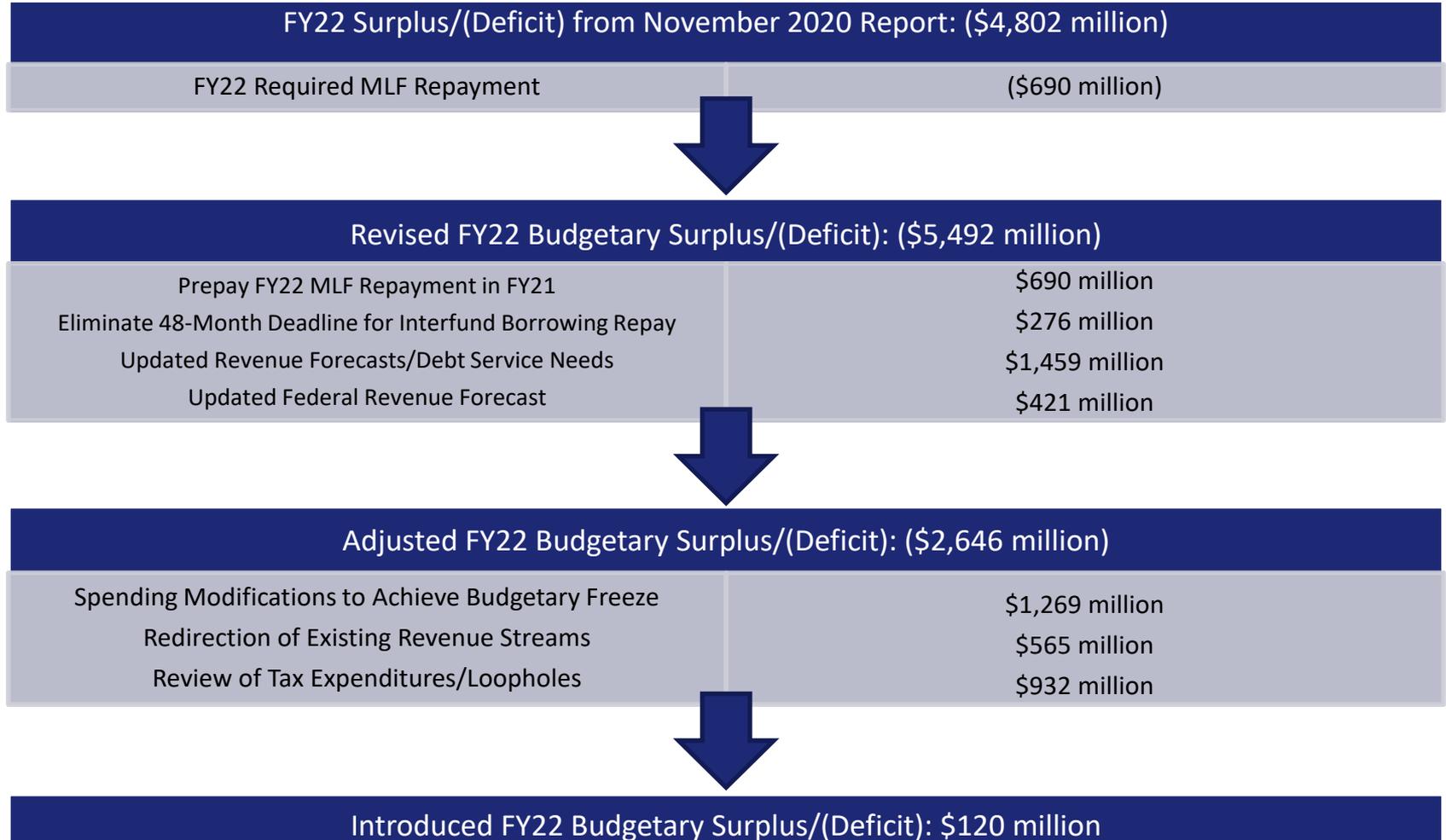
Changes in the Base Revenue Forecast

Base Revenue Forecasts - General Funds (\$ in millions)





Closing the FY2022 Projected Deficit





FY2021 and FY2022 General Funds Revenues Summary

- ✓ Base General Funds revenues are estimated to total \$41.7 billion, a \$226 million, or 0.5%, increase from FY21 revised base estimates.
- ✓ Total General Funds revenues for FY22 reflect a \$1,772 billion, or 4.1% decrease from FY21 due to the one-time nature of the \$1,998 million in MLF borrowing.
- ✓ Individual income taxes are forecasted to be below FY21 due to the extension of the April 2020 tax filing deadline to July 2020 – in FY21.
- ✓ Revenues from adult-use cannabis are expected to generate \$69 million for transfer to the General Funds in FY22.
- ✓ Federal revenue forecast equals \$3,971 million, a reduction from FY21 due to only a half year of enhanced Medicaid match.
- ✓ FY22 revenue forecast benefits from proposed closure of several tax loopholes.

Resources (\$ in millions)	Estimated FY 2021	Projected FY 2022	Dollar Change	Percent Change
State Sources: Revenues				
Net Individual Income Taxes	20,523	20,151	(373)	(1.8%)
Net Corporate Income Taxes	2,620	3,058	438	16.7%
Net Sales Taxes	8,873	9,518	645	7.3%
All Other Sources	3,295	3,170	(125)	(3.8%)
Total State Sources: Revenues	35,311	35,896	585	1.7%
State Sources: Transfers In				
Lottery	741	739	(2)	(0.3%)
Gaming	-	74	74	0.0%
Adult-Use Cannabis	46	69	23	49.6%
Other Transfers	1,000	960	(40)	(4.0%)
Total State Sources	37,098	37,737	639	1.7%
Federal Sources	4,384	3,971	(413)	(9.4%)
SUBTOTAL, RESOURCES	41,482	41,708	226	0.5%
Municipal Liquidity Facility	1,998	-	(1,998)	(100.0%)
TOTAL RESOURCES	43,480	41,708	(1,772)	(4.1%)



Closing Corporate Loopholes

“Off the Top” Expenditures of State Tax Dollars





FY2021 and FY2022 General Funds Expenditures Summary

- ✓ Proposed FY22 General Funds operating expenditures total \$30.0 billion, a \$4.2 million decrease from FY21.
- ✓ The proposed budget reflects full payment of the certified FY22 pension contribution.
- ✓ Total FY22 General Funds expenditures are \$41.6 billion, a \$1.8 billion (4.2%) decrease from FY21.
- ✓ Estimated FY22 budgetary surplus of \$120 million.

Expenditures (\$ in millions)	Estimated FY 2021	Projected FY 2022	Dollar Change	Percent Change
Education	10,839	10,888	49	0.5%
Economic Development	81	65	(16)	(20.0%)
Public Safety	1,910	1,924	14	0.7%
Human Services	7,077	7,399	322	4.5%
Healthcare	8,014	7,376	(638)	(8.0%)
Environment and Culture	61	61	-	0.0%
Government Services	3,569	3,434	(135)	(3.8%)
Unspent Appropriations	(1,523)	(1,123)	400	(26.3%)
Total Operating Budget	30,030	30,025	(4)	(0.0%)
EXPENDITURES: PENSIONS				
K-12 Education Pensions	5,141	5,694	553	10.8%
State Universities' Pensions	1,781	1,883	103	5.8%
State Employees' Pensions	1,702	1,786	83	4.9%
Total Pension Costs	8,624	9,363	739	8.6%
EXPENDITURES: TRANSFERS OUT				
Statutory Transfers Out	424	363	(61)	(14.4%)
Debt Service	1,872	1,836	(35)	(1.9%)
Interfund/Investment Borrowing Repay	552	-	(552)	(100.0%)
Short Term Borrowing Repayment ¹	1,899	-	(1,899)	(100.0%)
Total Transfers Out	4,748	2,200	(2,548)	(53.7%)
TOTAL EXPENDITURES	43,402	41,588	(1,813)	(4.2%)
General Funds Surplus/(Deficit)	78	120	42	53.1%
Supplemental Appropriations Needed	(1)	-	1	(100.0%)
Adjusted General Funds Surplus/(Deficit)	77	120	43	56.0%

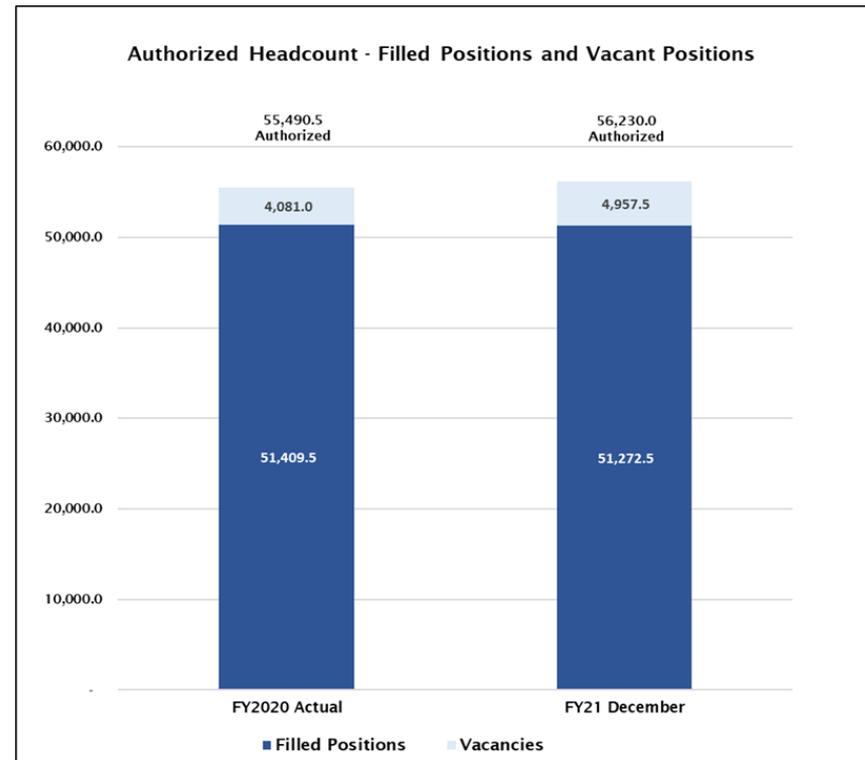
¹ GOMB executed two separate borrowing transactions through the Federal Municipal Liquidity Facility program: first, in June 2020, totaling \$1.2 billion (repayment due within FY2021); second, in December 2020, totaling \$2.0 billion (repayment due over the next three fiscal years, with \$690 million due in FY2022; currently reflected in FY2021 is the intention to prepay the amount due in FY2022).



Efficient and Effective Government

- ✓ **State Employee and Retiree Health Care Savings** – the administration has negotiated over \$900 million in health care cost savings.
 - ✓ Estimated \$650 million in collectively-bargained cost savings with employees through FY23.
 - ✓ An additional \$260 million in savings achieved through negotiated insurance rates and contract terms with providers.
- ✓ **Agency Efficiency Savings** –
 - ✓ Electronic and web-based alternatives to save postage and paper.
 - ✓ Merging anti-fraud program at Illinois Workers’ Compensation Commission with anti-fraud unit at Department of Insurance.
 - ✓ \$10 million in reductions to contractual and commodities appropriations at the Department of Corrections.

- ✓ **Optimizing the State Workforce** – Since 2002, the state’s workforce is down >22%.
 - ✓ Agencies carefully manage on-board headcount.
 - ✓ Approximately 5,000 current vacancies.





FISCAL YEAR 2022 BUDGET IN SUMMARY

Highlights of Governor Pritzker's Fiscal Year 2022 Proposed Budget

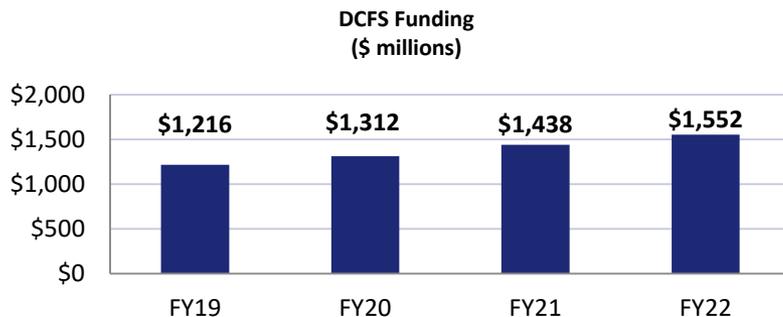


Protecting the Most Vulnerable

Department of Children and Family Services

Total Funding \$1.5 billion, a 7.9% percent overall increase over fiscal year 2021, to continue to hire staff and provide them with the tools to be effective in their jobs.

- ✓ Increases funding to support caseload growth:
 - ✓ Foster Homes Program - **\$28.4 million**
 - ✓ Intact Family Services - **\$17.2 million**
 - ✓ Institutions and Group Homes - **\$5.8 million**
- ✓ Continues implementation of the Comprehensive Child Welfare Information System (CCWIS), a federally mandated upgrade to the current state system (SACWIS) that will modernize child welfare data and provide real-time information - **\$15.4 million**
- ✓ Provides funding to cover proposed provider rate increases scheduled for January 1, 2022 - **\$3.1 million**



Department of Human Services

Total Funding \$8.4 billion, including \$4.7 billion General Funds

- ✓ Provides funding for services for people with developmental disabilities (DD) in support of *Ligas* consent decree - **\$1.45 billion**
 - ✓ Includes increased funding to maintain rate compliance with the consent decree and begins to implement recommendations contained in the DD rate study - **\$70 million**
- ✓ Increases funding for the Home Services Program to recognize continued caseload growth and to address provider wage increases - **\$66.8 million**
- ✓ Continues the eviction mitigation program for outreach, case management and legal assistance to individuals impacted by the COVID-19 Pandemic - **\$145 million**
- ✓ Adds additional funding for Temporary Assistance for Needy Families (TANF) - **\$15.8 million**
- ✓ Funds Child Care Assistance Program (CCAP) - **\$1.69 billion**
 - ✓ Includes additional federal appropriation authority - **\$400 million**



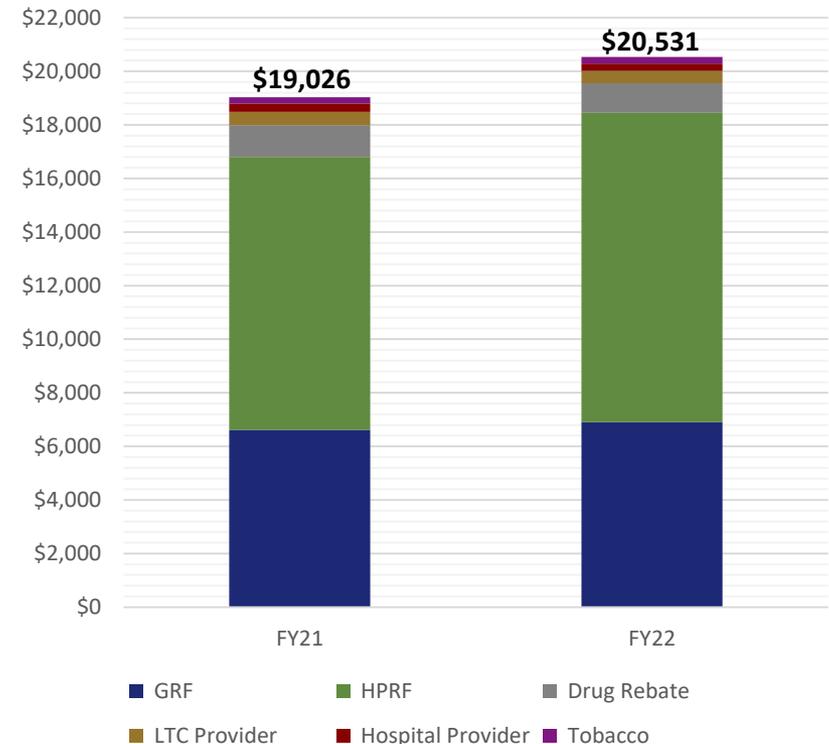
Healthcare and Family Services

Caring For Illinois Families

Covering Illinois' Medicaid Program, the HFS proposed budget totals \$29 billion, including \$7.4 billion General Funds

- ✓ HFS ensured no one lost Medicaid coverage during the pandemic.
- ✓ Provides medical assistance to over 3.2 million Illinoisans including:
 - ✓ Just over 1.47 million children
 - ✓ More than 519,000 seniors and adults with disabilities
 - ✓ Approximately 580,000 adults in Family Care
 - ✓ Almost 685,000 adults eligible through the Affordable Care Act
- ✓ The federal government increased the match rate on Medicaid expenditures by 6.2 percentage points in March 2020 – budget assumes this will remain in place through CY21.
- ✓ Reduction in the FY22 general funds appropriation of \$638 million is due primarily to: lower than anticipated liabilities in FY20 and FY21 and the continuing receipt of the 6.2 percentage points enhanced federal match.
- ✓ HFS' Division of Child Support Services was one of the most cost-effective government programs with \$5.62 collected for every \$1 dollar invested in the critical services provided.

Fiscal Year 2021 - Fiscal Year 2022
 HFS Medical Assistance
 General Revenue and Related Fund
 Cash-Flow Model
 (\$ in Millions)





Department of Public Health

Keeping Our Communities Safe and Healthy

Total Funding \$1.7 billion, including \$148 million General Funds

- ✓ Maintains **\$1 billion** in federal funding for public health preparedness and COVID-19 response at DPH and at local health departments.
 - ✓ Funds equitable COVID-19 vaccination efforts including community outreach, public education, mass vaccination events and direct funding for vaccine-administering groups.
 - ✓ Funds contact tracing, testing activities, lab services and all associated costs in response to the COVID-19 Pandemic at the department and local health departments.
 - ✓ Funds grants for health protection services and COVID-19 mitigation activities at the department, to local health departments, and to community-based organizations (CBOs).
 - ✓ Directs health departments' targeted efforts to improve vaccination, testing, and contact tracing capabilities in high-risk and underserved populations.
- ✓ Utilizing available federal funding, the department will begin the process of updating and modernizing their disease tracking and vaccination tracking systems.
- ✓ Includes funding to hire an additional 50 nursing staff for regulation of long-term care facilities - **\$4.8 million**
- ✓ Secures funding for Alzheimer's disease outreach, research, care and support - **\$1 million**
- ✓ Provides funding for suicide prevention, education and treatment, including awareness training about warning signs and interventions - **\$750,000**



Caring For Our Seniors and Supporting Those Who Served

Department on Aging

Total Funding \$1.4 billion, including \$1.1 billion General Funds

- ✓ Includes funding for proposed rate increases scheduled for January 1, 2022 for the Community Care Program, which cover the costs of proposed rate increases for Homemaker services in the Community Care Program- **\$29.4 million**
- ✓ Adds funding for home delivered meals to maintain the higher levels of service - **\$11.3 million**
 - ✓ Home delivered meals ensure that seniors have regular access to meals, even if many of their regular outlets are not available.
 - ✓ 10.4 million meals delivered between March and December 2020.

Department of Veterans' Affairs

Total Funding \$182 million, including \$102 million General Funds

- ✓ Includes additional funding to support 45 new positions and enhance care at the state's four veterans' homes.
- ✓ Funds new 200-bed Chicago Veterans' Home, scheduled to open in May 2021. This facility will provide skilled care for Illinois veterans, including accommodations for Alzheimer's care - **\$13.1 million**

Chicago Veterans' Home





Department of Employment Security

Supporting the Illinois Workforce

Illinois reached a historically low unemployment rate in February 2020, with a seasonally adjusted rate of 3.4 percent. As a result of the COVID-19 Pandemic, within two months the state went to a historically high rate of 17.2 percent in April.

- ✓ New federal programs were enacted to aid those who lost their jobs; however, the high volume of need (4 million initial claims processed) overwhelmed an aged computer system.
- ✓ Several steps were taken to upgrade the system and increase call center capacity to help meet the unprecedented need, but additional funding is needed to continue improvements:
 - ✓ The FY21 supplemental request totals **\$60 million** federal funds for:
 - ✓ Call center operations statewide, including starting work on establishing new call center positions in downstate Illinois
 - ✓ Fraud analysis, detection and deterrence
 - ✓ Administering Pandemic Unemployment Assistance (PUA), Mixed Earnings Unemployment Compensation (MEUC) and other pandemic-related federal programs
 - ✓ IT upgrades for state agency personnel
 - ✓ Software modifications to benefit systems, including modifications necessary for MEUC
 - ✓ The FY22 recommended budget adds an extra **\$73 million** federal funds for:
 - ✓ Continuation of FY21 initiatives funded through the supplemental request
 - ✓ Increased staff

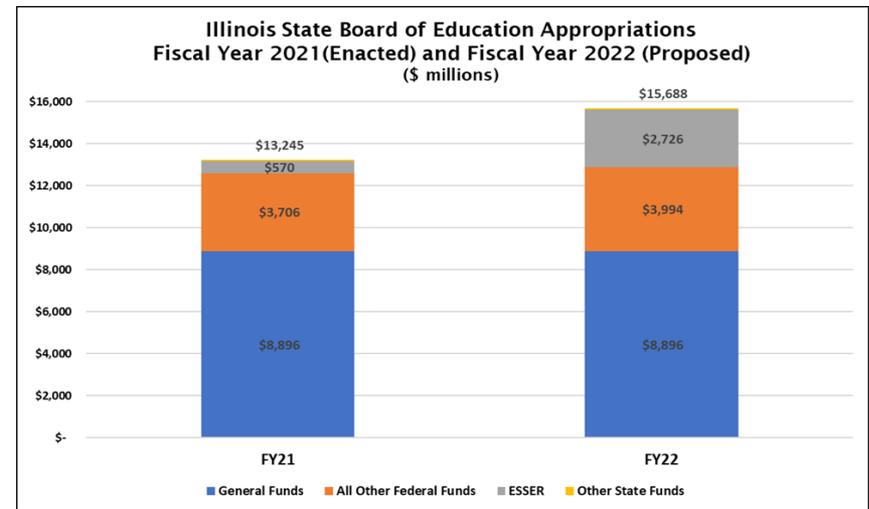


Early Childhood and K-12 Education Funding

Protects Key Investments for Illinois' Youngest

The recommended FY22 budget maintains the progress towards a more equitable K-12 education system while assisting school districts facing COVID-19 related challenges by distributing billions of federal funding.

- ✓ Protects progress made on school funding from cuts by maintaining Evidence-Based Funding (EBF) at FY21 levels - **\$7.2 billion general funds**
 - ✓ Integrates District Intervention Funding into the EBF formula - **\$12.1 million**
- ✓ Funds appropriations for nearly \$2.8 billion in federal assistance through Elementary and Secondary School Emergency Relief (ESSER).
 - ✓ Carries over ESSER funding from the CARES Act - **\$569.5 million**
 - ✓ Includes additional ESSER funding from CRRSA- **\$2.25 billion**
- ✓ Invests in state funding to support the well-being of teachers and students as they navigate the COVID-19 Pandemic - **\$16.6 million**
- ✓ Protects funding for Early Childhood Block Grant - **\$543.7 million**
- ✓ Maintains essential support to working families with young children who were greatly impacted by the closure of schools and child care centers due to COVID-19.
 - ✓ Adds federal funds to provide quality child care - **\$350 million**
- ✓ Accommodates liability increase for early intervention programs to continue to help Illinois families with infants and toddlers overcome developmental delays, including covering the cost of children who have reached their 3rd birthday but are not yet eligible for preschool - **\$ 3 million**



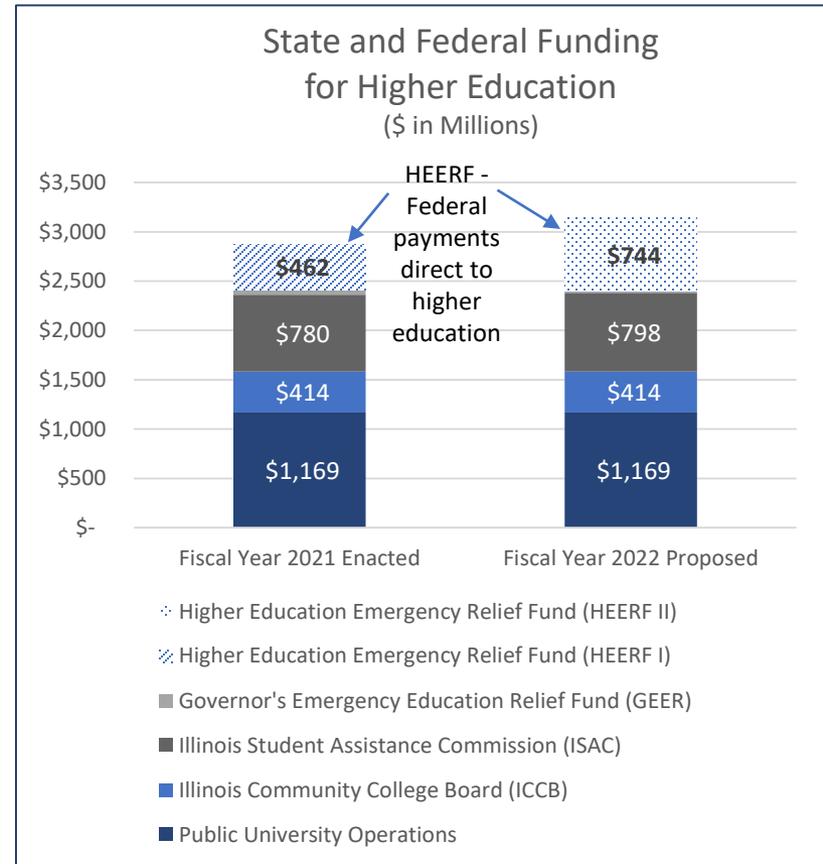


Higher Education

Provides Stability to Our Colleges and Universities

Supports college affordability and focuses on closing equity gaps in Illinois education.

- ✓ Increases Monetary Award Program (MAP) funding to protect awards for current students - **\$28 million**
- ✓ Maintains general funds state support for
 - ✓ Universities – **\$1.157 billion**
 - ✓ Community Colleges - **\$249.5 million**
- ✓ Adds first annual payment to stabilize College Illinois - **\$20 million**
- ✓ Funds the Common Application Partnership Program - **\$1 million**
- ✓ Provides funding to help implement the new equity-driven strategic plan for higher education institutions - **\$250,000**
- ✓ Federal assistance through Higher Education Emergency Relief Fund (HEERF) will go directly to higher education institutions.





Supporting Restorative Justice

The Justice, Equity and Opportunity (JEO) Initiative

Spearheaded by Lt. Governor Stratton, the JEO Initiative will continue to build a criminal justice system that gives Illinoisans a chance to reach their full potential.

Illinois Criminal Justice Information Authority:

Total Funding - \$273.7 million, including \$47.1 million General Funds

- ✓ Maintains funding from cannabis revenues for Restore, Reinvest, and Renew (R3) initiatives for communities in need - **\$45 million**
- ✓ Supports Adult Redeploy Illinois, diverting non-violent offenders from state prisons by providing community-based services - **\$9.6 million**
- ✓ Adds new funding to allow ICJIA to implement the creation of the Domestic Violence Pretrial Practices Working Group to report current pretrial practices and domestic violence, as well as evaluate, collect, and report deaths in custody across the state - **\$1 million**

Illinois Department of Juvenile Justice:

Total Funding - \$121.9 million, including \$108.9 million General Funds

- ✓ Provides maintenance level support for the care of 133 youth in facilities and 410 youth in Aftercare programs – **\$121.9 million**
- ✓ Supports the needed groundwork for the 21st Century Illinois Transformation Model and to bring a new Illinois Youth Center to Lincoln, Illinois. The new site is slated for the former Lincoln Developmental Center and will feature dormitory-style housing units for up to 30 youth.
- ✓ Includes funding alignment for the department's new Community Services Division.



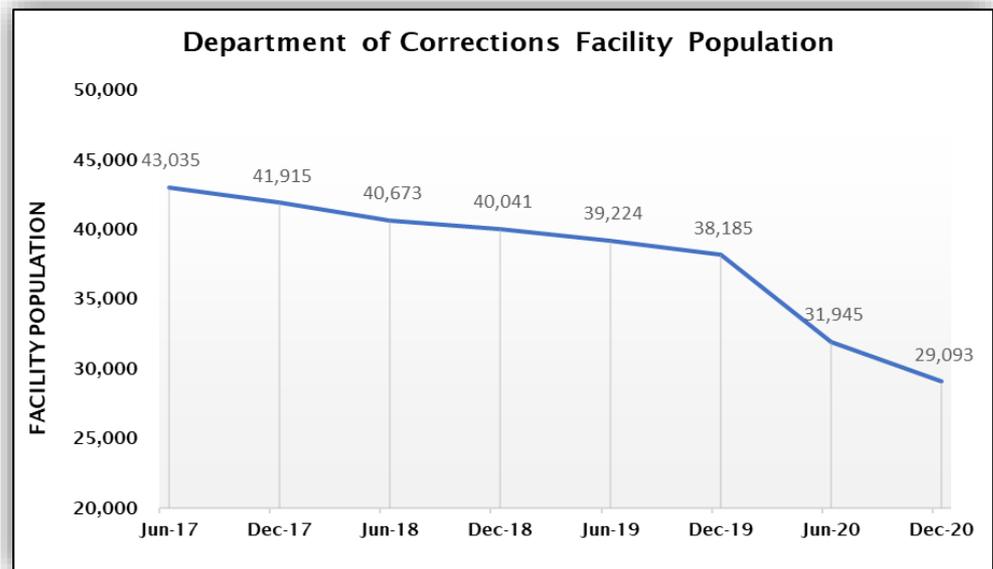
Investing in Public Safety

Proactively Implementing Criminal Justice Reforms

Department of Corrections:

Total Funding \$1.63 billion, including \$1.54 billion General Funds

- ✓ Includes funding for the inpatient treatment center in Joliet, expected to be completed in Fall of 2021 – **\$39.8 million**
- ✓ Reflects savings due to continued population management efforts:
 - ✓ Contractual Expenses - **\$7.7 million**
 - ✓ Commodities - **\$3 million**
- ✓ Provides support for the complete phase-down of Illinois Correctional Industries (ICI)
- ✓ As a direct response to COVID-19, the department implemented management strategies to help mitigate the spread:
 - ✓ Expanded medical furloughs
 - ✓ Revised earned discretionary sentence credit policies and procedures
 - ✓ Expanded use of electronic detention





Other Public Safety Agencies

Proactively Implementing Criminal Justice Reforms

Illinois State Police:

Total Funding \$731 million, including \$289 million General Funds

- ✓ Adds funding to maintain the current level of sworn troopers on the roads and forensic scientists in our Illinois laboratories - **\$10 million**
- ✓ Includes funding for one cadet class in FY22 to hire and train sworn troopers to protect the safety of Illinois citizens.
- ✓ Adds funding for phased implementation of officer-worn body cameras - **\$2 million**
- ✓ Maintains funding for the Safe2Help tip line – **\$2 million**
- ✓ Continues funding the Division of Forensic Services efforts to reduce the DNA backlog.

Law Enforcement Training Standards Board:

Total Funding \$44.0 million, including \$13.3 million General Funds

- ✓ Increases general revenue funding by **\$10.3 million** to:
 - ✓ Fund \$8 million for basic and in-service training for local law enforcement officers to account for the additional training requirements included in HB 3653.
 - ✓ Cover the creation of the Certification Review Panel
- ✓ Maintains funding at **\$3.4 million** for grants to local law enforcement agencies for costs related to officer-worn body cameras.

Illinois Emergency Management Agency:

Total Funding \$2,197.3 million, including \$11.3 million General Funds

- ✓ Includes additional funding of **\$3.5 million** for operational expenses to allow the agency to fill critical headcount in response to the COVID-19 Pandemic.
- ✓ Adds additional appropriation authority to the Federal Emergency Management Agency (FEMA) Public Assistance program to account for an expected increase in FEMA Public Assistance payments related to the COVID-19 Pandemic.



Investing in Economic Development

Department of Commerce and Economic Opportunity:

- ✓ Includes funding from the Federal Emergency Rental Assistance Program to execute rental and housing assistance programs through IHDA and DHS - **\$570 million**
- ✓ Continues funding to support entrepreneurs and communities harmed by the decades-long war on drugs with the Cannabis Social Equity Loan Program - **\$18 million**
- ✓ Invests in broadband deployment to maximize all opportunities for federal funding - **\$25 million**
- ✓ Supports the administration of the Illinois Works Jobs Program Act- **\$2 million**
- ✓ Reappropriates capital funding to provide competitive matching grants that expand access to high-speed broadband internet across the state - **\$375 million**
- ✓ Continues competitive grant funding to provide infrastructure improvements, such as street, highway, bridge, park district and recreation improvements to benefit local communities - **\$202 million**
- ✓ Reappropriates Minority-Owned Small Business Capital Grant funding to allow DCEO to continue equipping small, minority-owned businesses and community organizations with the resources to create jobs, build capacity, increase revenues and expand regionally - **\$25 million**
- ✓ Includes a reappropriation for competitive capital grant funding to fund economic development opportunities including the Shovel Ready Sites Program, opportunity zone investments, development of wet lab space and targeted investments in economically depressed areas - **\$303 million**



Investing in Our Environmental and Cultural Resources

Environmental Protection Agency:

- ✓ Includes new capital appropriations to fund municipal water loans and grants to improve the quality of Illinois' water resources - **\$653 million**
- ✓ Reappropriates Rebuild Illinois initiatives such as Transportation Electrification, the Illinois Green Infrastructure Grant Program and grants for unsewered communities - **\$345 million**
- ✓ Includes **\$89 million** for the continued execution of grants from the VW Settlement Environmental Mitigation Trust Fund to help reduce emissions of nitrogen oxides in Illinois.
- ✓ Provides funding to ensure the proper remediation of power plants' coal ash waste - **\$52.8 million**

Department of Natural Resources:

- ✓ Maintains funding for the operations and maintenance of the hundreds of state historic sites, parks and campgrounds throughout Illinois.
- ✓ Continues funding of **\$2.5 million** from Rebuild Illinois to support the Brandon Road Ecosystem Project which aims to block invasive carp species from entering the Great Lakes ecosystem.
- ✓ Includes reappropriations from Rebuild Illinois to address statewide water resources, land acquisition and local grant programs - **\$782.9 million**
- ✓ Funds annual capital programs to protect, acquire, enhance and manage natural, cultural and recreational resources - **\$43.1 million**



FISCAL YEAR 2022 CAPITAL BUDGET

Infrastructure and Deferred Maintenance



Rebuild Illinois Capital Plan

Historic \$45 billion plan was enacted in FY2020

Key components of the plan include:

- ✓ \$33.2 billion to upgrade the state's aging transportation system
- ✓ \$420 million for statewide broadband development and expansion
- ✓ \$3.4 billion to enhance Illinois' quality and competitiveness in education
- ✓ \$4.3 billion to upgrade existing and create new and better state facilities
- ✓ More than \$1 billion to expand and strengthen environmental programs
- ✓ \$465 million for improving and expanding facilities for healthcare and human services
- ✓ More than \$1.8 billion for enhanced economic and community development

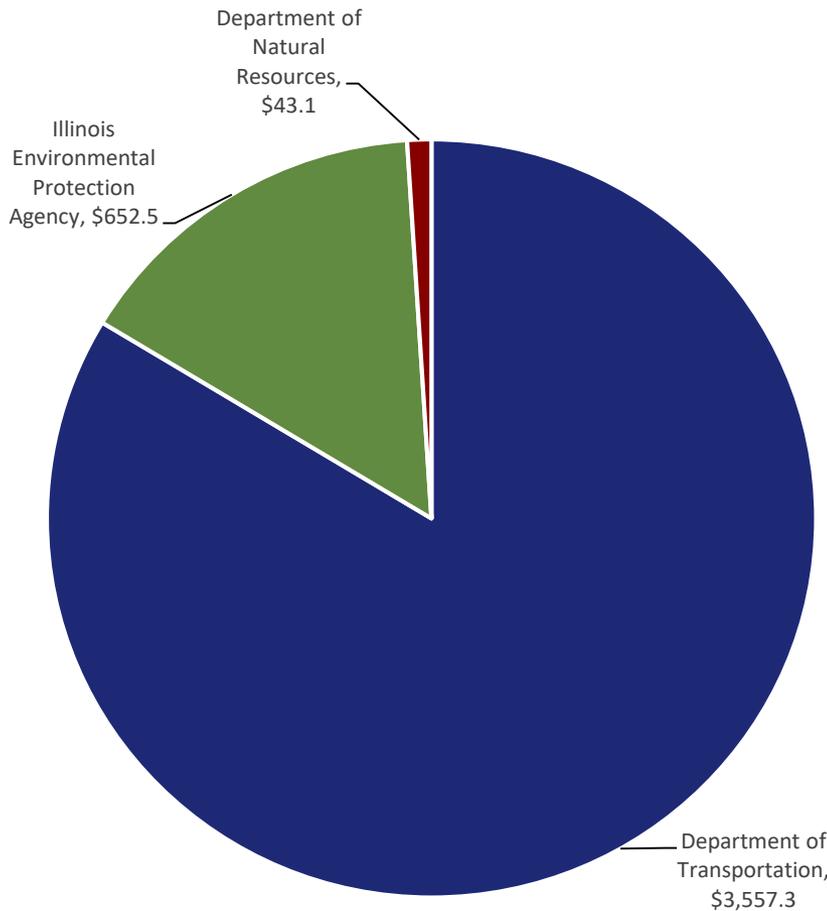




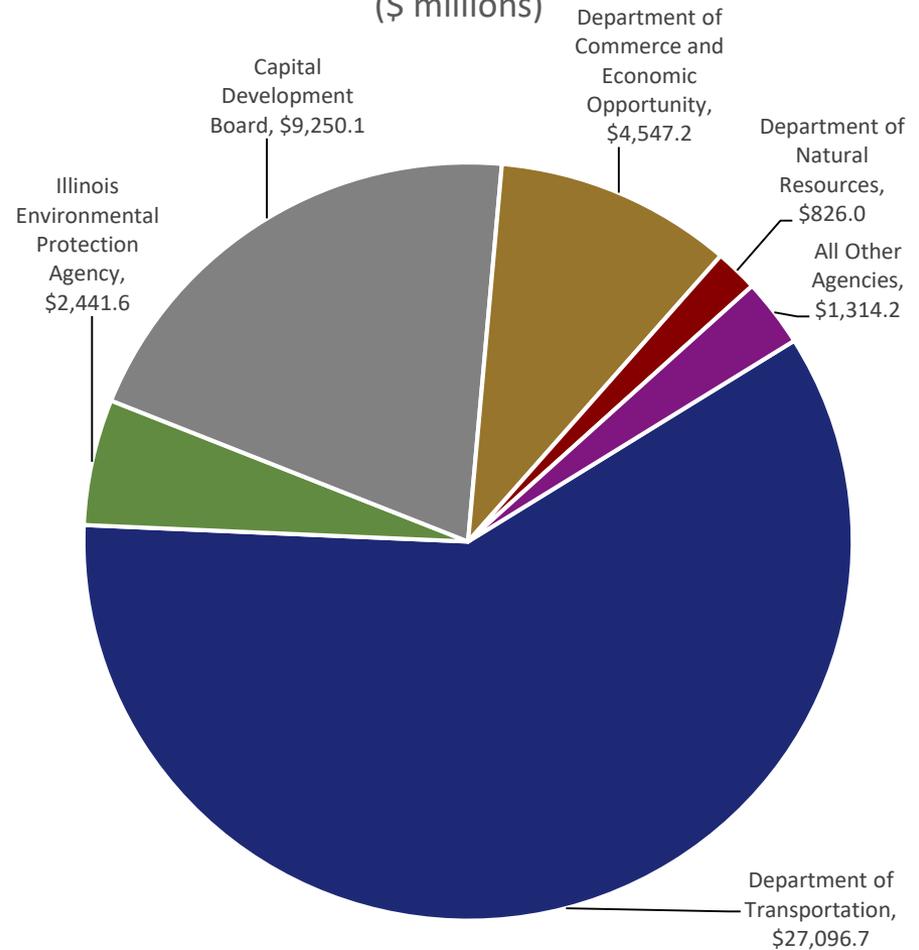
Governor's FY22 Capital Budget

Creating jobs and investing in Illinois' infrastructure

\$4.3B in FY2022 New Capital Appropriations
(\$ millions)



\$45.5B in FY2022 Total Capital Appropriations
(new and reappropriated)
(\$ millions)





Continuing to Invest in Infrastructure Through Rebuild Illinois

Key investments will continue throughout the six-year plan

Examples of progress under the Rebuild Illinois Plan include:

Higher Education Infrastructure

- ✓ \$103.5 million has been released for infrastructure improvements at 15 community colleges, leveraging \$34.5 million in local commitments for a total investment of over \$138 million in communities across the state.
- ✓ Planning and design are underway for large university projects like the \$89 million Performing Arts Center at Western Illinois University and a \$79 million new education building at Northeastern Illinois University.

State Facilities

- ✓ Funding has been released to renovate existing state property in Lincoln for development of a new regional Department of Juvenile Justice residential center as part of the 21st Century Transformation Model, a new community-based plan that will transform the state's juvenile justice system over the next four years.

Connect Illinois

- ✓ \$50 million in Connect Illinois grants have been awarded to support 28 projects across the state. The \$50 million in state grants will be matched by \$65 million in nonstate funding for a total of \$115 million, with plans to expand access for more than 26,000 homes, businesses, farms, and community institutions across Illinois.
- ✓ A second application round of \$50 million in Connect Illinois competitive matching grants to support expanded connections in new communities across the state remains open through February 2021.

Roads and Bridges

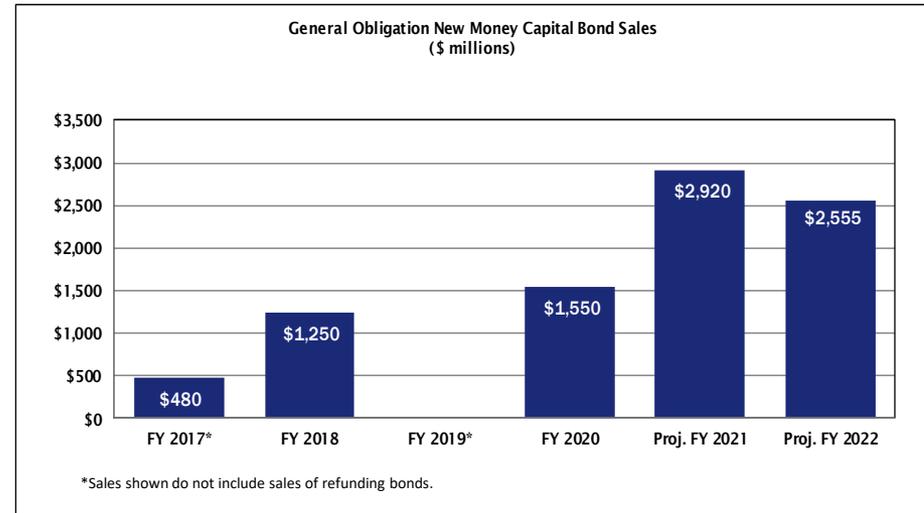
- ✓ The Illinois Department of Transportation (IDOT) completed more than 600 highway projects, ranging from minor resurfacings to interstate and bridge reconstructions, in the first year of Rebuild Illinois. IDOT invested approximately \$2.8 billion in improvements to 1,706 miles of highway and 128 bridges, as well as 228 additional safety improvements.
- ✓ One of the first completed projects under Rebuild Illinois involved repairing a badly deteriorated stretch of Interstate-255 in the St. Louis Metro East Area. IDOT successfully completed this \$67 million project cheaper, faster and safer by closing the work zone to all traffic for one construction season.



Using Capital Markets Access to Rebuild Illinois

Investors recognize the State's credit strengths used to finance long-term investments

- ✓ Since the passage of Rebuild Illinois, \$2.1 billion in general obligation bonds has been issued to finance capital projects.
- ✓ Going forward, the State anticipates issuing bonds frequently enough each year to keep projects advancing without delay.
- ✓ The bond issuance schedule will be adjusted to reflect funding needs and/or market conditions.



Deposits to Bond Funds by Bond Sale Since Rebuild Illinois Passage (\$ millions)					
Bond Fund	Fund #	GO Series of November 2019	GO Series of May 2020	GO Series of October 2020	Total
Capital Development	0141	108.7	171.5	362.9	643.0
Transportation A	0553	362.6	244.9	204.0	811.5
Transportation B	0554	31.1	49.0	40.8	120.8
Transportation D	0695	103.5	98.0	61.2	262.7
Multi-Modal	0959	207.1	-	-	207.1
Anti-Pollution	0551	-	-	74.9	74.9
Pension Acceleration	0825	-	220.4	126.4	346.8
Total		813.0	783.8	870.1	2,466.9



Rendering of the UIC Computer Design Research and Learning Center. Rebuild Illinois provides \$98 million for the project.



I-255 RECONSTRUCTION
COMPLETED AHEAD OF SCHEDULE.



New Stratton Lock and Dam gate section, completed by DNR



The I-57/I-74 Interchange is a cornerstone project of the Rebuild Illinois program.



Visibly deteriorated structures slated for demolition at DOC facilities; Rebuild Illinois provided CDB with funding to address deferred maintenance and demolition projects. Top: Loafing Barn at Menard Correctional Center; Bottom: East Barn at Vienna Correctional Center; Right: Dixon Correctional Center Cold Storage Building



Rendering of the Green Era Renewable Energy and Urban Farming Campus, which will receive a \$2 million grant from DCEO made possible by Rebuild Illinois.