

FISCAL YEAR 2025 BUDGET HIGHLIGHTS

OVERVIEW

The Fiscal Year 2025 General Funds budget plan reflects projected revenues of \$53.281 billion and expenditures of \$53.070 billion, resulting in a \$211 million surplus.

Highlights from the budget package include:

Commitment to Fiscal Responsibility – 6th balanced budget

- This budget builds on five years of historic fiscal progress with balanced budgets, nine credit rating upgrades, a Budget Stabilization Fund set to surpass **\$2.3 billion**, the elimination of the bill backlog, and GDP that has exceeded **\$1 trillion**.
- Sets aside **\$198 million** in the Budget Stabilization Fund.

Early Childhood Education and Childcare Funding

A highlight of the Fiscal Year 2025 budget is the funding commitment for the second year of Smart Start Illinois, the Governor’s early childhood initiative to eliminate preschool deserts, stabilize the childcare workforce, and expand the Early Intervention and Home Visiting programs.

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

- **\$14 million** to launch the Department of Early Childhood
- **\$75 million** in additional Illinois State Board of Investment (ISBE) Early Childhood Block Grant funding, adding 5,000 seats in preschool deserts and increasing block grants to **\$748 million** (**\$254 million** more than 2019)
- Approximately **\$200 million** in funding for Early Childhood Workforce Compensation Contracts to stabilize operational funding.
- **\$5 million** to expand Department of Human Services’ Home Visiting Program

K-12 Education

- **\$350 million** increase for K-12 Evidence-Based Funding (EBF) formula
 - \$1.8 billion aggregate EBF increase during the Pritzker Administration
 - Reflects \$202 million in EBF Property Tax Relief Grants to eligible school districts
- **\$45 million** for the second year of a three-year pilot to fill teacher vacancies
 - 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

- **\$3 million** for the Illinois Comprehensive Literacy Plan implementation
- **\$32.7 million** increase, for a total of \$1.1 billion in grants for transportation and special education
- **\$10.2 million** increase for Career Technical Education Programs to begin implementation of a new equity-based funding formula
 - The new formula increases the number of students served and allows district programs to upgrade technology and equipment to current industry standards

Higher Education

- **\$10 million** in additional MAP grant funding to a total of **\$711 million**, a 77% increase in 6 years
- **\$30.6 million** increase for public universities (**\$24.6 million**) and community colleges (**\$6 million**) operating costs
- Maintains teacher pipeline program funding for Golden Apple Scholars (**\$10.75 million**), Golden Apple Accelerators (**\$5 million**), and Minority Teachers of Illinois (**\$8 million**)
- Maintains funding for AIM HIGH merit-based scholarships at **\$50 million**.
- **\$13 million** for the Mental Health Early Action on Campus Act grants

Health and Social Service Programs

- Birth Equity Investments
 - Child tax credit for working families with a child under the age of 12
 - The tax credit will be 20 percent of the taxpayer's state earned income tax credit with an estimated value of **\$50 million**
 - The tax credit will double to 40 percent of the taxpayer's state earned income tax credit in 2025
 - **\$4 million** to the Department of Public Health (DPH) to assess the State's maternal mortality rate and create an action plan to serve affected communities
 - **\$5 million** increase to continue and expand the Department of Human Services' (DHS) Home Visiting Program
 - **\$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
- Home Illinois - **\$90 million** increase from Fiscal Year 2024 to bring funding to over **\$290 million** for support of unhoused populations
 - **\$25 million** in Rapid ReHousing Services
 - **\$75 million** for court-based rental assistance

- **\$42 million** to maintain funding for current supportive housing for individuals
 - **Over \$33 million** to provide street outreach, medical respite, re-entry services, access to counsel, and other shelter diversion supports
 - **Plus \$5 million** to convert temporary shelters to sustainable community assets
- State Based Marketplace - **\$27.5 million** to implement the new state system
 - \$20 million - Department of Insurance
 - \$10 million for an eligibility and enrollment system and call center
 - \$6 million for 26 headcount
 - \$4 million for project management, assessments and miscellaneous expenses
 - \$7.5 million – Department of Healthcare and Family Services for additional headcount and navigator grants
- Department of Children and Family Services
 - Funding to support an additional 392 positions and continued rate reform for providers to address staffing shortages of social service workers at DCFS partner agencies; a total of **\$50.3 million** to be invested
 - A one-time investment of **\$100 million** for the Level of Care Support Services capital grants
 - **\$10 million** for security investments
- Department of Human Services
 - **\$2.6 billion** General Funds for services for people with developmental disabilities (DD) in support of the *Ligas* consent decree
 - Funds to support a \$1/hour rate increase for Direct Support Professionals effective January 1, 2025
 - **\$100 million** to annualize the accelerated Guidehouse rate increases for Direct Service Providers effective January 1, 2024
 - **\$36.5 million** increase for the Child Care Assistance Program to serve approximately 135,000 children
 - **\$182 million** commitment in 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 our State through allocations at Welcoming Centers (**\$115 million**) and Home Illinois (**\$67 million**)
 - **\$19 million** increase to support mental health care treatment, 9-8-8 hotline, and support of the *Williams* and *Colbert* consent decrees
 - Additional funding to support summer employment programs

- Department of Healthcare and Family Services
 - **\$497.9 million** increase to annualize Medicaid program rate increases and changes effective mid-FY 24 plus additional funding to reflect the rate increases in SB 3268
 - **\$70 million** for a new Medicaid tiered safety net hospital add-on
 - **\$629 million** for the Health Benefits for Immigrant Adults and Health Benefits for Immigrant Seniors programs
 - **\$10 million** to erase medical debts totaling an estimated \$1 billion in relief for more than 300,000 Illinois households

Other Safety Net Investments:

- Department of Public Health
 - **\$6 million** to hire 100 additional staff in the Office of Health Care Regulation
 - **\$4 million** to create a community centered reproductive health action plan
 - **\$2 million** for grants for freestanding reproductive health care clinics and maintains **\$18 million** to support existing reproductive health initiatives
- Department on Aging
 - **\$138 million** increase in funding for the Community Care Program (CCP) to accommodate \$1/hour wage increase to providers January 1, 2025, and accommodate caseload growth, utilization, and annualize January 1, 2024 rate increases

Public Safety and Violence Prevention

- Department of Corrections - **\$900 million** for capital investments to rebuild Stateville and Logan correctional centers
- Illinois State Police -- **\$5.3 million** for two cadet classes to hire an additional 100 troopers
- Illinois Emergency Management Agency and Office of Homeland Security
 - **\$8 million** to support the Illinois Nonprofit Security Grant Program to support organizations throughout the state with security improvements that will assist in preventing, preparing for, or responding to acts of terrorism
 - **\$500,000** for the Office of Homeland Security reorganization efforts per Executive Order 2023-03
- Law Enforcement Training Standards Board
 - **\$60 million** available from the Law Enforcement Camera Grant Fund to provide reimbursement to local law enforcement agencies for in-car, body cameras, and data storage

- Illinois Criminal Justice Information Authority
 - **\$200 million** to the Restore, Reinvest, Renew (R3) program to provide flexibility with the disbursement of additional grants
- Department of Human Services
 - **\$60 million** in state funds for the fourth year of the multi-year Reimagine Public Safety grant program to build upon initial federal investments

Economic Development

- Department of Commerce and Economic Opportunity
 - 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
 - **\$20 million** in capital funding to continue the Illinois Works Construction Pre-apprenticeship Program
 - **\$10 million** for the Illinois Grocery Initiative to address food insecurity faced by millions of Illinoisans living in food deserts
 - **\$30 million** for the Fast-Track Workforce program to provide employee screening, recruitment, and job training development to employers
 - **\$2.5 million** in continued funding for the Office of Outdoor Recreation to promote tourism at destinations around the state and grow the outdoor recreation economy of Illinois
 - **\$2 million** in continued funding for rural economic development, intended to connect communities and improve access to state and federal aid through outreach or technical assistance from rural navigators
 - **\$10 million** in continued funding for Clean Energy Career and Technical Education pilot initiative to assist high schools with developing curriculum and programming that supports electric vehicle manufacturing technical education
 - **\$25 million** for competitive business development capital grants to expand, rehabilitate, or relocate private business to Illinois

Cultural and Natural Resources

- Department of Natural Resources
 - **\$54 million** for continued operation of key capital programs such as the Open Space Lands Acquisition and Development (OSLAD) grants
 - **\$2.5 million** for the Youth and Young Adult Conservation and Education Pilot Program to create opportunities for underserved and underrepresented youth to receive jobs and education within environmental conservation
 - Includes funding for an additional 100 headcount for DNR to modernize and rebuild staffing at state parks and historic sites

- Environmental Protection Agency
 - **\$12 million** for Electric Vehicle rebates
 - **\$622 million** in federal Infrastructure Investment and Jobs Act (IIJA) related capital appropriations to continue IIJA water infrastructure programs
 - **\$20 million** for new Lead Service Line Replacement Inventory (LSLRI) grants
- Illinois Arts Council
 - **\$7.5 million** to expand existing grant programs for arts organizations and individuals

Capital and Transportation Funding

The Fiscal Year 2025 capital budget represents a continuation of the historic Rebuild Illinois program and other ongoing capital initiatives. Continued use of federal funds will expedite delivery of critical initiatives. Illinois anticipates receiving billions of dollars from the federal Infrastructure Investment and Jobs Act (IIJA) to invest in transportation, water, broadband, clean energy and more.

House Bill 4582, the bond authorization bill, includes \$3.6 billion in new bond authorization to enhance Rebuild Illinois.

This will fund items such as:

- \$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 - helps to finish priority campus projects from Rebuild Illinois across the state.
 - \$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 increasing costs of deferred maintenance and construction at state facilities to finish out Rebuild Illinois priority projects like the State Armory
- \$100 million to DCFS for a multi-year capital grant program to improve capacity for youth placement by increasing bed capacity systemwide

Fiscal Year 2025 Department of Transportation capital budget includes:

- \$5.3 billion for the Fiscal Year 2025 Road Program.
 - Includes approximately \$4.2 billion in pay-as-you-go revenue and \$1.1 billion in bond funds.
 - Largest annual Road Program in state history
- Provides \$400 million in new appropriation authority for local projects in economically distressed areas.
- Includes \$149 million in new appropriation authority for the National Electric Vehicle Infrastructure (NEVI) program and \$45 million for associated match.
- Provides \$38.1 million in new appropriation authority for highway transportation earmarks as designated in the Consolidated Appropriations Act 2024 (Public Law 118-122) and \$9.5 million for associated match.