

ILLINOIS STATE BUDGET FISCAL YEAR 2027



GOVERNOR JB PRITZKER



For release at 12:00 PM, Wednesday, February 18, 2026.

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Alexis Sturm, Director
Governor's Office of Management and Budget
February 18, 2026

Please visit the Governor's Office of Management and Budget website to download a copy of the *Fiscal Year 2027 Budget*, the *Fiscal Year 2027 Capital Budget*, or to view the Interactive Budget portal.
www.budget.illinois.gov



The Proposed Fiscal Year 2027 Budget:

- Builds on seven years of **historic fiscal progress** with balanced budgets, ten credit rating upgrades, \$2.4 billion Rainy Day Fund, and eliminated bill backlog.
- Maintains the Governor's commitment to fiscal responsibility while growing Illinois into an economic powerhouse.
- Continues **core investments** in early childhood education and child care, K-12 education, higher education, economic development and efforts to fight poverty.
 - Continues record level of K-12 funding.
 - Maintains SMART START ILLINOIS to move forward toward the new comprehensive approach to early learning via a consolidated agency.
 - Builds on previous higher education investments.
 - Provides record funding for human services and Illinois' social safety network.
 - Ensures healthcare and food access to raise families out of poverty.
 - Further invests in Illinois' economic infrastructure to support private sector job creation and make Illinois more competitive on the national stage.



THE STATE OF ILLINOIS BUDGET

Addressing Inherited Challenges



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 multiyear plan to move Illinois forward, restoring the fiscal and economic health of the State.
- Governor Pritzker inherited a hollowed-out state government known for fiscal instability and structural deficits that prevented the State from moving forward.
- Much progress has been made in the last seven years, but challenges remain.

“To get to fiscal stability and eliminate our structural deficit, there’s no quick fix. It took decades to get us into this mess. It will take at least several years to get us out of it.”

-- Gov. JB Pritzker,
February 2019, Budget Address



Illinois Fiscal Progress 2019 to Today		
	2019	Today
Bills Outstanding	\$8 billion	Now Accounts Payable
Rainy Day Fund	\$4 million	\$2.4 billion
Credit Ratings	Near Junk	10 upgrades
Gross Domestic Product	\$881 billion	\$1.216 trillion
Pension Funded Ratio	40.3%	47.9%



Responsible Fiscal Leadership and Targeted Investment

Restoring Economic and Budgetary Stability

- ✓ Passed seven balanced budgets with ten credit upgrades.
- ✓ Retired the State's overdue bill backlog, reducing unnecessary interest costs.
- ✓ Added \$700 million in pension funding above certified levels.
- ✓ Increased annual income and sales tax revenue sharing with local governments to nearly \$4 billion.
- ✓ Grew the "rainy day" fund to nearly \$2.5 billion.
- ✓ Created BRIDGE Fund to cover short-term costs brought on by unpredictable federal funding.

Investing in Education - High Quality Learning from Cradle to Career

- ✓ Provided record levels of early childhood, K-12, and college scholarship and grant funding.
- ✓ Raised teachers' salaries and increased funding for public schools by over \$2.1 billion by FY26.
- ✓ Created a new agency dedicated to early childhood investments.
- ✓ Launched SMART START ILLINOIS to eliminate preschool deserts and increase access to affordable child care.
- ✓ Increased financial aid by more than \$346 million to make college more affordable and attractive in Illinois.

Strengthening Illinois' Social Safety Network

- ✓ Increased annual investments 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 over 100%, building up staffing to levels not reached in over 20 years.
- ✓ Created Home Illinois, which commits more than \$350 million annually towards preventing and ending homelessness.
- ✓ Made historic investments in community-based services to support people with disabilities.
- ✓ Authorized a State-Based Marketplace for health insurance to give consumers a one-stop shop to compare plans.

Reforming the Criminal Justice System and Investing in Public Safety

- ✓ Replenished the ranks of State troopers with 713 troopers added.
- ✓ Created the Office of Firearm Safety and through the Reimagine Public Safety Act, awarded nearly \$370 million 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. Also created programs designed to divert people from arrest and into services.

Rebuilding and Expanding Illinois' Infrastructure

- ✓ Passed the bipartisan, \$45 billion Rebuild Illinois plan, the largest multiyear program in state history.
- ✓ Passed PA 104-0457 to establish the new Northern Illinois Transit Authority (NITA).

Driving Economic Growth - Creating Jobs and Investing in Businesses

- ✓ Grew Illinois' GDP to exceed \$1.2 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 (CEJA) and Clean and Reliable Grid Affordability Act (CRGA).

While great strides have been made since 2019, the work is not done.

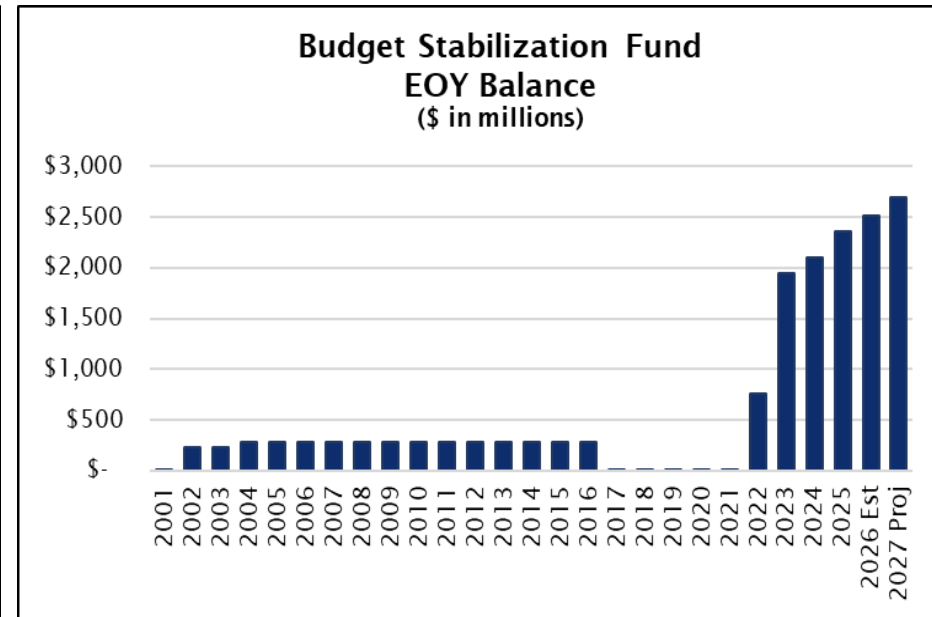
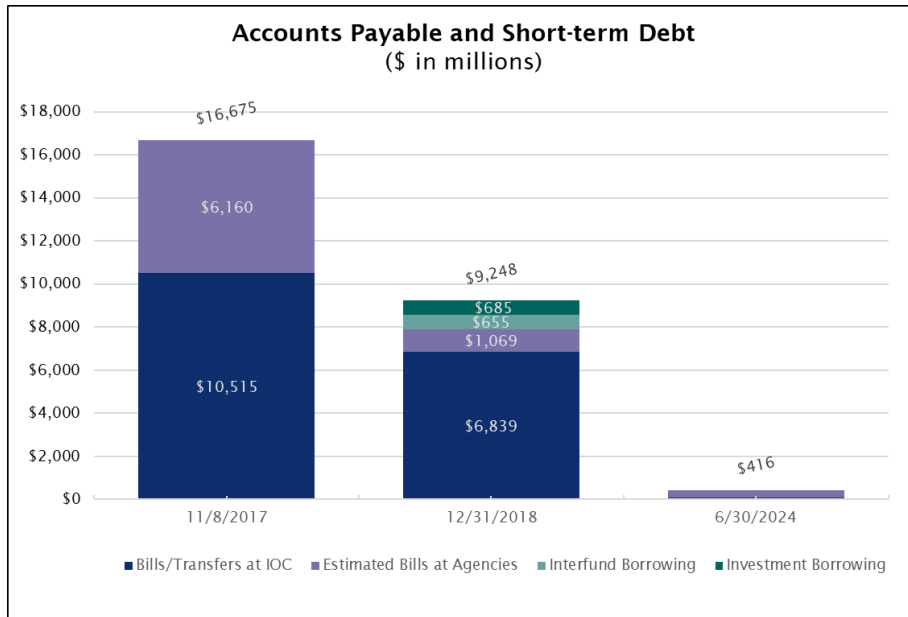
The proposed FY27 budget balances strategic investments and common-sense fiscal planning.



Responsible Fiscal Leadership

The Governor and General Assembly worked together to reverse the damage from the budget impasse and build a stronger fiscal foundation for the State.

- **Budgetary shortfalls** were addressed through prudent fiscal management policies that paid down debts early, balanced revenues with targeted expenditure increases, and reacted timely to changes in economic conditions.
- By the end of FY24, Illinois’ **accounts payables** and short-term debts were reduced by nearly 97.5% from a peak of nearly \$16.7 billion in November 2017 and 95% since Governor Pritzker took office.¹
 - Payables at the end of FY24 were at their lowest level in 20 years.
 - Current payables fluctuate throughout the year based on timing of revenues, expenditures, and Comptroller cash management strategies.
- Illinois built up its “rainy day” fund to levels never reached previously - nearing \$2.5 billion.
 - The **Budget Stabilization 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.
 - As of the end of FY25, Illinois would have been able to run an estimated 15.7 days on the fund balance.²



¹ Source: Actuals - Comptroller Debt Transparency Reports, <https://illinoiscomptroller.gov/financial-data/debt-transparency-reports-dtr/>

² <https://www.pew.org/en/research-and-analysis/articles/2025/10/15/state-reserves-recede-from-record-high-as-fiscal-pressures-mount>



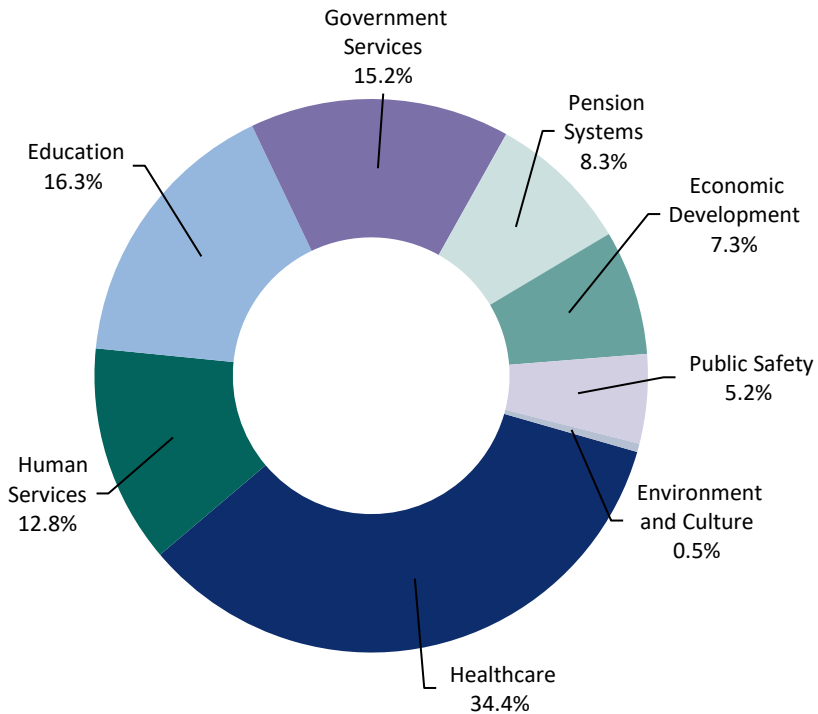
FISCAL YEAR 2027 BUDGET OVERVIEW

Budget Walk Down

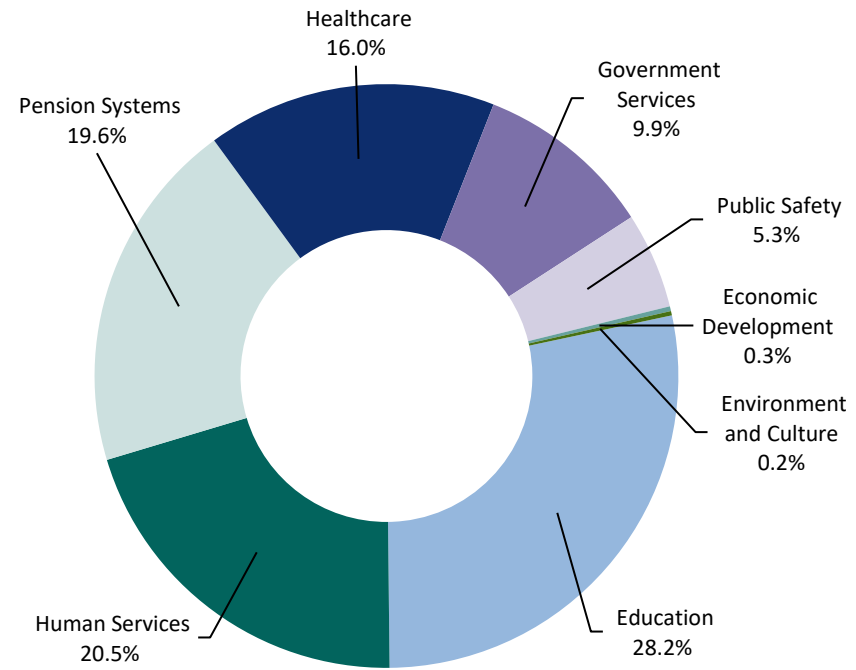


FY27 Proposed Operating Budget

All Funds:
\$131.8 Billion



General Funds*:
\$54.8 Billion



*Reflects FY27 Proposed General Funds appropriations; total FY27 General Funds budget (including transfers to other state funds) totals \$56.0 billion



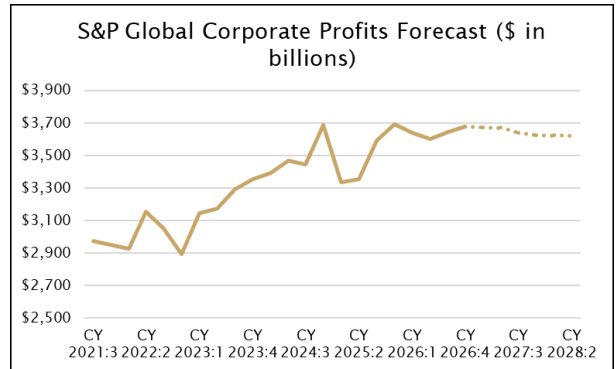
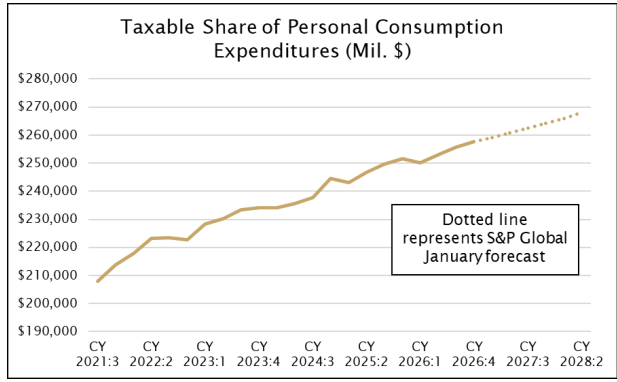
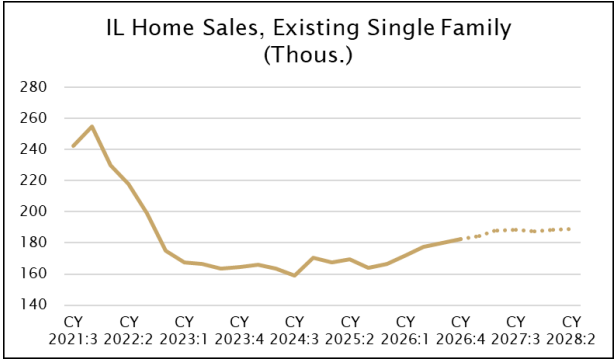
FY26 and FY27 Revised Revenue Outlook

FY26 Update:

- FY26 General Funds revenue forecast is revised to \$55.228 billion, a \$399 million upward revision from October 2025 forecast.
 - Excise taxes, investment income, and wagering are supporting the upwards revision.
 - Stability in labor market and consumer spending are helping individual and sales taxes, but corporate taxes are still weak due to the impact of federal tax law changes and tariffs.
- FY26 revised revenue forecast is \$70 million below Spring 2025 enacted budget assumptions.
 - FY26 revenues impacted by the corporate tax cuts from H.R.1.
 - The updated forecast reflects impact of PA 104-0453, which decoupled Illinois from some of the federal business tax changes.

Outlook for FY27:

- While economic activity is currently stable, not much has changed from a year ago, with continued uncertainty surrounding the economic outlook.
- Federal policy decisions are impacting states.
 - Reductions in federal spending and tariffs are reshaping the economy.
 - National employment level and aggregate job growth is on the decline.
 - Federal tax law changes in H.R. 1 has state revenue and expenditure implications.
- FY26 and FY27 revenue forecast built on S&P Global January baseline economic forecast.
 - Models do not assume a recession in either baseline or pessimistic scenarios.





FY26 and FY27 General Funds Revenues Summary

- General Funds FY27 revenues are estimated to total **\$56.055 billion**, an \$830 million, or 1.5%, increase from revised FY26 estimates.
- FY27 base revenue state source revenue estimate is approximately \$1 billion above preliminary October 2025 estimate.
- Individual income tax collections are forecast to increase \$946 million, or 3.3%, from FY26.
- FY27 projected revenue forecast benefits from several proposed revenue adjustments, including:
 - Social Media Platform Fee - \$200 million dedicated to supporting education
 - Adjust Net Operating Loss Deduction cap sunset to a phased in approach - \$269 million impact to corporate income taxes
 - Realignment of tax treatment for table and electronic games at casinos - \$120 million
- Federal funds are forecasted to total \$4.071 billion, a \$55 million, or 1.4%, increase from FY26.
 - Federal revenues deposited into the General Funds are primarily tied to Medicaid spending reimbursements.

Resources (\$ in millions)	Estimated FY 2026	Projected FY 2027
RESOURCES		
State Sources: Revenues		
Net Individual Income Taxes	28,686	29,632
Net Corporate Income Taxes	4,314	4,305
Net Sales Taxes	10,827	11,123
All Other Sources	4,276	3,963
Total State Sources: Revenues	48,102	49,023
State Sources: Transfers In		
Lottery	815	832
Gaming	250	370
Adult-Use Cannabis	117	120
Sports Wagering	322	344
Social Media Platform Fee	-	200
Other Transfers	1,603	1,095
Total State Sources	51,210	51,984
Federal Sources	4,016	4,071
TOTAL RESOURCES	55,225	56,055
<i>Payroll Cashflow Borrowing</i> ¹	2	-
TOTAL RESOURCES	55,228	56,055

Note: Totals may not add due to rounding

¹ Payroll cashflow borrowing represents payroll backfills for state agencies experiencing delays in federal funding or other revenues as authorized under 30 ILCS 105/13.2(g). Within 30 days, monies are sent back to the General Revenue Fund as repayment.



FY26 and FY27 General Funds Expenditures Summary

- Proposed FY27 General Funds expenditures total **\$56.032 billion**, an \$878 million (1.6%) increase from FY26 revised estimated spending.
 - FY26 revised estimated spending reflects proposed supplemental appropriations and proposed transfers of \$105 million.
- Compared to enacted FY26 expenditures, over 75% of the increase is for:
 - ISBE EBF (\$305 million),
 - Pensions (\$192 million),
 - Medical expenditures at CMS (\$269 million), and
 - If not for these 3 areas, spending would increase less than 0.5%.
- The Education budget line includes recommended funding of \$2.088 billion for IDEC, shifting lines from ISBE, DHS and DCFS.
- The proposed budget reflects full payment of the certified FY27 pension contribution.
- Estimated FY27 budgetary surplus of **\$24 million**.

Expenditures (\$ in millions)	Estimated FY 2026	Projected FY 2027
EXPENDITURES		
Education*	13,801	15,425
Economic Development	237	146
Public Safety	2,712	2,914
Human Services	12,021	11,244
Healthcare	9,301	8,781
Environment and Culture	139	134
Government Services	5,290	5,400
Supplemental Appropriations	20	-
Unspent Appropriations	(1,266)	(1,022)
Total Operating Budget	42,255	43,022
EXPENDITURES: PENSIONS		
K-12 Education Pensions	6,496	6,594
State Universities' Pensions	2,070	2,116
State Employees' Pensions	1,971	2,018
Total Pension Costs	10,536	10,729
EXPENDITURES: TRANSFERS OUT		
Statutory Transfers Out	549	431
Proposed Transfer to Fund #611	85	-
GO Bond Debt Service	1,726	1,850
Payroll Borrowing Repayment	2	-
Total Transfers Out	2,362	2,281
TOTAL EXPENDITURES (w/supplemental)	55,153	56,032
General Funds Surplus/(Deficit)	75	24

Note: Totals may not add due to rounding

* Proposed amounts for Early Childhood, included in Education here, include \$1,963M appropriations shifted from ISBE, DHS, and DCFS, in the following approximate amounts: \$748M, \$1,195M, and \$19M in FY26.



FISCAL YEAR 2027 BUDGET IN SUMMARY

Highlights of Governor Pritzker's Fiscal Year 2027 Proposed Operating Budget



Fiscal Year 2027: Governor Pritzker's Investment Priorities

- ✓ Early Childhood Education and Child Care Funding
- ✓ K-12 Education
- ✓ Higher Education
- ✓ Health and Human Services
- ✓ Public Safety and Violence Prevention
- ✓ Growing the Economy and Modernizing Business Development
- ✓ Environmental, Natural, and Cultural Resources

SMART START ILLINOIS: Investing in Early Childhood

Governor's Proposed FY27 Budget for Illinois Department of Early Childhood (IDEC): \$4.424 billion All Funds, \$2.088 billion General Funds

- Includes the first year of full operational and programmatic funding for IDEC.
- **\$748 million** to maintain investment in the Early Childhood Block Grant funding.
 - Maintains the funding level that has supported the addition of over 11,000 new seats added since 2023.
- **\$200 million** investment for Early Childhood Workforce Compensation Grants.
- Other Early Childhood Investments include:
 - **\$55 million** in additional investment for increased participation in the Child Care Assistance Program, up to 155,000 children.
 - **\$2.3 million** to continue implementation and expansion of Dolly Parton's Imagination Library.
 - Today, more than 97,000 children under the age of five are receiving free books in the mail every month, a 59 percent increase since February 2025.
 - **\$15 million** increase for Early Intervention programs to support timely services for families.
- IDEC funding consolidates nearly \$2 billion in FY26 General Funds appropriations for early childhood programs such as the Child Care Assistance, Early Intervention, Home Visiting, and Maternal and Child Health programs, as well as DCFS day care licensing and the ISBE Early Childhood Block Grant.



Dolly Parton's Imagination Library
Coverage Across Illinois



Full Coverage



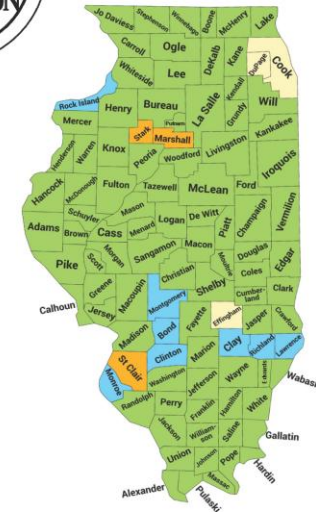
Partial Coverage



Coming Soon



Community Partners Needed





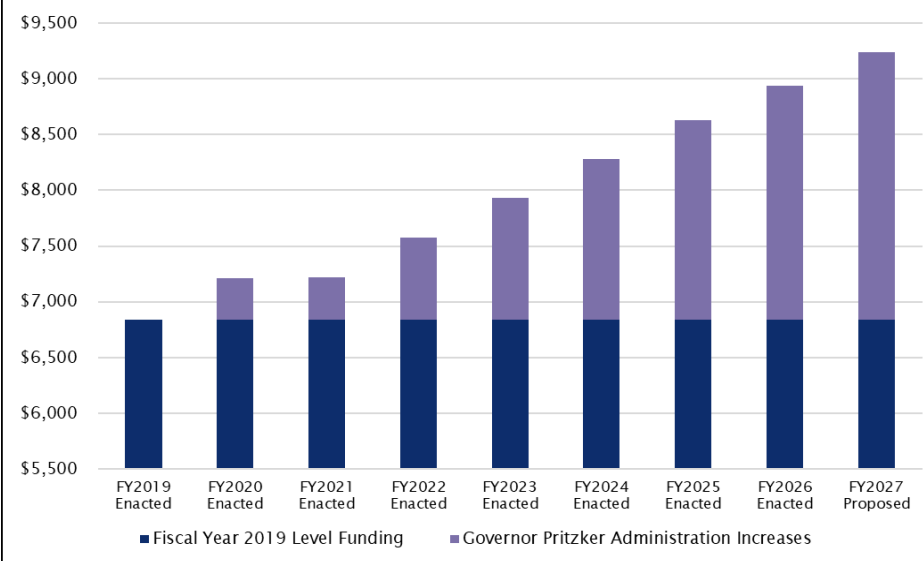
K-12 Education Funding

Continues Illinois' path to equitably serving every child in Illinois through adequate funding

Governor's Proposed FY27 Budget for ISBE: \$15.21 billion All Funds, \$10.721 billion General Funds

- Continued support of Evidence-Based Funding (EBF) with **\$305 million increase**.
- Brings EBF program to \$9.2 billion, a **\$2.4 billion** increase to the annual funding level during the Pritzker Administration.
- \$51 million** increase, for a total of \$1.2 billion, in grants for school categorical grants (MCATs).
 - Fully funds Special Education-Orphanage Tuition and Regular Orphanage budget lines.
 - Increases Special Education Transportation reimbursements by **\$20 million**, Special Education Tuition by **\$20 million**, Regular/Vocational Transportation expenses by **\$10 million**, and includes **\$35 million** at IDOT to support mass transit costs related to student transportation needs.

Evidence-Based Funding Appropriations
(\$ in millions)



- Maintains Career and Technical Education programs to expand access to underserved students.
- \$1.5 million** for implementation of the Illinois Comprehensive Literacy and Numeracy plans.
- Funds fourth year of both the Teacher Vacancy Grant Pilot Program at **\$15 million** and the Computer Science Equity Grant Program at **\$1.5 million**.
- Reflects a decrease of **\$748 million** for the transfer of the Early Childhood Block Grant to IDEC.

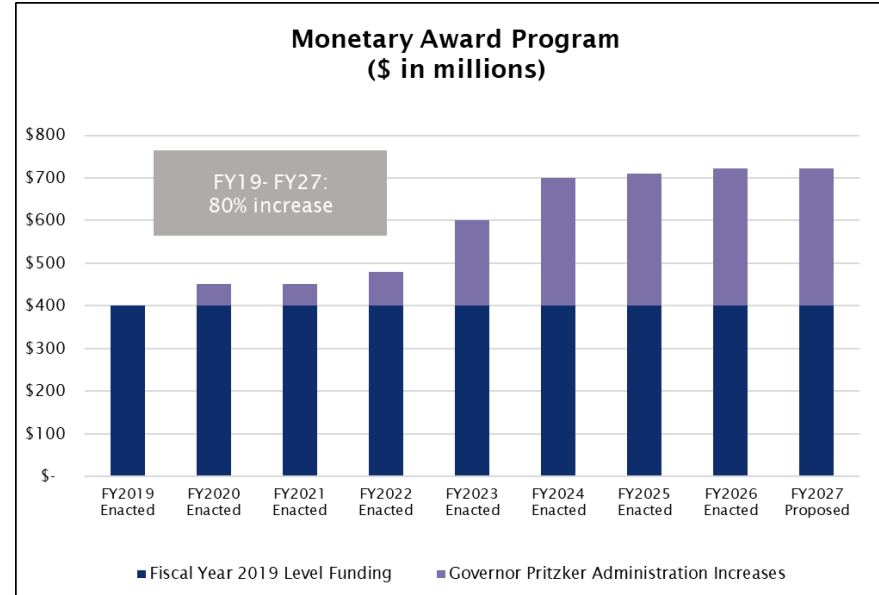


Higher Education

Investing in our Colleges and Universities

FY27 Proposed Budget for Higher Education:

- **\$721.6 million** to maintain the Monetary Award Program (MAP).
 - More than \$320 million, or 80%, increase for MAP since 2019.
 - ISAC projects awarding MAP grants to more than 150,000 students in FY26 - an increase of more than 21,000 since FY19.
 - Maximum award size has increased from \$4,869 to \$8,604 since 2019.
- **\$16 million**, or 1%, General Funds increase for operating costs of public universities (**\$13 million**) and community colleges (**\$3 million**).
- Continues funding to support community college investments in dual-credit and non-credit workforce grant programs.
- **\$2 million** to continue funding the Diversifying Higher Education Faculty in Illinois (DFI) program.
- **\$3 million** to support Common App simplified admissions across higher learning institutions.



- **\$5 million** to continue Early Childhood Access Consortium for Equity scholarships.
- **\$10.75 million** for Golden Apple Scholars and **\$2.5 million** for Golden Apple Accelerators.



BUILD: Building Up IL Developments

Housing Solutions for Working Families

Following the signing of Executive Order 2024-03 and appointment of a Director of Housing Solutions, the Governor is proposing several steps to improve access to housing:

Unlocking Existing Housing Potential in Communities Across Illinois

- Boost housing developments by modernizing outdated building codes and legalizing family-friendly housing types (duplexes, triplexes, four-flats, ADUs).
- Utilize state-funded public transit systems to let developers turn what would have been parking spots into more housing units.

Cut Red Tape to Build Housing Faster and Cheaper

- Streamline permitting processes by standardizing timelines, reducing local government permit review delays by allowing qualified third-party reviewers to sign off on permits, and standardizing impact fees.

Fiscal Year 2027 Capital Budget

- **\$100 million** for a new Missing Middle Housing Infrastructure (M2I) Grant Program at DCEO.
 - Connect developers to the capital needed to construct new, affordable homes.
- **\$100 million** for missing middle and other affordable housing programs at IHDA.
- **\$50 million** for Opening Doors and SmartBuy down payment assistance programs at IHDA.





Department of Human Services

Protecting the Most Vulnerable

FY27 Proposed Budget: \$10.609 billion All Funds, including \$6.938 billion General Funds

- Recognizes the transition of 180 staff and over **\$2.4 billion** of early childhood programs, including the Child Care Assistance Program, Early Intervention, and Home Visiting and Maternal Health programs to the Illinois Department of Early Childhood.
- **\$50 million** to hire 450 additional staff and update eligibility determination systems for the Supplemental Nutrition Assistance Program (SNAP) and Medicaid to comply with federal changes regarding eligibility and work requirements imposed by H.R.1.
- Includes **\$253.7 million** in general funds for Home Illinois. In combination with other resources, the Home Illinois program funds services and supports including:
 - **\$81.5 million** to support shelters and other services for homeless populations.
 - **\$62.3 million** for supportive housing, homelessness prevention services, shelter diversions, addressing racial disparities, and access to counsel.
 - **\$50 million** for court-based rental assistance.
 - **\$42 million** for emergency and transitional housing.
 - **\$25 million** for Rapid Rehousing services for short-term rental assistance and targeted support services.
- **\$97.6 million** Home Services Program increase for liability and caseload growth, bringing the investment to \$1.2 billion.
- **\$17.8 million** increase to support *Williams* and *Colbert* consent decree class members in transitioning to the community.
- **\$34.0 million** increase to phase in opening of additional mental health forensic beds in the Willow Building at the Alton Mental Health Center.
- Includes **\$111 million** to maintain funding for services for Reimagine Public Safety to help reduce gun violence in Illinois communities through:
 - Violence Prevention Programs
 - High-Risk Youth Prevention Programs
 - Youth Development Programs
 - Community Conveners

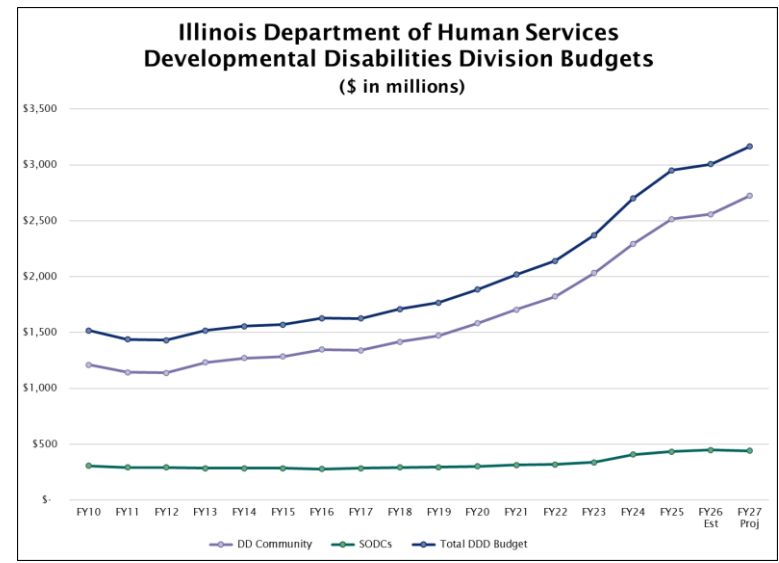
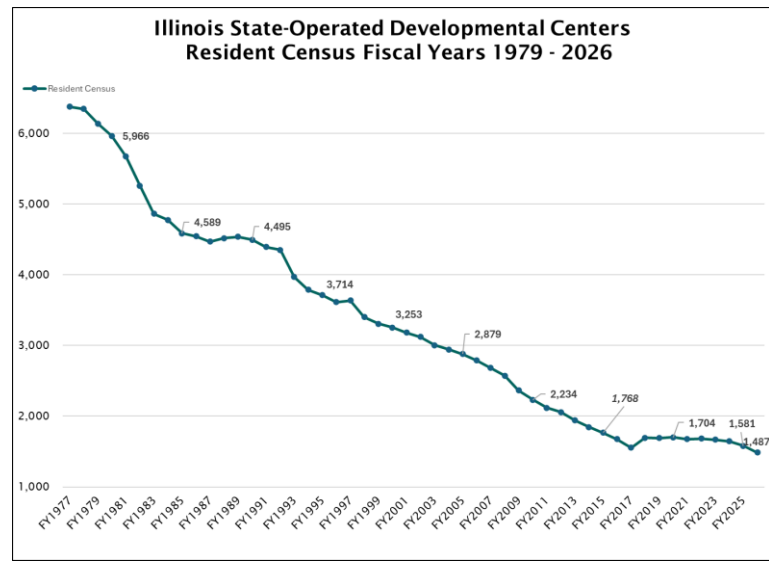


Department of Human Services (cont'd.)

- Since the late 1970s, the population of residents at the State Operated Developmental Centers (SODCs) has declined by over 75%.
- Illinois has made historic investments in support for I/DD services in the community, with over **\$2.7 billion** proposed for FY27.
- Illinois needs to continue to modernize its approach to serving people with intellectual and developmental disabilities by prioritizing quality, choice, fiscal sustainability, and person-centered outcomes by strengthening community-based services while thoughtfully evaluating the future role, scale, and configuration of state-operated facilities.

The FY27 Division of Developmental Disabilities proposed budget totals **\$3.2 billion**, a \$1.4 billion (79%) increase since FY19:

- The proposed **\$148.7 million** General Funds increase includes:
 - **\$33.9 million** to annualize FY26 placements and fund 630 new placements under the *Ligas* Consent Decree.
 - **\$24 million** for a \$0.60/hour rate increases for Direct Service Providers (DSPs) effective January 1, 2027.
 - **\$37.5 million** to implement the “Zero-Hour” staffing model recommended in the Guidehouse study.
 - **\$20 million** for continued transformation of Illinois’ State Operated Developmental Centers (SODCs) and resources to empower people with disabilities to live in the least restrictive settings of their choice.

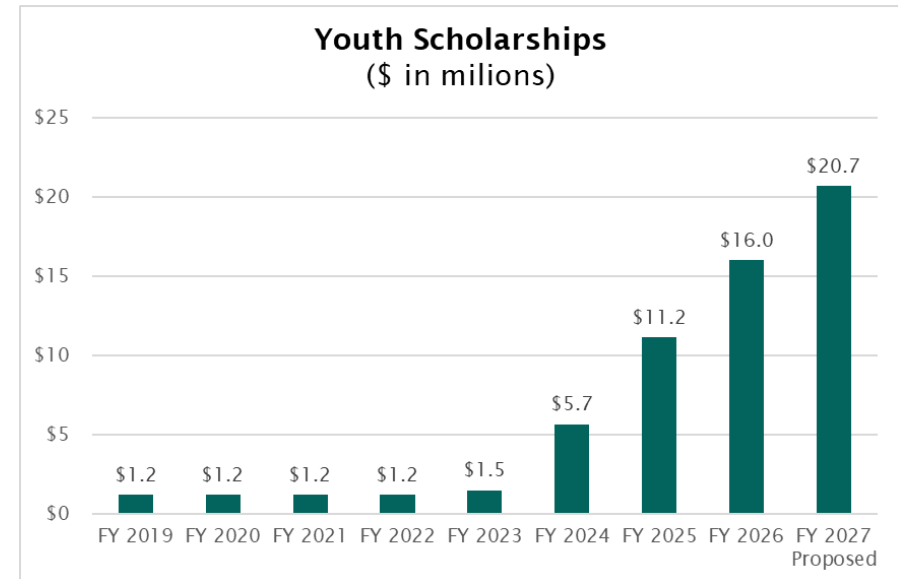
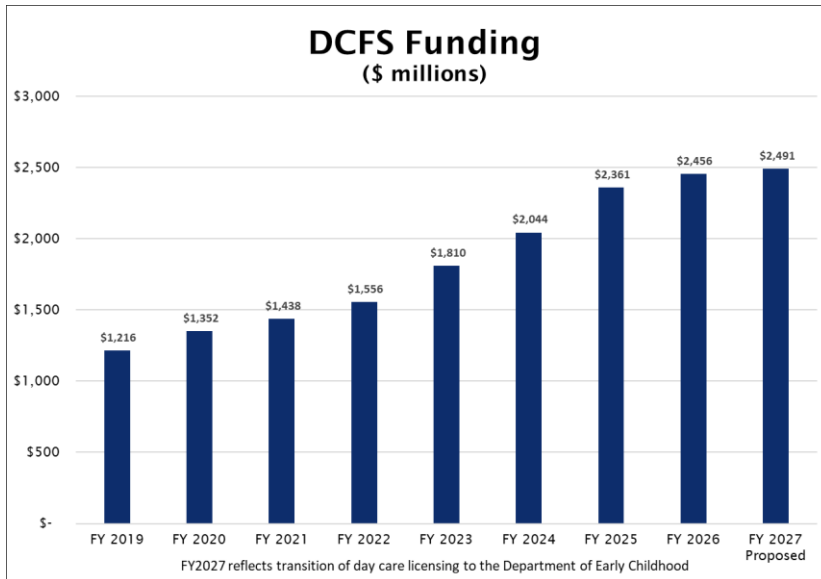




Department of Children and Family Services

FY27 Proposed Budget: \$2.491 billion from All Funds, including \$1.668 billion from General Funds

- FY27 proposed General Funds budget reflects an increase of **\$74 million**, or 4.7%, to \$1.668 billion.
- Recognizes the transition of 188 day care licensing staff and **\$19.5 million** in funding from DCFS to the Illinois Department of Early Childhood.
- **\$19.8 million** increase to help DCFS providers by addressing reimbursement rates to maintain a competitive wage structure.
- **\$4.7 million** increase for the department’s scholarship program, which will serve 1,381 youths in FY27.
- **\$24.7 million** to enhance support for relative caregivers through a nation-leading relative certification model and support for increased guardianship and adoption subsidies.
- **\$35 million** for Comprehensive Community-Based Youth Services, a program of intervention services for at-risk youth that will transition from the Department of Human Services in FY27.



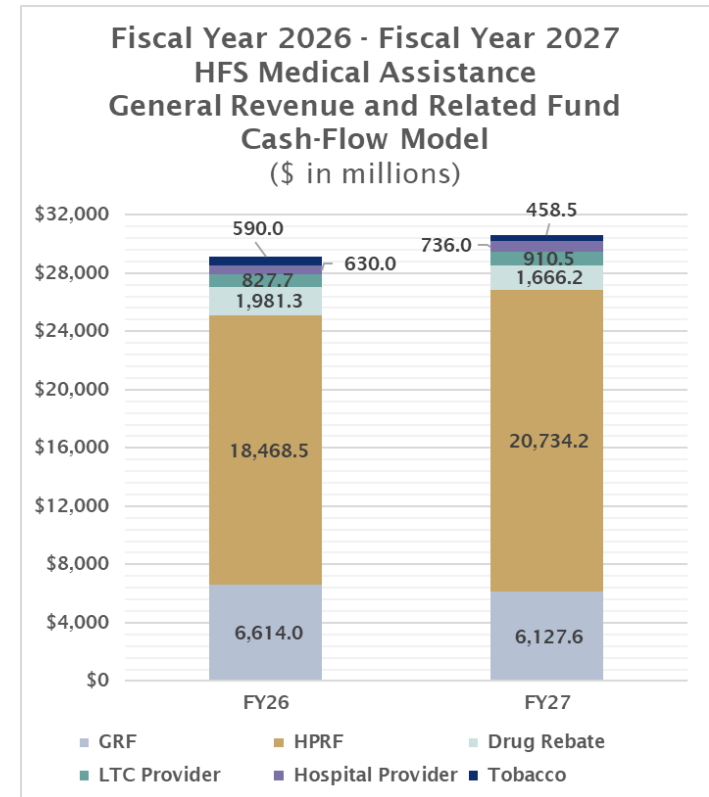


Healthcare and Family Services

Caring for Illinois Families

FY27 Proposed Budget: \$47.449 billion All Funds, including \$8.781 billion General Funds

- Estimated **\$30.6 billion** (\$1.4 billion, or 4.7% increase) in General Revenue and related funds liability associated with medical assistance to 3.1 million Illinoisans, including:
 - Approximately 1.45 million children.
 - More than 498,000 seniors and adults with disabilities.
 - Almost 445,000 non-disabled adults.
 - More than 697,000 adults eligible through the Affordable Care Act.
- **\$39.0 million** to implement the Tailored Case Management Program (TCMP) beginning January 1, 2027, replacing the DHS Comprehensive Class Member Transition Program and Community Transitions.
- **\$14.5 million** for the Healthcare Transformation 1115 Waiver focusing on infrastructure and limited housing services.
- **\$300 million** federal funds for the new Rural Health Transformation program to support rural healthcare providers and residents.
- **\$143.6 million** for the Health Benefits for Immigrant Seniors program; \$110 million is appropriated from the General Revenue Fund, flat to FY26.
- Continued funding for the statewide Medical Debt Relief Pilot Program.
 - Erased over **\$1.1 billion** of medical debt for over **500,000 Illinois residents**.
 - Saving low- and middle-income families over \$10,000 for every \$100 state investment.





Caring for our Community

Department on Aging

**FY27 Proposed Budget: \$2.225 billion All Funds,
\$1.999 billion General Funds**

- **\$166.8 million** increase for the Community Care Program (CCP) for caseload and utilization growth and to annualize the January 1, 2026, \$1.17/hour rate increase for in-home providers
 - CCP will help over 73,000 senior citizens who might otherwise need nursing home care remain in their own homes by providing in-home and community-based services.
- **\$3.3 million** increase in funding for the Adult Protective Services (APS) program.



[Illinois Veterans' Home at Quincy](#)

Department of Public Health

**FY27 Proposed Budget: \$1.359 billion All Funds,
\$286 million General Funds**

- **\$14 million** for the Office of Health Care Regulation to hire an additional 61 staff for licensing, inspecting, and certifying healthcare facility compliance with state and federal regulations.
- **\$22 million** to support and promote full-spectrum reproductive care through community-based providers.
- Maintains funding for the Breast and Cervical Cancer Program and the AIDS Drug Assistance Program.
- Increases funding for newborn screenings to accommodate new requirements.

Department of Veterans Affairs

**FY27 Proposed Budget: \$257.8 million All
Funds, \$123.8 million General Funds**

- Funds the newly opened residential building at the Quincy Veterans Home.
- Continues to welcome new residents at the Chicago Veterans Home.



Investing in Our Public Safety Agencies

Illinois State Police

FY27 Proposed Budget: \$998.4 million All Funds, \$477.7 million General Funds

- **\$2.0 million** to support two new cadet classes to hire and train 100 additional sworn troopers.
- **\$9.7 million** for contractual services expenses related to STARCOM infrastructure and equipment.
- **\$4.0 million** for annual repair and maintenance expenses to avoid costly repairs and prevent adding to the maintenance backlog.
- **\$5.6 million** from the State Police Services Fund for early implementation costs of the Clean Slate Act.

Department of Corrections

FY27 Proposed Budget: \$2.411 billion All Funds, \$2.272 billion General Funds

- **\$103 million** increase for personal services at all 28 correctional facilities and to hire additional administrative staff and 100 additional correctional officers to relieve overtime pressures.
- **\$36.1 million** to support the implementation of an electronic health record system.
- **\$20 million** for annual repair and maintenance expenses to avoid costly repairs and prevent adding to the deferred maintenance backlog.

Illinois Emergency Management Agency and Office of Homeland Security

FY27 Proposed Budget: \$1.946 billion All Funds, \$27.7 million General Funds

- Maintains level funding for the agency's operational expenses from the General Revenue Fund.
- **\$10 million** for the Homeland Security Preparedness and Response Grant Program.
- **\$2 million** for another round of funding for the Illinois Nonprofit Security Grant Program.
- **\$2 million** from Other State Funds to hire an additional 9 positions to enhance agency capabilities.

Department of Juvenile Justice

FY27 Proposed Budget: \$190.4 million All Funds, \$174.9 million General Funds

- **\$12.0 million** increase to support onboard staff and to hire an additional 65 staff to maintain mandated staffing ratios.
- **\$5.0 million** increase for IYC Lincoln to hire additional juvenile justice specialists and educators to serve additional youths at the new center.
- **\$2.5 million** for annual repair and maintenance expenses to avoid costly emergency repairs and help prevent adding to the deferred maintenance backlog.
- **\$1.9 million** increase for contractual healthcare services and increased programming.



Investing in Our Cultural and Natural Resources

Department of Natural Resources

FY27 Proposed Budget: \$624.4 million All Funds, including \$97.9 million General Funds

- Maintains funding to support department activities, such as preservation of historic sites and operation of the Illinois State Museum system.
- Supports the continued operation of key capital programs, such as Open Space Lands Acquisition and Development (OSLAD) grants, with **\$37.5 million** proposed for new awards in fiscal year 2027.
- Provides **\$11 million** for the repair and maintenance and other permanent improvements to historic sites and state parks.



Lincoln's New Salem State Historic Site, Petersburg

Environmental Protection Agency

FY27 Proposed Budget: \$661.0 million All Funds

- Allows EPA to meet federal and state enforcement responsibilities to protect the State's air, water, land, and energy resources.
- **\$14 million** for Electric Vehicle (EV) rebates, encouraging the use of EVs to improve air quality in the State.
- **\$5 million** increase to support the Brownfields Redevelopment Grant Program.
- Continues to provide new and reappropriated funding for IJJA water infrastructure programs with over **\$1.8 billion** in IJJA-related capital appropriations.
 - Includes **\$90 million** to address emerging contaminants in small and disadvantaged communities to confront per- and polyfluoroalkyl substance (PFAS) pollution and **\$1.07 billion** in funding for Lead Service Line Replacement.



Department of Commerce and Economic Opportunity

Growing the Economy & Modernizing Business Development

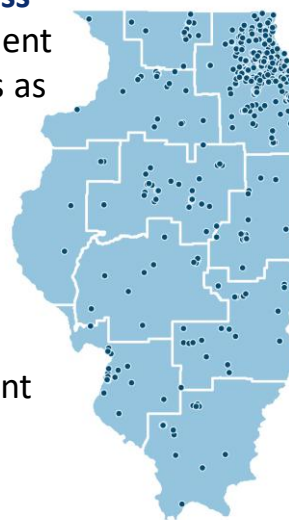
FY27 Proposed Budget: \$3.723 billion All Funds, including \$91.0 million General Funds

- 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 promotion and film production.
- **\$328.0 million** for weatherization programs to help low-income residents and households make their residences more energy efficient.
- **\$3.6 million** for a Grant Navigators Program.

Maintaining the State's Innovation Competitiveness

- Modernizing the State's Research and Development Tax Credit to strengthen Illinois' competitiveness as an innovation destination.
 - Align with corresponding federal tax credit and introduce transferability for a fee.
- Continues funding the **\$3 million** Innovation Vouchers Program and the **\$6.5 million** Small Business Innovation Research/Small Business Technology Transfer (STTR) Phase I Matching grant program.

Businesses Relocating or Expanding in Illinois, 2019 - January 2026



Catalyzing Investment in Food and Pharmacy Deserts

- Proposes a new tax incentive program, **EDGE Essentials**, to provide maximum payroll withholding benefits to independent grocery stores and pharmacies in a food or pharmacy desert.
- Provides a **\$2 million** investment to the Illinois Grocery Initiative to help address food insecurity faced by millions of Illinoisians living in urban and rural food deserts.





Business Development for the 21st Century

Investments in Training Centers

- DCEO will partner with ISBE to design a new **\$50 million Area Career Centers** capital grant program for facility modernization and program enhancements to create seamless, high-quality educational and career pathways.
- **\$20 million for Manufacturing Training Academies (MTA)** capital grants to provide funds for workforce training partnerships with community colleges and private industry. Additional MTA investments will position Illinois to capitalize on growth in nuclear energy generation, as well as other advanced industries.
- **\$20 million for Illinois Works Pre-Apprenticeship Program** to continue investing in the State's workforce development pipeline and train qualified, diverse candidates ready to enter the workforce in construction and building trades.

Community Revitalization

- **\$35 million capital investment in Rebuild Illinois Downtowns and Main Streets** to revitalize business corridors and support small businesses.
- Expand eligibility under the Sales Tax and Revenue (STAR) Bond statute to include a New Opportunities for Vacation and Adventure (NOVA) Urban District in Northeast Illinois.
- **\$200 million** for public infrastructure capital grants to strengthen and modernize roads and bridges, sewer and water mains, and public transportation.

Site Readiness Investments

- **\$100 million investment in Site Readiness Illinois (SRI)** to advance critical capital infrastructure improvements and ensure Illinois remains competitive for large-scale domestic and international projects.
- **\$65 million investment in Prime Sites** funding to support companies relocating to or expanding operations in Illinois to assist with large-scale capital investment projects.

Modernizing the State's Transportation Infrastructure

- Add a **Short-Line Rail Tax Credit** to support regional, multi-state efforts to improve short-line railways across the Midwest and rural economic development.
- **\$250,000** for staff to provide technical assistance for the economic development of Illinois ports.
- **\$10 million capital appropriation** at the Department of Transportation for grants to ports for vital administrative functions and to leverage state and federal grant opportunities for capital improvements.

Cutting Red Tape

- The Governor plans to sign an Executive Order directing state agencies to review ways to expedite permitting, reduce bureaucracy, improve coordination and implement solutions-oriented innovation.



FISCAL RESPONSIBILITY PRODUCES RESULTS

Maintaining the Promise of Fiscal Responsibility



Fiscal Responsibility Results: Efficient and Effective Government

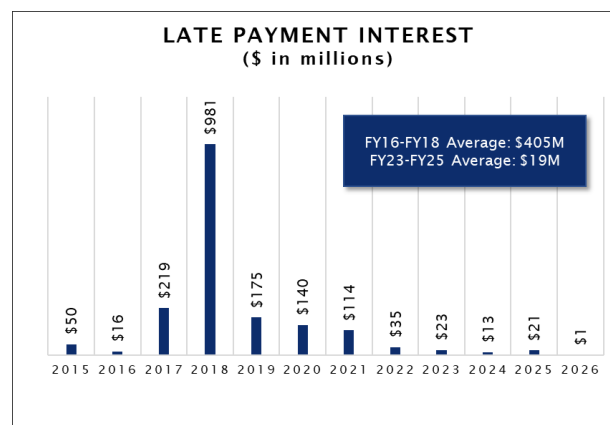
\$11+ billion in Debt Paydown Across FY22 - FY25

- 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.

Reducing Interest and Operating Costs

- Refinancing State bonds to lower interest costs.
- Issuing bonds at lower interest rates due to bond rating upgrades, saving hundreds of millions of dollars.
- Reducing late payment interest costs, saving an average of \$380 million a year when compared to the budget impasse era.
- 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
Supplemental Accounts Payable Reduction	\$200
FY22/FY23 UI Trust Fund	\$4,063
Total Debt Paydown	\$11,079





Efficient, Effective Government Services

The Pritzker Administration continues to prudently manage operations, resulting in new efficiencies for the most effective use of tax dollars. Some recent examples include:

GOMB monitored opportunities to refinance state bonded indebtedness.

- ✓ Achieved debt service savings of **\$362.7 million** (present value).

CMS negotiated updated Other Post-Employment Benefits (OPEB) – retiree healthcare – contracts.

- ✓ Reduced state liabilities by **\$41.4 billion**, or 58.4%.

CMS worked to consolidate multiple expensive leases into newly-acquired properties and implemented space consolidation and space sharing.

- ✓ Will save almost **\$19 million** annually in Chicago and Springfield leases.

Agriculture implemented an online system for the Illinois State Fair to eliminate paper forms, track payments, and automate exhibitor eligibility.

- ✓ **50 percent reduction in temporary staffing** and processing time savings.

DoIT strengthened procurement controls and contract negotiations.

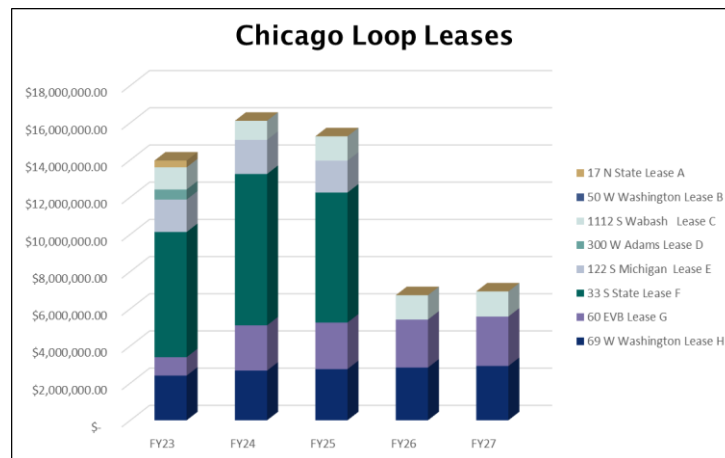
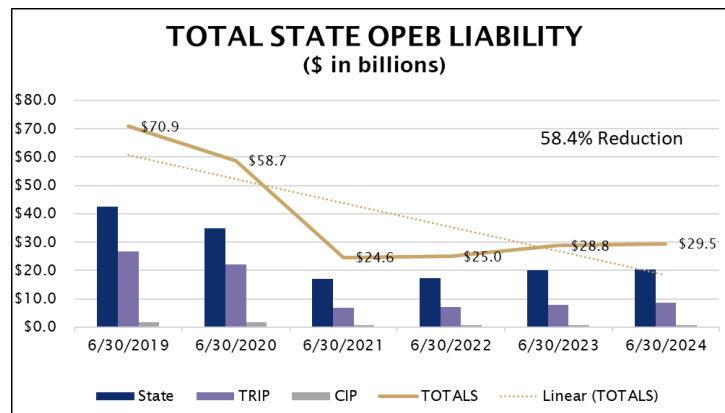
- ✓ Reduced emergency contracting by 75 percent and saved **\$5.4 million**.

The Department of Revenue has utilized analytics-driven audits to generate nearly \$41 million in tax liabilities, enabling auditors to focus on higher-risk cases.

- ✓ Fast collection services have increased tax debt recoveries by **28 percent**.

The Illinois Board of Higher Education launched the State’s direct admission program, One Click College Admit.

- ✓ More than 65,000 students received a direct admission offer during the 2025 launch.

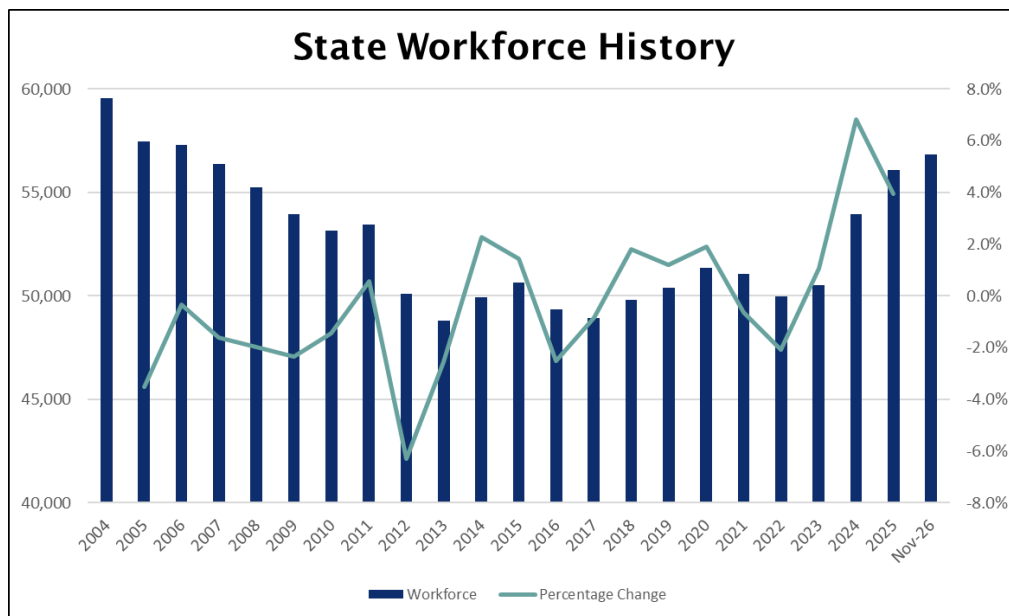




State Workforce – Getting the Job Done

Providing support and services to the residents of Illinois requires a robust workforce.

- In August 2022, the Governor directed CMS to act to improve the hiring process.
- PA 103-0108 helped to modernize how the state hires. Following passage, CMS was able to:
 - Streamline application and hiring process.
 - Switch to online applications, reducing need for paper processes.
 - Targeted community outreach and job fairs.
- Process changes have reversed the hollowing out of the workforce by prior administrations.
- Resources will be dedicated to reducing mandatory overtime pressures.





Assessing the State Government Footprint

Putting unused land to work!

Governor Pritzker is proposing a **Solar Canopy and EV Infrastructure Program** at the Department of Central Management Services intended to further the goal of achieving 100% clean energy by 2050.

Solar Canopy and EV Infrastructure Program will:

- Utilize the State’s parking infrastructure to construct solar canopies.
- Generate on-site renewable energy.
- Install EV charging infrastructure with the canopies.
- Stabilize state facilities’ long-term energy costs.
- Further support the transition of the State’s fleet to zero emissions.

Solar Canopy and EV Infrastructure Program sites include:

- Already developed state-owned parking lots, including at CMS facilities, DOC campuses, DHS centers, IDOT district offices.
- Every acre of solar panels is estimated to reduce energy costs by 5-6%.
- Several delivery models are under consideration, including through:
 - State-owned systems
 - Developer-financed power purchase agreements
 - Lease structures



Solar canopy above surface parking lot.

Governor Pritzker is proposing to expand **Surplus to Success** in FY27 with an additional **\$50 million** investment for the Department of Central Management Services to make certain state sites shovel-ready to attract and spur economic or other development.

Started in FY26, Surplus to Success will:

- Remediate State-owned sites and repurpose them to enhance economic opportunities.
- Attract new businesses and economic opportunities, potentially resulting in billions of dollars in private investment.
- Increase local revenues by adding these properties to the local property tax rolls.
- Spur community revitalization by cleaning up and repurposing unsightly, deteriorating properties.
- Save the State and taxpayers millions of dollars in security and upkeep costs.
- State-owned sites have been identified for the program because of their economic development and community revitalization potential.
- CMS is making progress in FY26 with the selected sites currently undergoing environmental assessments and historic building surveys.



FUNDING OUR OBLIGATIONS

Addressing the State's Pension Funding Liabilities



Savings from Pension Liability Reductions Already Enacted

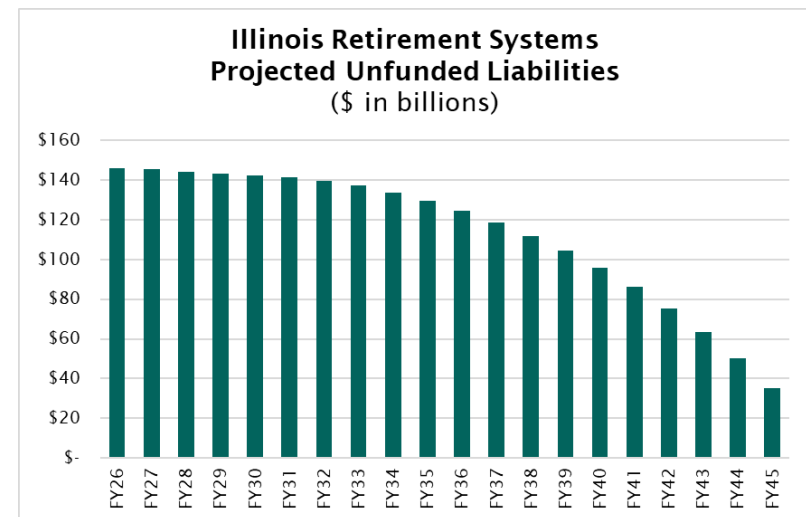
- The FY27 budget proposal fully funds the certified pension contribution of **\$10.7 billion** from the General Funds.
- The State contributed an additional **\$700 million** to the systems above certified amounts across FY22 and FY23.
 - These contributions will save taxpayers an estimated **\$2.4 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 **\$2.9 billion**.
 - FY27 contribution to SERS is estimated to be **\$49 million** lower and to TRS **\$125 million** lower than it would have been without the program.
 - The Governor is proposing to extend the pension buyout program for an additional two years, through the end of FY28.
- Investment returns, on average, have exceeded expectations over the last five years.
- These actions help to reduce the share of the General Funds budget going towards pensions, before the significant reduction in 2046.

Pension Reductions

Pension Buyouts: \$2.9 billion

Additional \$700M contribution: \$2.4 billion

Total Savings: \$5.3 billion



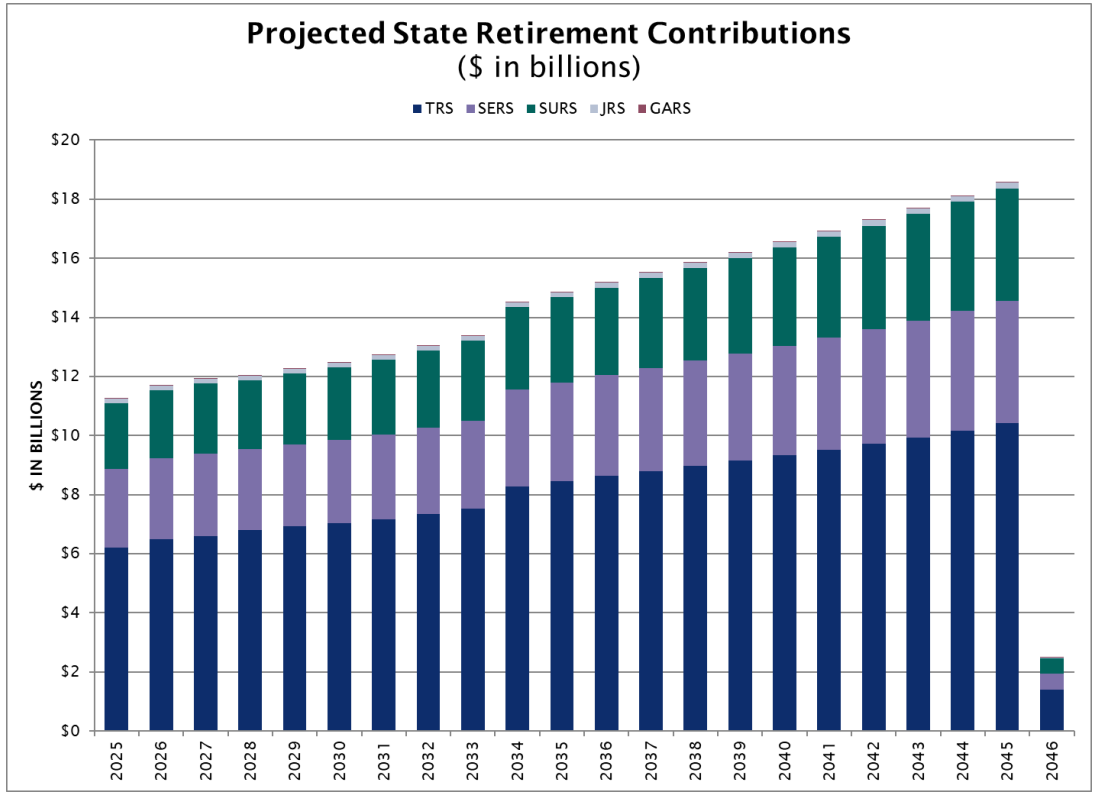
Source: CoGFA, <https://cgfa.ilga.gov/Upload/2025%20Special%20Pension%20Briefing.pdf>



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 **\$35.3 billion**.¹
- Pension contributions are scheduled to grow roughly 2.5% per year, from **\$11.9 billion** today to over **\$18.6 billion** by 2045.
- 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/2025%20Special%20Pension%20Briefing.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% funding in FY45, the one remaining year under the Illinois funding plan.



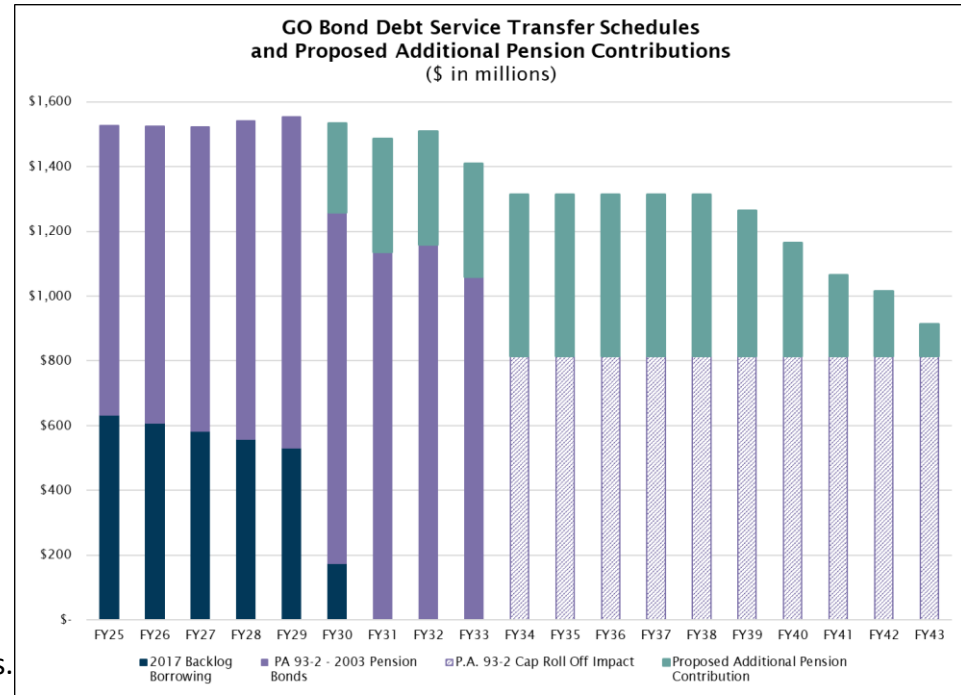
Governor's 2024 Proposal to Manage the State's Pension Funding Commitment

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 **\$35 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.

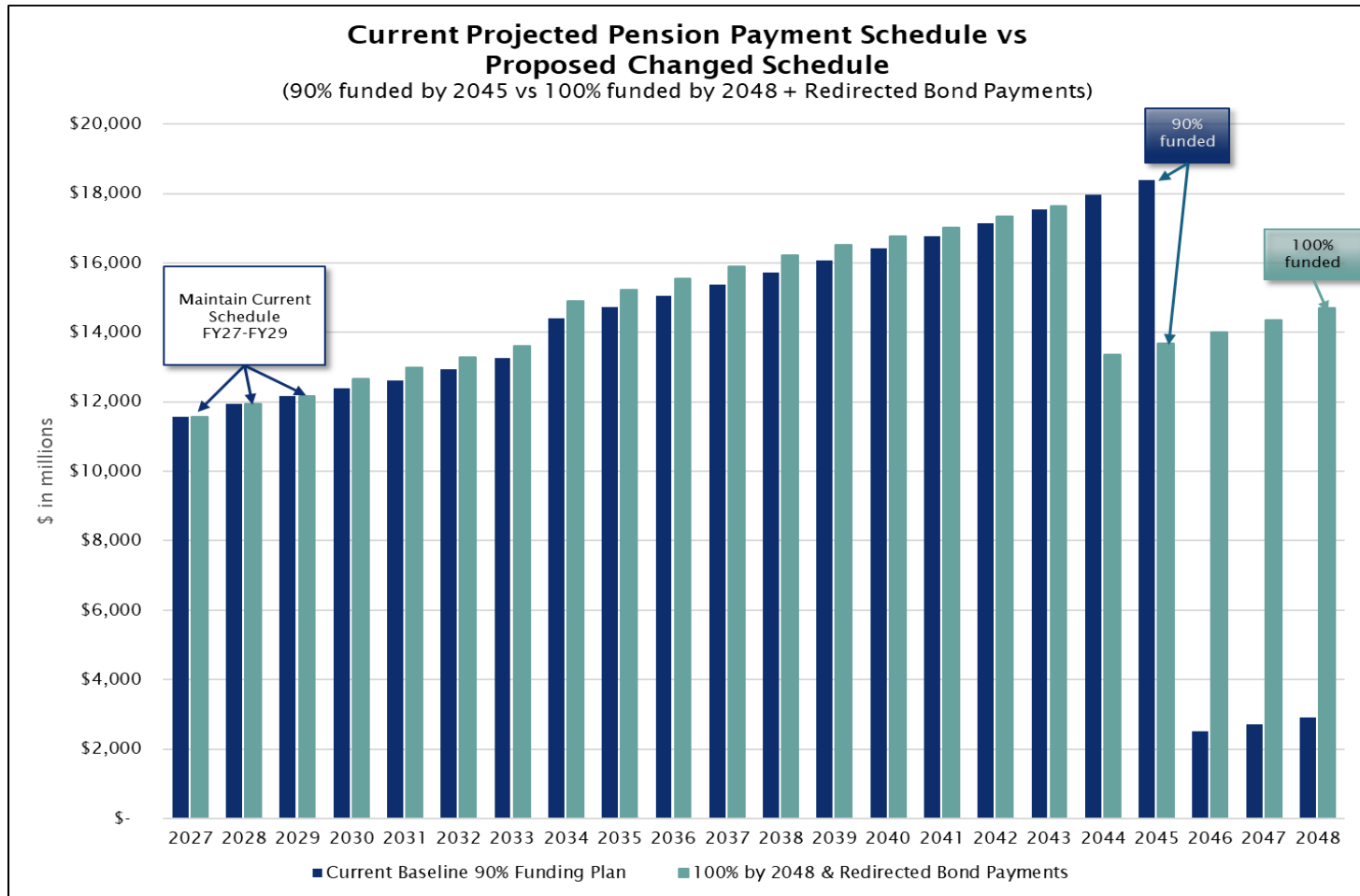
- In FY30, the 2017 \$6 billion Backlog Borrowing General Obligation Bonds will be retired.
- In FY33, the 2003 \$10 billion pension funding General Obligation Bonds authorized under PA 93-0002 will be retired.
- The Governor is proposing to dedicate a portion of the revenue being used to pay off the 2017 & 2003 bonds to make additional payments to the State's pension systems when the debts are paid off.
 - Additional payments can be structured in multiple ways.
 - Illustrated approach wraps around the PA 93-0002 pension payment cap rolling off to fit payments within existing budget structure.
- Making the decision to dedicate these future savings to increase the pension contributions in FY30 through FY43 above what is currently required will save taxpayers an estimated **\$4.5 billion** by FY45.





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

- ✓ Maintain current schedule FY27 – FY29.
- ✓ 100% funded goal by 2048.
- ✓ Additional Payments FY2030 – 2043.



Embargoed until 12:00 PM, Wednesday, February 18, 2026



Governor's 2024 Proposal to Manage the State's Pension Funding Commitment

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.
- The FY26 budget set aside \$75 million to cover the estimated first-year costs for adjusting the Social Security Wage Base for Tier 2 members.

Additionally, to further pay down the largest piece of Illinois' outstanding debt, the Governor is proposing to redirect a portion of revenues set aside for income taxes to the pension systems, when not needed for timely refund payments, instead of transferring the full amount of this volatile revenue source to the General Revenue Fund.

- Reduces interest costs for Illinois taxpayers without creating recurring spending pressures dependent on inconsistent revenue sources.

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 2027 CAPITAL BUDGET

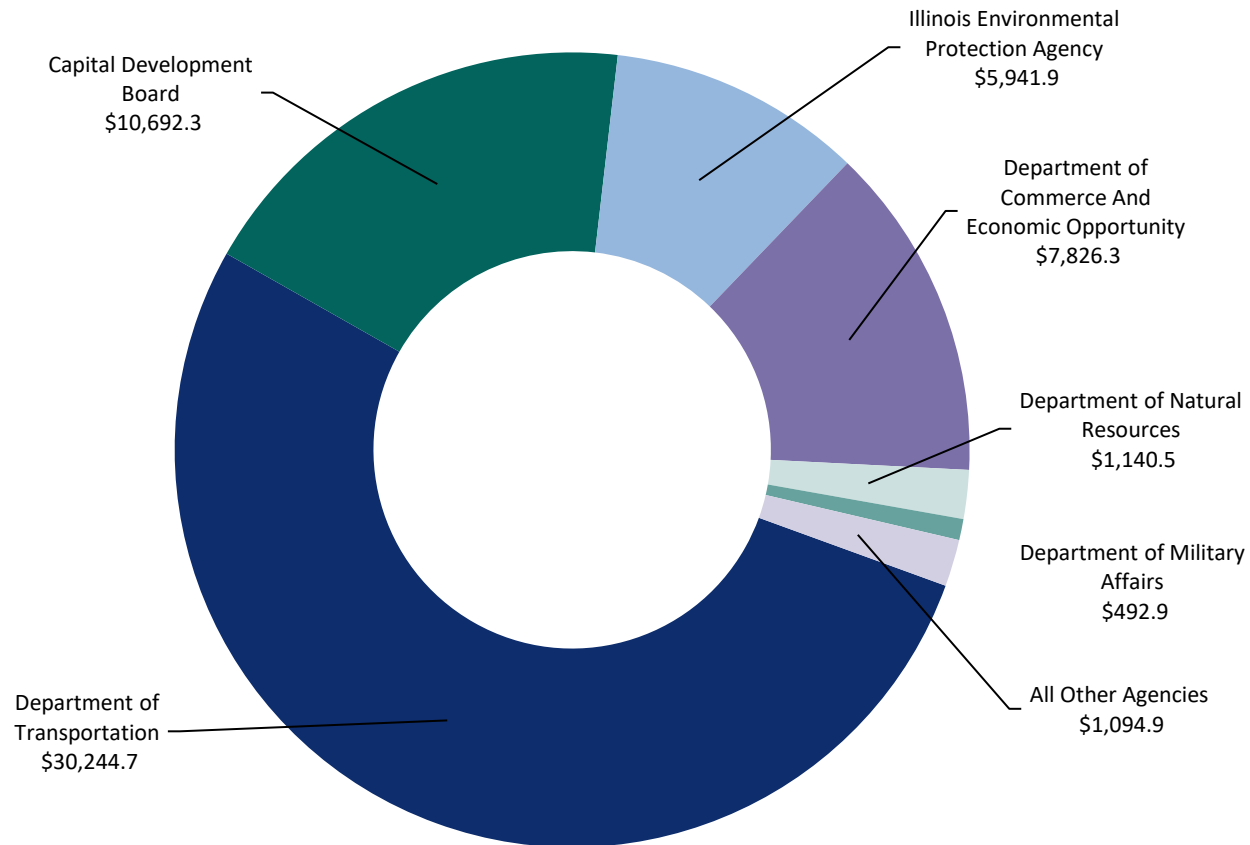
Pardon Our Dust – We're Rebuilding Illinois!



Fiscal Year 2027 Proposed Capital Budget

Continuing Investments to Rebuild Illinois

\$57.4B in FY27 Total Capital Appropriations
(\$ in millions)





Fiscal Year 2027 Proposed Capital Budget

Continuing investments to Rebuild Illinois

Historically, the State has taken a reactive approach to facility maintenance, delaying repairs and maintenance until facilities are nearly at complete failure. The FY27 budget proposal takes steps to proactively address some of these needs:

- The proposed FY27 operating budget includes a new State Facility Repair and Maintenance Fund to provide dedicated revenue for **\$84 million** in annual repair and maintenance projects to avoid costly repairs.
- The FY27 capital budget includes **\$1.4 billion** in new bond-backed funding for CDB deferred maintenance at state facilities and institutions of higher education.
- The FY27 proposed capital budget includes **\$100 million** for deferred maintenance at DMA to generate additional federal matching funds.



Project rendering of General Jones Armory. Chicago.

Total Capital Expenditures Since the Passage of Rebuild Illinois by Category (FY20 through December 31, 2025)	
(\$ millions)	
Broadband Deployment	\$205
Economic and Community Development	\$2,013
Education	\$1,288
Environment / Conservation	\$4,082
Healthcare and Human Services	\$215
State Facilities	\$2,964
Transportation	\$26,575
Grand Total	\$37,342

Note: Totals may not add due to rounding

Fiscal Year 2027 Proposed Capital Budget

Enhancing Rebuild Illinois with Further Investments

The FY27 capital proposal also includes \$1.7 billion for the following new bond authorization requests:

- **\$250 million** for new missing middle and affordable housing programs at IHDA and DCEO.
- **\$500 million** for downstate road and bridge construction IDOT projects.
- **\$50 million** for a new Area Career Centers initiative at DCEO.
- **\$466 million** for DCEO Prime Sites, site readiness, public infrastructure, and other business development grant programs.
- **\$50 million** to expand the Surplus to Success program.
- **\$100 million** to rebuild the residential complex at the Illinois Mathematics and Science Academy.
- **\$97 million** for renovation at DMA's General Jones Armory and completion of the new Peoria Readiness Center.
- **\$110 million** for continued ERP implementation and technology modernization initiatives.
- **\$100 million** for the expansion of the water loan programs at IEPA.





Key Capital Investments Made Possible by Rebuild Illinois



IEPA's Drinking Water Loan Program provided over \$1.8 billion in funding for public water system improvements from July 1, 2019, through December 31, 2025.



The state's \$500 million investment in Illinois Quantum & Microelectronics Park (IQMP) positions Illinois to lead on quantum information science research, development, commercialization, and manufacturing. This investment will create the first industrial-scale quantum computing facility and the first quantum campus of its kind in the country, solidifying Illinois as the leader in advanced manufacturing and research.



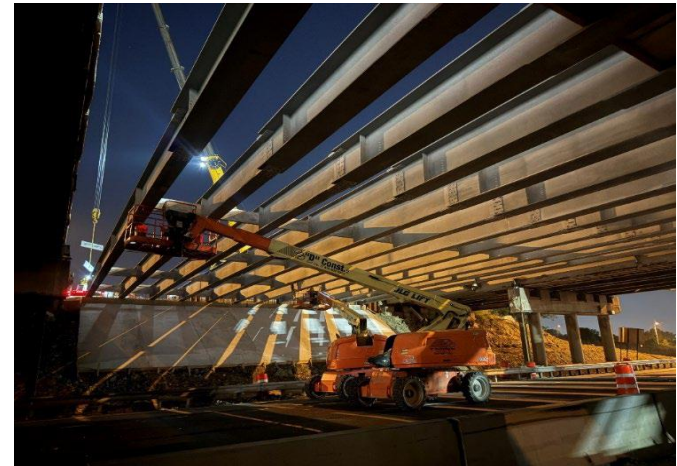
The \$87 million Wonsook College of Fine Arts project is a top programmatic priority for Illinois State University. The project encompasses the renovation of the Centennial East building and Center for the Visual Arts, demolition of the Centennial West facility, and constructing an approximately 40,000-squarefoot classroom building, which will include space for the School of Theatre, Dance, and Film.



The \$1.3 billion I-80 project is replacing more than 50-year-old infrastructure along a booming corridor for logistics and freight while adding multiple safety and capacity enhancements. It is also improving quality of life and creating thousands of construction and permanent jobs while positioning the region for long-term economic opportunity.



Rendered aerial view of IQMP. Chicago.



Beams being set for the new I-80 bridge over I-55. Joliet.



NEED ADDITIONAL INFORMATION?

- Please visit the Governor's Office of Management and Budget website to download a copy of the Fiscal Year 2027 Budget book, the Fiscal Year 2027 Capital Budget, or to view the Interactive Budget with performance metrics.
- www.budget.illinois.gov