

Illinois State Budget *Fiscal Year 2023*



Governor JB Pritzker



NOTICE

For Release at 12:00 Noon, Wednesday, February 2, 2022

There is a total embargo on the budget for fiscal year 2023 until 12:00 noon, Wednesday, February 2, 2022. 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 2, 2022.

Alexis Sturm, Director
Governor's Office of Management and Budget
February 2, 2022

Please visit the Governor's Office of Management and Budget website to download a copy of the *Fiscal Year 2023 Budget*, the *Fiscal Year 2023 Capital Budget* or to view the Interactive Budget portal.

<https://www2.illinois.gov/sites/budget/Pages/default.aspx>



The Proposed Fiscal Year 2023 Budget Builds on 3 Years of Progress:

- ✓ Recommends a Balanced Budget with a Healthy Surplus
- ✓ Pays Debts
- ✓ Saves for a Rainy Day
- ✓ Provides Tax Relief for Illinois Families
- ✓ Funds Programs to Help All Illinoisans



A Promise of Fiscal Responsibility

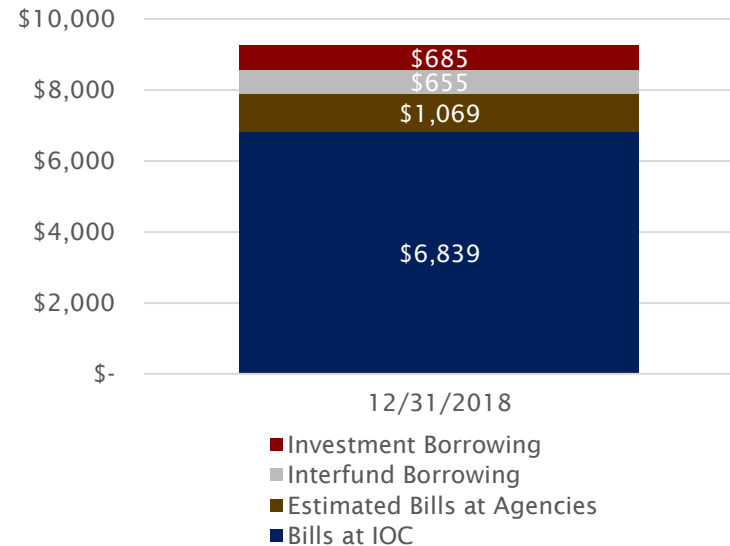


Inherited Challenges

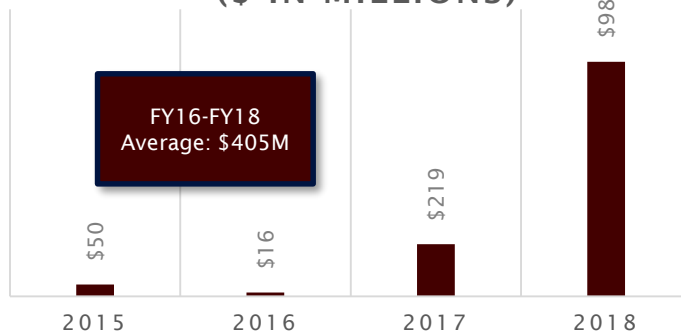
In 2019, Illinois was still recovering from the budget impasse:

- ✓ Eight Bond Rating Downgrades between 2015 - 2017
- ✓ Outstanding Accounts Payable and Interfund Borrowing totaling \$9.2 billion
- ✓ Empty “Rainy Day” Fund
- ✓ Hundreds of Millions in Unnecessary Interest Costs

ACCOUNTS PAYABLE AND
OUTSTANDING BORROWING
(\$ IN MILLIONS)

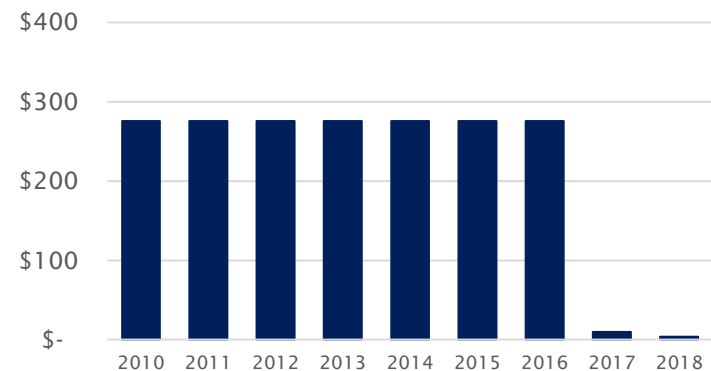


LATE PAYMENT INTEREST
(\$ IN MILLIONS)



Source: Office of Auditor General, Office of the Comptroller

BUDGET STABILIZATION FUND
EOY BALANCE
(\$ IN MILLIONS)



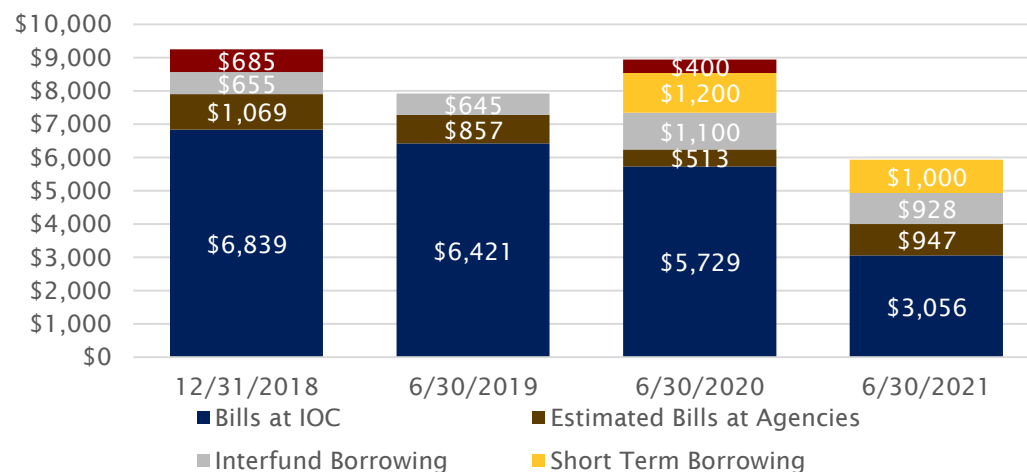


2019 – 2021

- ✓ After a successful 2019, including balanced budget, passage of Rebuild Illinois, and initial progress made on reducing unpaid bills, COVID-19 in 2020 impacted everything.
- ✓ To preserve liquidity in 2020 and keep payments to providers timely, Illinois utilized:
 - ✓ Federal Reserve MLF borrowing (\$3.2 billion)
 - ✓ Interfund borrowing (\$300 million)
 - ✓ Treasurer Investment Borrowing (\$400 million)
- ✓ Illinois imposed reserves and limited operational spending
- ✓ State deployed state and federal financial assistance:
 - ✓ Small business grants
 - ✓ Healthcare Provider Assistance
 - ✓ Rental and Mortgage Assistance
 - ✓ Utility Shutoff Assistance
 - ✓ Child Care support
 - ✓ School districts

- ✓ In 2021, the economy began to rebound and State revenues began to recover.
- ✓ Directed surplus FY21 revenues towards debt repayment:
 - ✓ Paid off \$2.2B of the \$3.2B borrowed from MLF
 - ✓ Reduced unpaid bills by \$2.2B
- ✓ Passed a balanced, fiscally responsible FY22 budget plan
- ✓ The progress Illinois made was recognized by the credit rating agencies.
 - ✓ Moody's and Standard & Poor's upgraded the State's bond rating – the first Illinois upgrade in over 20 years!

Accounts Payable and Outstanding Borrowing
(\$ in millions)

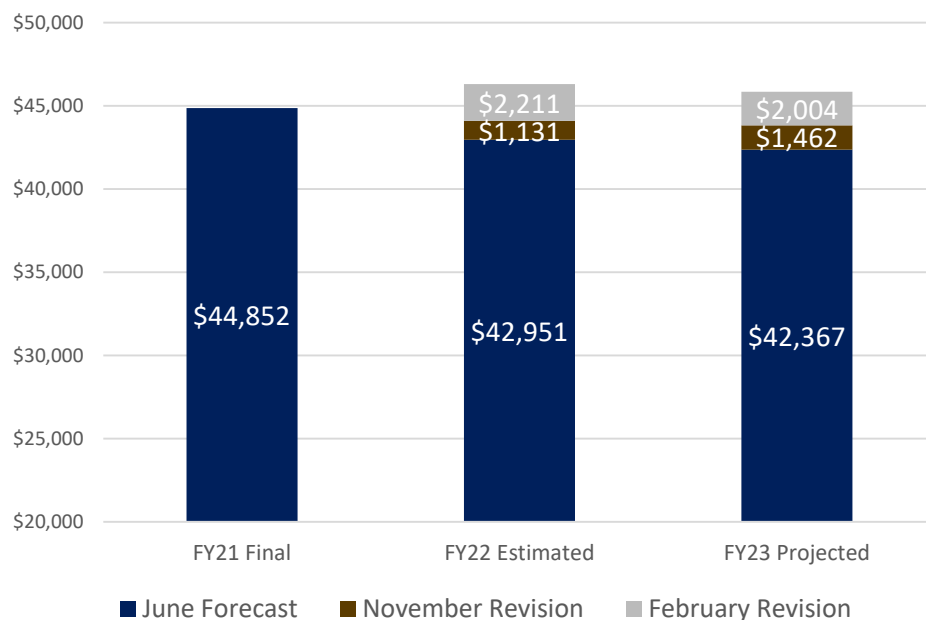




FY22 Revised Budget Outlook

Economy Continues to Outperform Expectations

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



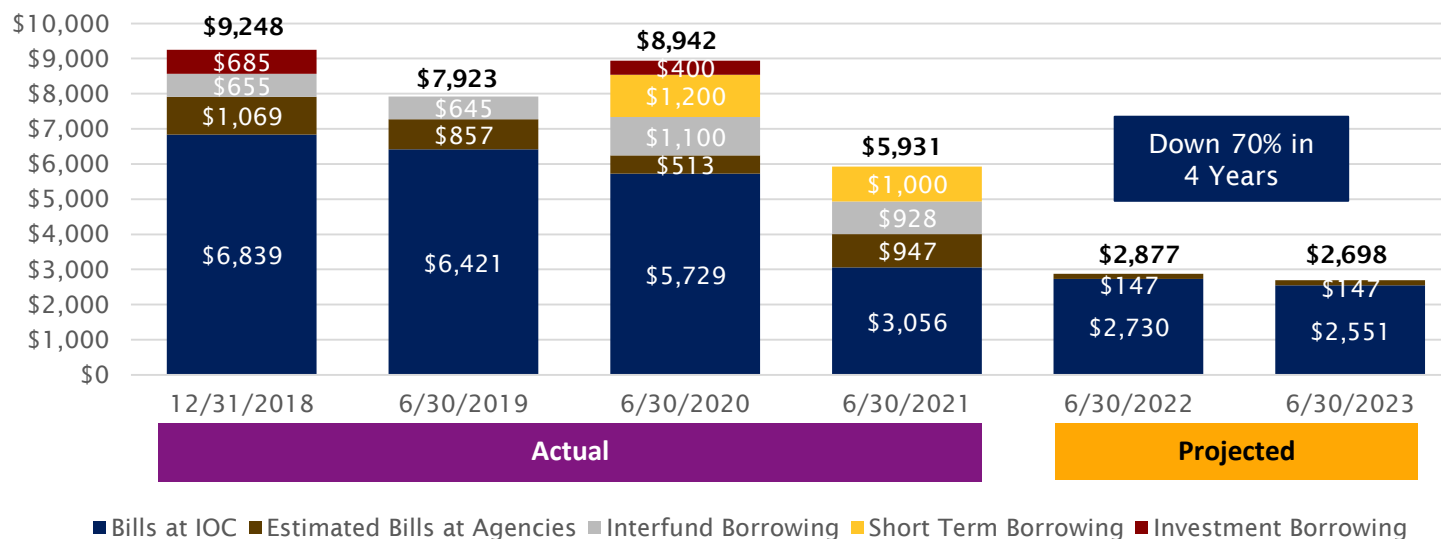
- CY21 economic performance was strong
 - >600K jobs recovered since the low point in April 2020
 - National GDP growth of 5.7% in 2021 at highest rate since 1984
 - Stock markets and corporate profits at high levels
 - Increased disposable personal income above pre-pandemic levels
- Higher than forecasted corporate tax payments due to timing of PA 102-0016 changes
 - Some dollars shifted from FY21 to FY22 and some dollars shifted from future into FY22
- With updated revenue forecast, FY22 on track to have a \$1.7 billion surplus
 - First time in over 25 years with back-to-back surpluses of this magnitude
 - Opportunity to use some one-time revenues towards restoring Illinois' fiscal house AND providing some relief to Illinoisans



Paying Debts Early and Reducing the Backlog

- ✓ **When revenues began to rebound in FY21, early repayment of the COVID borrowings was a priority**
 - ✓ As of January 26, 2022, all \$3.2 billion borrowed from MLF has been repaid and interfund borrowings on track to be repaid
 - ✓ Two-year early repayment of MLF borrowing saved taxpayers \$82 million
- ✓ **Identify funds to continue reducing unpaid bills**
 - ✓ As of January 31, 2022, Comptroller estimated Accounts Payable/borrowing totaled \$3.583 billion
 - ✓ Governor proposes a supplemental appropriation of \$898 million to eliminate the remaining delays in the state employee/retiree health insurance program
- ✓ **End of FY23 accounts payable estimate totals \$2.698 billion, a reduction of \$6.55 billion, a 70% reduction**
 - ✓ Remaining Accounts Payable includes primarily bills under 30 days and transfers to other state accounts
 - ✓ On average, less than what the State spends in a month

Accounts Payable and Outstanding Borrowing
(\$ in millions)

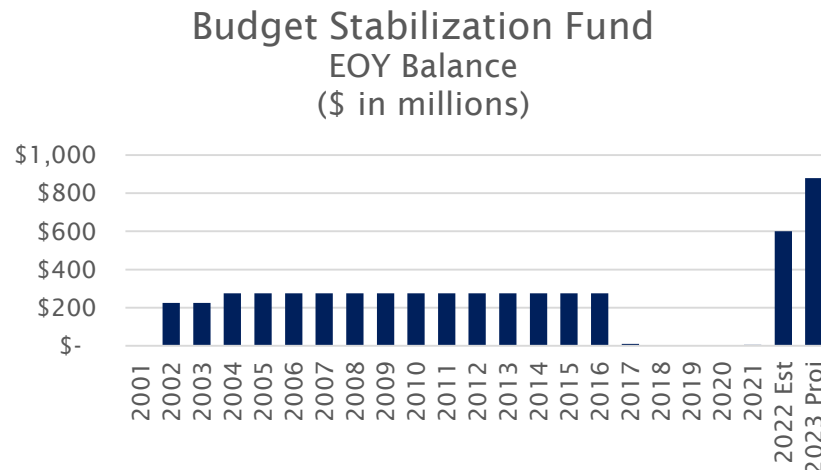




Restoring the Budget Stabilization Fund

Saving unanticipated revenues for a 'rainy day'

- ✓ The Budget Stabilization Fund, Illinois' 'rainy day' fund, was created in 2001 but little has been invested in the fund since its creation with the last new funds dedicated in 2004 – 18 years ago.
 - ✓ The balance of the fund was spent down during the impasse and held \$5.7 million at the end of FY21.
- ✓ Rainy Day Funds helped states weather the 2020 recession, but they are getting replenished
 - ✓ According to a Pew Trust 2021 report¹, states had a record \$82.3 billion available in rainy day funds, with Illinois' fund the smallest fund among the states.
- ✓ The Governor proposes allocating \$600 million in FY22 to the Budget Stabilization Fund and another \$200 million in FY23.
- ✓ The FY23 budget recommends retaining an ongoing portion of cannabis revenues (\$79 million) for the Budget Stabilization Fund.



¹ <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/10/15/states-financial-reserves-estimated-to-surpass-pre-pandemic-levels>

Funding Our Obligations

Pension Liability Reductions

Pension Buyouts: \$1.4 billion

Additional \$500M contribution: \$1.8 billion

Total Savings: \$3.2 billion

- ✓ The FY23 budget proposal fully funds the certified contribution of \$9.6 billion from the General Funds.
- ✓ The FY23 budget proposal pledges an additional **\$500 million** on top of the certified contribution – which reduces liability by an estimated \$1.8 billion.
- ✓ First time since the 1994 plan was enacted that ongoing state revenues will provide additional contributions.
- ✓ Illinois is benefitting from reductions in its pension liabilities from the pension buyout program – so far reduced liability by an estimated \$1.4 billion.



College Illinois! Prepaid Tuition Plan Unfunded Liabilities

- ✓ According to 2021 actuarial reports, the program will be \$230 million short to pay for current contracts.
- ✓ Revised FY22 budget calls for contributing \$230 million to address the remaining unfunded liabilities.
- ✓ This one-time payment will save \$75 million over the remaining life of the program.



Fiscal Responsibility Results

By the end of Fiscal Year 2023 –

\$4 billion in Debt Paydown

- ✓ All COVID-related borrowing repaid
- ✓ All interfund borrowing repaid
- ✓ Pay off remaining \$900 million in delayed health insurance bills
- ✓ Additional \$392 million dedicated to other accounts payable
- ✓ Late payment interest greatly reduced
- ✓ \$500 million Pension Stabilization Fund contribution
- ✓ \$230 million dedicated to eliminating unfunded College Illinois! liabilities
- ✓ **PLUS \$879 million dedicated to replenishing Budget Stabilization Fund**

Restoring Illinois' Fiscal House

Proposed Debt Paydowns

(\$ in millions)

FY22:

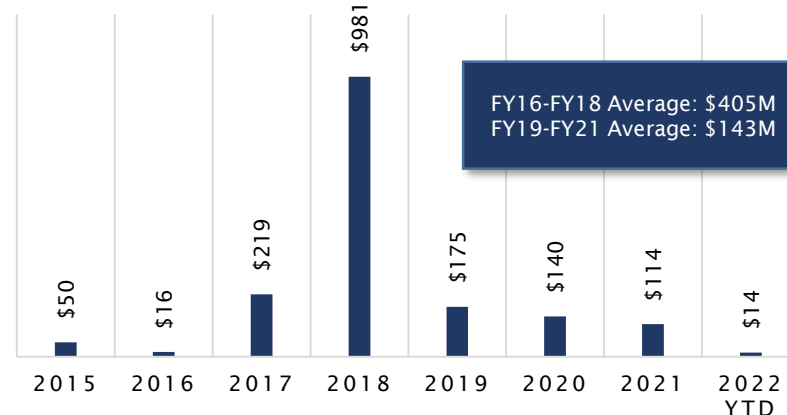
Early COVID borrowing repayment	\$1,981
Overdue Health Insurance Bills	\$898
Unfunded College Illinois! liabilities	\$230
Additional Pension Contribution	\$300
Accounts Payable Reduction	\$213

FY23:

Additional Pension Contribution	\$200
Accounts Payable Reduction	\$179

Total Debt Paydown \$4,001

LATE PAYMENT INTEREST (\$ in Millions)



Source: Office of Auditor General, Office of the Comptroller



Efficient and Effective Government

- ✓ **State Employee and Retiree Health Care Savings** – negotiated almost \$1.2 billion in health care cost savings.
 - ✓ Estimated \$650 million in collectively bargained cost savings with employees through FY23.
 - ✓ Additional \$515 million in savings achieved through negotiations with insurance companies and providers.
- ✓ **Realigning State's Real Estate Portfolio** – Reduce leased footprint by 640,000 sq. ft
 - ✓ CMS expects \$300M in NPV savings from termination of private leases and reduced annual operating costs
- ✓ **Reducing interest costs** –
 - ✓ Refinancing State bonds
 - ✓ Reducing late payment interest costs

Pritzker Administration Savings for Taxpayers of \$2 billion

Examples include (\$ in millions):

Pay Off MLF Early	\$	82
Bonded Debt Refinancings	\$	97
Pension Buyout Annual SERS Savings	\$	35
Reduced Late Payment Interest (Annually)	\$	260
Prefund College Illinois Obligations	\$	75
State Portfolio Reduced Operating Costs	\$	300
Savings in Employee Health Insurance Program	\$	1,165
	\$	2,014

Illinois Family Relief Plan

\$1 billion in tax and fee relief

Grocery Tax Freeze

\$360 million in taxpayer savings



One-year holiday from state sales taxes on essential groceries

- Local governments will be reimbursed for the cost of the holiday

Gas Tax Suspension

\$135 million in taxpayer savings



One-year freeze on a scheduled cost of living increase in the motor fuel tax

Property Tax Rebates

\$475 million in taxpayer savings



One-time property tax rebate payment to Illinois homeowners of 5% of property taxes paid up to \$300 for those eligible for an income tax credit

- Beginning in July, payments will be made based on state income tax returns

License Fees Waiver

\$38 million in licensee savings



One-year waiver of license fees for frontline healthcare workers and liquor license fees for bars and restaurants



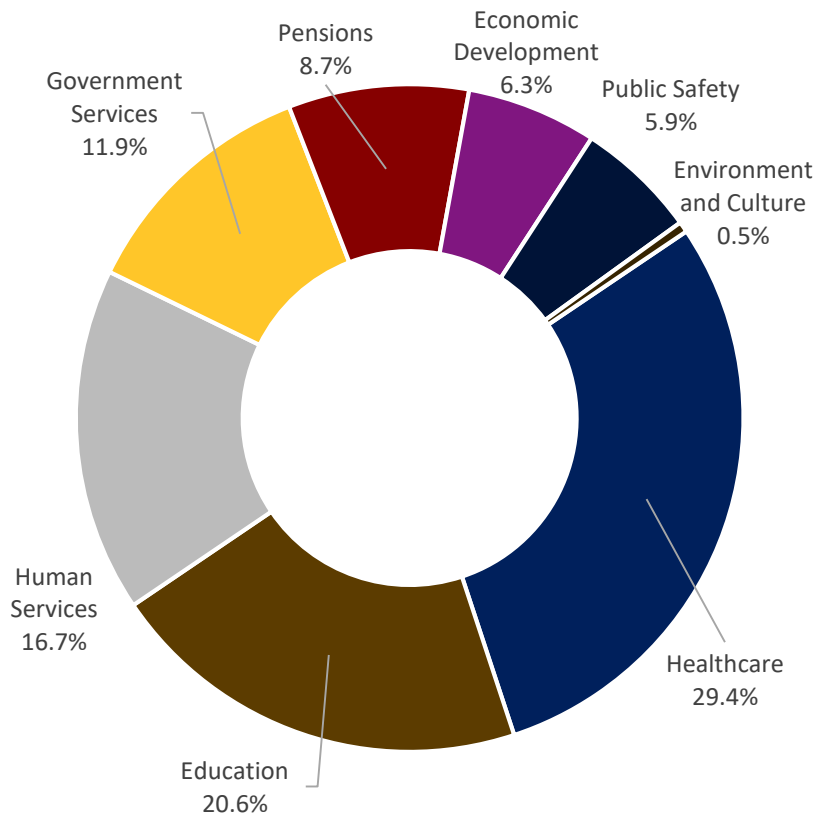
FISCAL YEAR 2023 FISCAL PLAN

Budget Walk Down

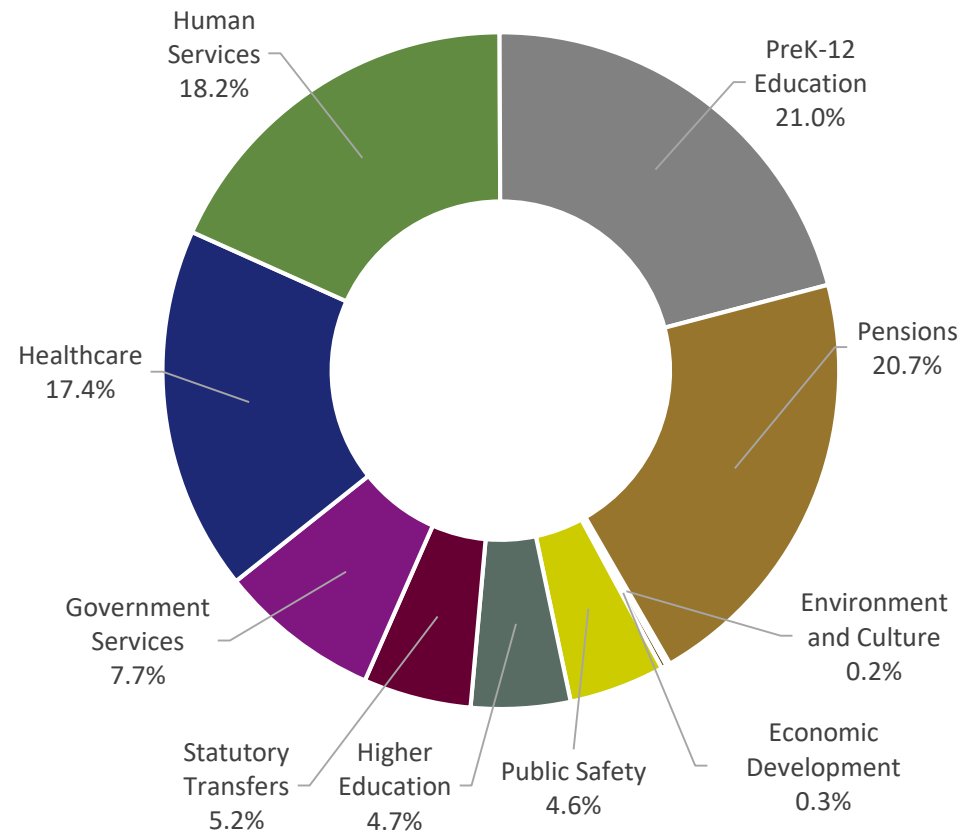


FY23 Proposed Operating Budget Totals

**All Funds:
\$112.5 Billion**



**General Funds:
\$45.4 Billion**





FY22 and FY23 General Funds Revenues Summary

- ✓ FY23 Base General Funds revenues are estimated to total \$45.8 billion, a \$460 million, or 1.0%, decrease from FY22 revised base estimates.
- ✓ Individual income taxes are forecasted to increase \$889 million, or 4.1%.
- ✓ Corporate income tax revenues are forecast to decrease \$252 million (5.4%) due in part to estimated one-time estimated payments in FY23 following changes in PA 102-0016.
- ✓ Sales taxes are expected to decrease by \$127 million (1.3%) due to –
 - ✓ Projected shifts back towards historic splits between goods and services consumption.
 - ✓ \$109 million shift of sales tax of motor fuel purchases revenues from General Revenue Fund to Road Fund.
- ✓ Federal revenue forecast equals \$4,045 million, a reduction of \$741 million (15.5%) from FY22 due to estimated end of enhanced Medicaid match after September 2022.

Resources (\$ in millions)	Estimated FY 2022	Projected FY 2023
RESOURCES		
State Sources: Revenues		
Net Individual Income Taxes	21,512	22,401
Net Corporate Income Taxes	4,698	4,446
Net Sales Taxes	10,036	9,909
All Other Sources	3,161	3,119
Total State Sources: Revenues	39,407	39,875
State Sources: Transfers In		
Lottery	826	754
Gaming	158	157
Adult-Use Cannabis	109	142
Other Transfers	1,007	860
Total State Sources	41,507	41,788
Federal Sources	4,786	4,045
SUBTOTAL, RESOURCES	46,293	45,833
ARPA Reimbursement for Essential Government Services	1,500	-
TOTAL RESOURCES	47,793	45,833



FY22 and FY23 General Funds Expenditures Summary

- ✓ Proposed FY23 General Funds expenditures total \$45.375 billion, a \$1.606 billion (3.4%) decrease from FY22 estimates.
- ✓ Proposed budget reflects full payment of the certified FY23 pension contribution, plus an additional contribution of \$200 million in FY23.
- ✓ Proposed FY23 budget includes \$279 million contribution to the Budget Stabilization Fund.
- ✓ Estimated FY23 surplus to be dedicated to accounts payable reduction of \$179 million.

General Funds Expenditures (\$ in millions)	Estimated FY 2022	Projected FY 2023
EXPENDITURES		
Education	11,233	11,939
Economic Development	95	117
Public Safety	1,937	2,134
Human Services	7,563	8,460
Healthcare	7,613	8,080
Environment and Culture	64	89
Government Services	3,492	3,588
Supplemental Appropriations	1,615	-
Unspent Appropriations	(873)	(1,056)
Total Operating Budget	32,739	33,351
EXPENDITURES: PENSIONS		
K-12 Education Pensions	5,694	5,894
State Universities' Pensions	1,883	1,904
State Employees' Pensions	1,786	1,835
Total Pension Costs	9,363	9,632
EXPENDITURES: TRANSFERS OUT		
Statutory Transfers Out	400	387
Pension Stabilization Fund Contribution	300	200
Property Tax Rebate Checks to Individuals	425	50
Grocery Tax Replacement to Local Governments	185	175
Debt Service	1,588	1,580
Interfund/Investment Borrowing Repay	929	-
Short Term Borrowing Repayment ¹	1,052	-
Total Transfers Out	4,879	2,392
TOTAL EXPENDITURES	46,981	45,375
General Funds Surplus/(Deficit)	813	458
Proposed Budget Stabilization Fund Contribution	(600)	(279)
Backlog Paydown - Adjusted General Funds Surplus/(Deficit)	213	179

¹ GOMB executed two separate borrowing transactions through the Federal Municipal Liquidity Facility program totaling \$3.2 billion in CY2020. Reflected here is the remaining repayment of the borrowing.



FISCAL YEAR 2023 BUDGET IN SUMMARY

Highlights of Governor Pritzker's Fiscal Year 2023 Proposed Budget



Governor Pritzker's FY23 Investment Priorities

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



Rebuild and Expand the Healthcare Workforce

Expanding opportunities, attracting and retaining skilled workers and providing financial assistance and relief

Pipeline for the Advancement of the Healthcare (PATH) Workforce Program to develop high-demand healthcare positions through Illinois Community College Board – \$25 million:

- ✓ Helps remove barriers to workforce entry
- ✓ Participants will be able to obtain industry-recognized credential or community college certificate
- ✓ Wraparound student support services available
- ✓ Targeted positions include:
 - ✓ Nurses
 - ✓ Certified Nursing Assistants
 - ✓ Respiratory Therapists
 - ✓ Emergency Medical Technicians

Increased funding for existing scholarship programs to help rebuild the healthcare workforce

- ✓ Nursing Education Scholarship program - **\$2 million** increase

Community Health Worker Certification

- ✓ The Department of Public Health and education agencies will collaborate to certify academic-based training programs for community health workers - **\$2.5 million**

Reinvest funding to preserve and grow the healthcare workforce through the Healthcare Workforce Initiative - \$180 million

- ✓ Eligible providers include hospitals, clinics, behavioral health providers, home health workers
- ✓ Funding will be directed towards staff bonuses, continuing education training and staff retention and recruitment

Proposed changes to the nursing home rate structure - \$500 million

- ✓ Workforce Enhancement
- ✓ Creating a wage scale for certified nursing assistants
- ✓ Increased payments to nursing homes for hiring and retention of direct care staff

Proposed waiving of certain licensing fees for healthcare professionals

- ✓ Provides direct savings to the healthcare workforce - **\$21 million**

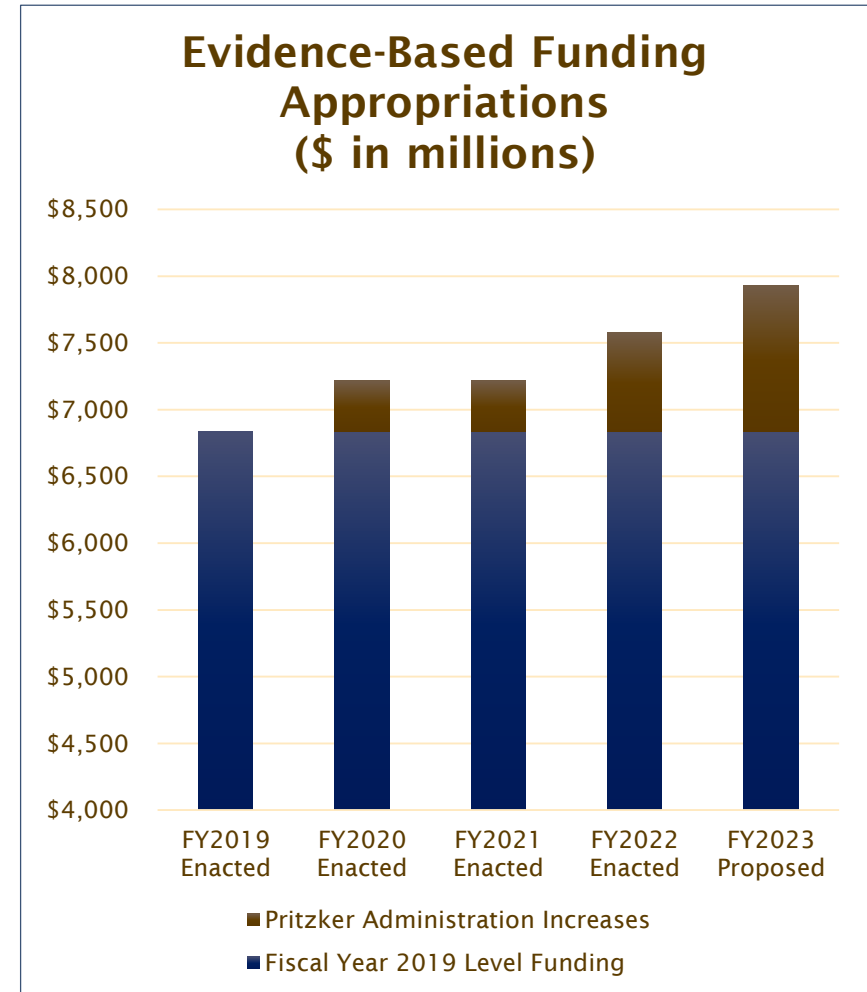


Early Childhood and K-12 Education Funding

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

FY23 ISBE Proposed Budget: \$20.257 billion All Funds, including \$9.738 billion General Funds (\$498.1 million General Funds increase)

- ✓ Increases Evidence-Based Funding (EBF) by **\$350.2 million**
 - ✓ \$1.093 billion increase to base during the Pritzker Administration
 - ✓ Additional resources of **\$2.6 billion** total across four years
- ✓ Strengthens Early Childhood Education to provide services to over 7,100 additional children - **\$54.4 million increase**
- ✓ Provides additional resources for transportation and special education grants - **\$96 million increase**
- ✓ Adds **\$12 million** for Regional Offices of Education to address truancy and chronic absenteeism
- ✓ Increases Agricultural Education programs by **\$2 million**
- ✓ Carries forward remaining federal COVID-19 response funds for K-12 through Elementary and Secondary School Emergency Relief (ESSER) - **\$6 billion Federal Funds**





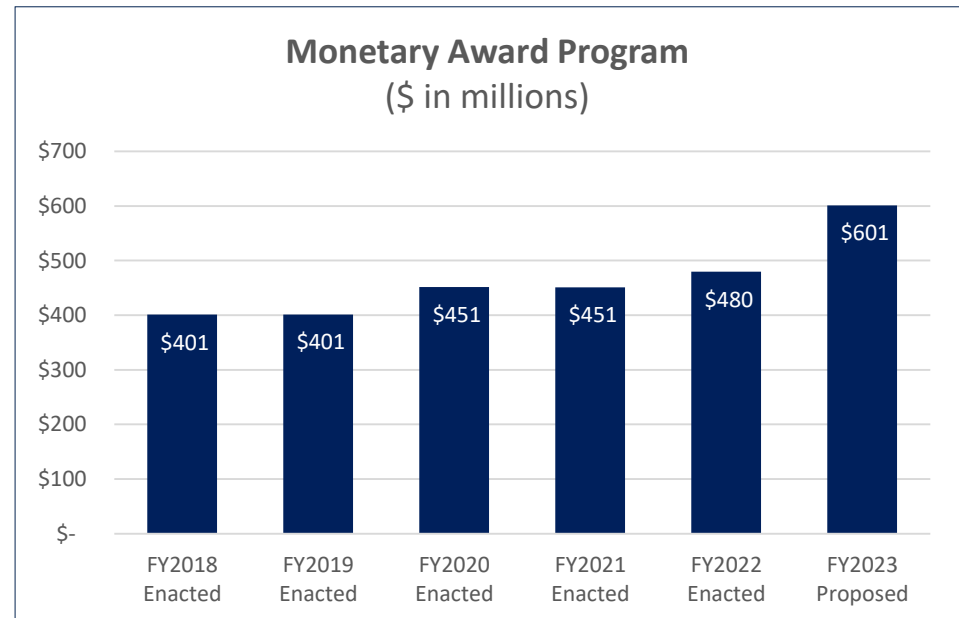
Higher Education

Investing in Our Colleges and Universities

Increasing college affordability and expanding economic opportunity for our students.

FY23 Proposed Budget: \$2.202 billion General Funds (\$208 million General Funds increase)

- ✓ Increases Monetary Award Program (MAP) funding -- **\$122 million**
 - ✓ Dedicates 50% more to MAP than 4 years ago, allows for an increase in maximum award
 - ✓ Broadens allowable purposes for MAP to students seeking shorter-term credentials and certificates to fill essential jobs
- ✓ Provides 5 percent increase to universities and community college operations above FY22 enacted appropriations - **\$68 million increase**
 - ✓ Budget proposal also recommends FY22 supplemental appropriations totaling \$68 million
- ✓ Includes increases to Adult Education and Career and Technical Education programs for community colleges - **\$2.5 million increase**
- ✓ Expands funding for Minority Teacher Scholarships - **\$2.3 million increase**

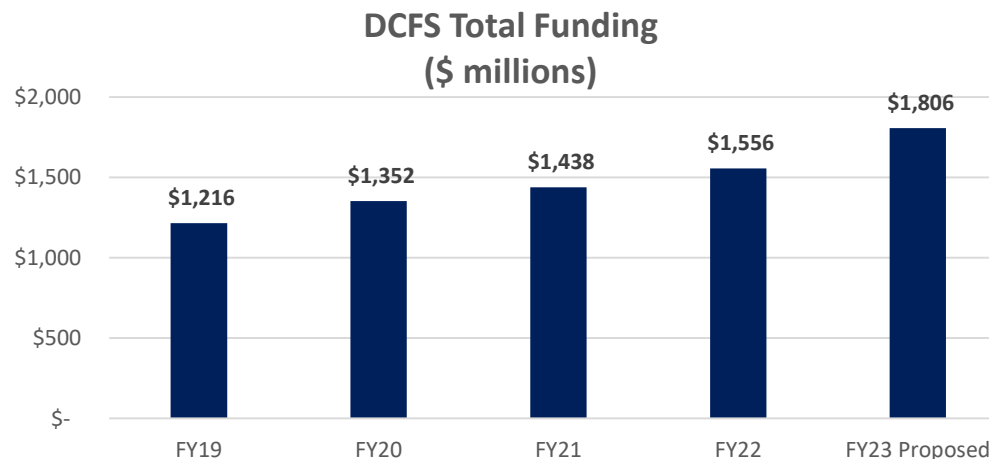




Department of Children and Family Services

FY23 Proposed Budget: \$1.806 billion All Funds, including \$1.325 billion General Funds (\$250 million, or 16% from FY22 Enacted, General Funds increase)

- ✓ Investment in rate reform for private sector providers in order to address the staffing shortages of social service workers- approximately **\$87.1 million**
- ✓ Funding to hire an additional 360 staff to address growing caseloads, improve caseload ratios and continue operations in licensing, monitoring and clinical services - **\$15.5 million**
- ✓ Funding to support caseload growth:
 - ✓ Foster Homes Program - **\$29.7 million**
 - ✓ Adoption and Guardianship - **\$10.3 million**
 - ✓ Protective/Family Maintenance Day Care - **\$8 million**
- ✓ Provide new residential capacity through a grant for Level of Care Support Services to address the issue of youth receiving placement services in the most clinically appropriate setting - **\$25 million**





Department of Human Services

Protecting the Most Vulnerable

FY23 Proposed Budget: \$11.625 billion All Funds, including \$5.253 billion General Funds

- ✓ Supports compliance with the *Ligas* consent decree covering state care of individuals with developmental disabilities through rate increases for direct care staff and funding of nearly 700 new placements for individuals transitioning to less restrictive or community home settings:
 - ✓ **\$62.8 million** General Funds for implementation of CILA Rate Calculator per Guidehouse rate study effective 1/1/23;
 - ✓ **\$32.0 million** General Funds for direct service providers' wage increase of \$1.00/hr effective 1/1/23
- ✓ Provides services to more individuals with disabilities needing assistance to stay in their homes through the Home Services Program and strengthens the program through provider wage increases - **\$96.4 million**
- ✓ Includes Year 2 funding of the overall \$250 million commitment to the Reimagine Public Safety Act to help address issues of firearm violence in our communities:
 - ✓ FY23 Appropriations of \$235 million from ARPA for grants; \$5.0 million General Funds for staffing and operations for Reimagine Public Safety to add to previously committed DHS funds of \$10 million.
- ✓ Addresses those experiencing a mental health crisis through funding the 9-8-8 Call Centers and Crisis Response Services - **\$70 million**
- ✓ Continues to restore our childcare provider network and capacity:
 - ✓ **\$300 million** in Strengthen & Grow Child Care Grants are available in FY23
 - ✓ Child Care Assistance Program providers will receive a 3.5% rate increase in July and a 4.5% rate increase in December



Healthcare and Family Services

Caring For Illinois Families

FY23 Proposed Budget: \$33.1 billion All Funds, including \$8.080 billion General Funds

- ✓ FY23 Medicaid liability is projected at **\$23.4 billion** all funds
 - ✓ Total enrollment is projected at 3.6M during FY23, an increase of approximately 630,000 from February 2020.
- ✓ Assumes the federal public health emergency declaration ends on July 1, 2022, allowing the 6.2 percentage point enhanced Medicaid match to extend through September 2022
- ✓ Includes a total of **\$450 million** towards Healthcare Transformation Collaboratives (HTCs)
 - ✓ HTCs is a “person-centered, community-driven innovative healthcare collaborations in distressed communities, prioritizing safety-net and critical access hospitals”
 - ✓ To date, \$94.3 million has been awarded to 9 HTCs serving various geographic regions in Illinois
- ✓ Funding to pursue nursing home rate reform and a new provider assessment designed to maximize federal dollars, encourage staffing and improve quality - **\$500 million**
- ✓ Full implementation of the Pathways to Success Program for children with serious mental illnesses - **\$150 million**
- ✓ Funding to support behavioral health rate payments - **\$140 million**
- ✓ Directs funding to preserve and grow the healthcare workforce, with a focus on Medicaid providers in underserved areas of the state, including rural areas - **\$180 million reinvestment**



Department of Public Health

Keeping Our Communities Safe and Healthy

FY23 Proposed Budget: \$2.876 billion All Funds, including \$209.7 million General Funds

- ✓ Includes funding to support hiring initiative of 175 positions - **\$10.0 million**:
 - ✓ Nursing Home Facility survey and monitoring staff
 - ✓ Assisted Living survey and monitoring staff
 - ✓ Epidemiologists, Infectious disease specialists
- ✓ Includes Sickle Cell Prevention, Care and Treatment - **\$1.0 million**
- ✓ Includes funding for the Community Health Worker Certification Program - **\$2.5 million**
- ✓ Maintains **\$2 billion** in federal funding and adds **\$20 million** General Revenue funds for public health preparedness and COVID-19 response at DPH and at local health departments:
 - ✓ Assists with vaccination efforts, contact tracing, testing activities, lab services and all associated costs in response to the COVID-19 Pandemic at the department and local health departments.



Caring For Our Seniors and Supporting Those Who Served

Department on Aging

FY23 Proposed Budget: \$1.65 billion All Funds, including \$1.343 billion General Funds

- ✓ Supports the Community Care Program as caseload and utilization recover from the pandemic and makes new investments to improve the quality of life for our seniors including assistive technology devices and fall detection for Emergency Home Response - **\$100.7 million**
- ✓ Includes a \$0.70/hr rate increase for the Community Care Program effective January 1, 2023 - **\$14 million**
- ✓ Increases General Revenue funding for Home Delivered Meals which will provide approximately 12 million meals to 95 thousand seniors - **\$14 million**
- ✓ Includes **\$4 million** for Caregiver Support Services, a new program previously only federally funded

Department of Veterans' Affairs

FY23 Proposed Budget: \$182 million All Funds, including \$158 million General Funds

- ✓ Includes **\$17.5 million** for the Chicago Home, which began accepting residents in January of 2022
- ✓ Partnered with the Department of Human Services on the development of veteran suicide prevention strategies, which will work to assess the mental health needs of Illinois veterans - **\$5.0 million**



Chicago Veterans' Home



Investing in Our Public Safety Agencies

Illinois State Police

FY23 Proposed Budget: \$795.7 million All Funds, including \$328.1 million General Funds

- ✓ Allows three cadet classes to graduate a total of 300 cadets - **\$18.6 million increase**
- ✓ Provides new resources for staffing and equipment at the new forensic laboratory in Decatur opening August 2022 - **\$5.4 million**
- ✓ Increases funds for an additional 550 officer-worn body cameras, car cameras, and cloud storage management, per the SAFE-T Act - **\$4.5 million**

Law Enforcement Training Standards Board

FY23 Proposed Budget: \$86.1 million All Funds, including \$26.9 million General Funds

- ✓ Increases funds for camera grants to local law enforcement agencies - **\$10 million**
- ✓ Provides additional resources for operational needs related to the SAFE-T Act - **\$3.5 million**
- ✓ Increased headcount by 26 to bring total authorized to 66 to cover increased training requirements under SAFE-T Act.

Department of Corrections

FY23 Proposed Budget: \$1.834 billion All Funds, including \$1.642 billion General Funds

- ✓ Includes staffing for the Joliet Inpatient Treatment Center opening Fall 2022 - **\$16.3 million**
- ✓ Includes increases for temporary medical staffing needs, re-entry placements for releasees, facility education and vocational programming, and fixed facility expenses - **\$18 million**
- ✓ Provides for IT investments to finalize the highspeed rollout and network setup at all facilities, including infrastructure and device upgrades - **\$15 million**

Illinois Emergency Management Agency

FY23 Proposed Budget: \$2.543 billion All Funds, including \$35.2 million General Funds

- ✓ Includes additional funding to fill critical headcount in response to the COVID-19 Pandemic - **\$3.4 million**
- ✓ Provides funding for the Illinois' Nonprofit Security Grant Program aimed to support security enhancements to local organizations - **\$20 million**



Supporting Violence Prevention

Illinois Criminal Justice Information Authority:

FY23 Proposed Budget: \$454.1 million All Funds, including \$78.4 million General Funds

- ✓ Increases Restore, Reinvest, and Renew (R3) program to provide flexibility with the disbursement of additional grants - **\$50 million**
- ✓ First time funding to support Gang Crime Witness Protection Program - **\$20 million**
- ✓ Creates the Innovation Institute aimed to provide trainings for small grantees - **\$545,100**

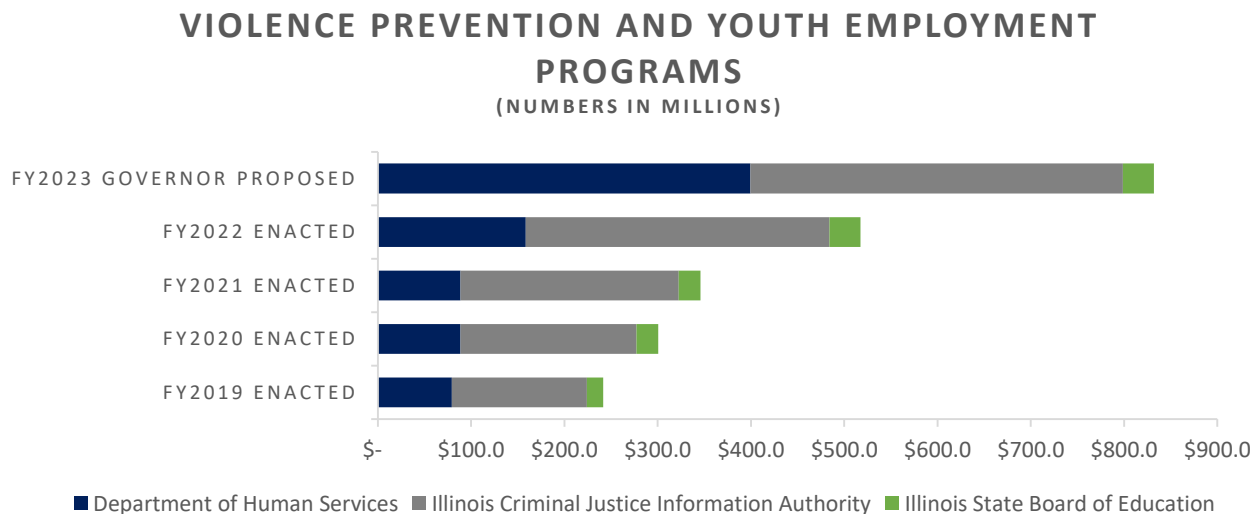
Illinois Department of Juvenile Justice:

FY23 Proposed Budget: \$134.4 million All Funds, including \$121.4 million General Funds

- ✓ Includes an increase to begin purchasing equipment for IYC-Lincoln - **\$2 million**
- ✓ Expands the number of community providers available throughout the state - **\$1.9 million**

Department of Human Services:

- ✓ Includes \$240 million to support second year funding of the overall \$250 million Reimagine Public Safety Act commitment





Department of Commerce and Economic Opportunity

Investing in Economic Development

FY23 Proposed Budget: \$2.669 billion All Funds, including \$76.2 million General Funds

- ✓ Includes production process improvement and R&D funds for businesses - **\$3 million**
- ✓ Provides matching funds for federal grants for small businesses for R&D on the technology of interest to federal agencies - **\$5 million**
- ✓ Includes a new capital appropriation to continue the Prime Sites program - **\$15 million**
- ✓ Funds capital grants to support improvements in commercial corridors and downtowns that have experienced disinvestment - **\$35 million**
- ✓ Provides matching funds to support Illinois entities seeking competitive federal awards that align with the state's economic development plan - **\$15 million**
- ✓ Funds a multi-year expansion of the Employer Training Investment Program, which provides matching grants to cover the costs of training of Illinois residents for companies relocating, establishing new operations, or substantially expanding in Illinois - **\$38 million**
- ✓ Includes a new manufacturing marketing program to increase the number of people entering high-demand manufacturing occupations - **\$7 million**
- ✓ Provides new small business support funding through the Office of Minority Economic Empowerment - **\$5 million**
- ✓ Includes funding for utility disconnection avoidance, credits to low-income households against their summer utility bills, and weatherization services for Illinois households - **\$100 million**



Investing in Our Environment and Natural Resources

Department of Natural Resources

FY23 Proposed Budget: \$546.0 million All Funds, including \$66.5 million General Funds

- ✓ Includes a historic funding level for Open Space Lands Acquisition and Development grants for local governments for community park projects - **\$56 million**
- ✓ Funds improvements to state-owned sites including funds for Matthiessen State Park Annex development and Rend Lake rehabilitation - **\$39 million**
- ✓ Provides new funding for DNR administration of water resources management, including support to local communities for water resource and infrastructure planning - **\$1.2 million**

Environmental Protection Agency

FY23 Proposed Budget: \$545.0 million All Funds

- ✓ Continues funding for enforcement of the Clean Air Act and the Energy Transition Act, including an increase for expenses of air permitting and inspections - **\$1 million**
- ✓ Authority to spend the first year of federal Infrastructure Investment and Jobs Act (IIJA) funds for lead service line replacement loans - **\$113 million**
- ✓ Provides funding for lead service line inventory and planning grants to communities around the State - **\$2 million**
- ✓ Contains funding authority for the first year of IIJA energy programs to promote energy efficiency, conservation and state energy programs - **\$9.1 million**
- ✓ Includes funding for new electric vehicle consumer rebates - **\$8.5 million**
- ✓ Reappropriates capital funding from Rebuild Illinois funded initiatives such as Transportation Electrification, the Illinois Green Infrastructure Grant Opportunities Program and the Unsewered Communities Construction Grant Program - **\$195 million**

Additionally, proposed budget funds \$30 million at Central Management Services to begin the electrification of the State fleet.

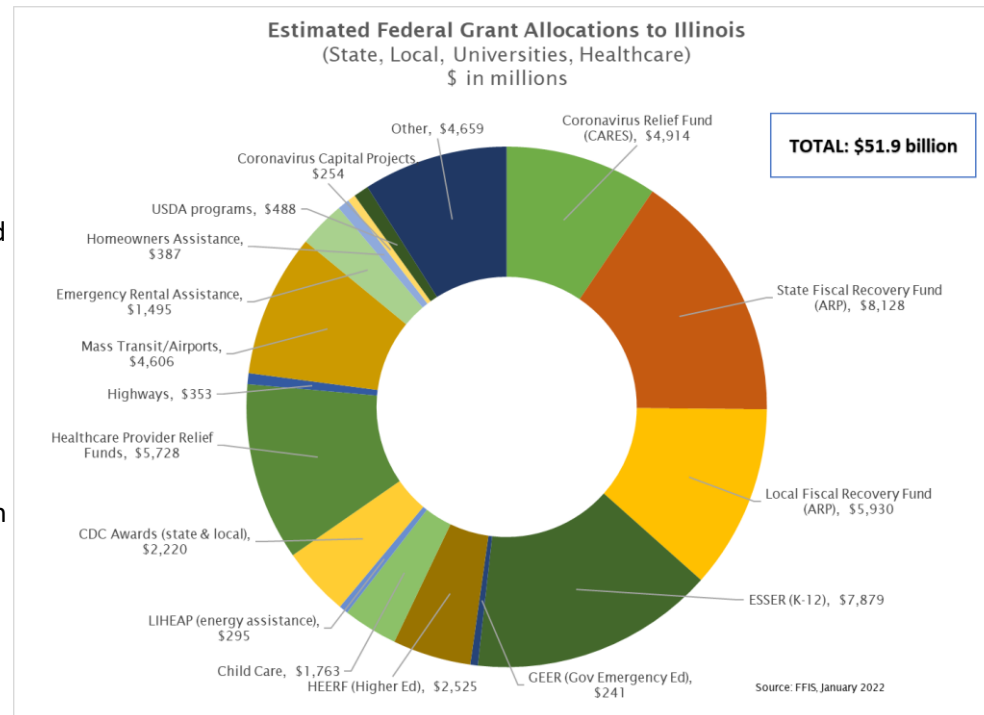


Federal Aid Directed to Illinois for COVID-19 Response

- ✓ Since early March 2020, Congress has enacted six pieces of legislation to address the impact of COVID-19
- ✓ According to FFIS estimates, approximately \$52 billion is expected to be directed to Illinois state and local governments (including counties, cities, universities, and mass transit districts) and healthcare providers.
- ✓ Illinois government has delivered extensive aid to households, small businesses, and healthcare providers from these funds including:

- ✓ Nearly \$1 billion in small business grants, including Coronavirus Business Interruption Grant (BIG) Program and Back to Business grants.
- ✓ Illinois Housing Development Authority and DHS have granted nearly \$2 billion in emergency rental assistance and mortgage assistance.
- ✓ \$750 million of stabilization payments to child care providers, plus subsidized child care for front line workers and bonus payments to child care workforce.
- ✓ Department of Healthcare and Family Services will provide nearly \$1 billion in support for healthcare providers through supplemental payments for COVID-19 impacts.
- ✓ Over \$1 billion to local governments through the State – including Local CURE, grants to public health departments and disbursement of ARPA support funds.

- ✓ The FY22 budget appropriated approximately \$2.8 billion from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Capital Projects Fund, plus \$1.5 billion expected to be utilized to replace lost revenues due to the pandemic.
- ✓ The FY23 proposed budget reappropriates unexpended amounts, plus requests \$235 million for Reimagine Public Safety Act grants and \$300 million for state agency operational costs.





FISCAL YEAR 2023 CAPITAL BUDGET

Infrastructure and Deferred Maintenance

Governor's FY23 Capital Budget

Continuing Investments to Rebuild Illinois



Highlights of the FY23 recommended capital budget:

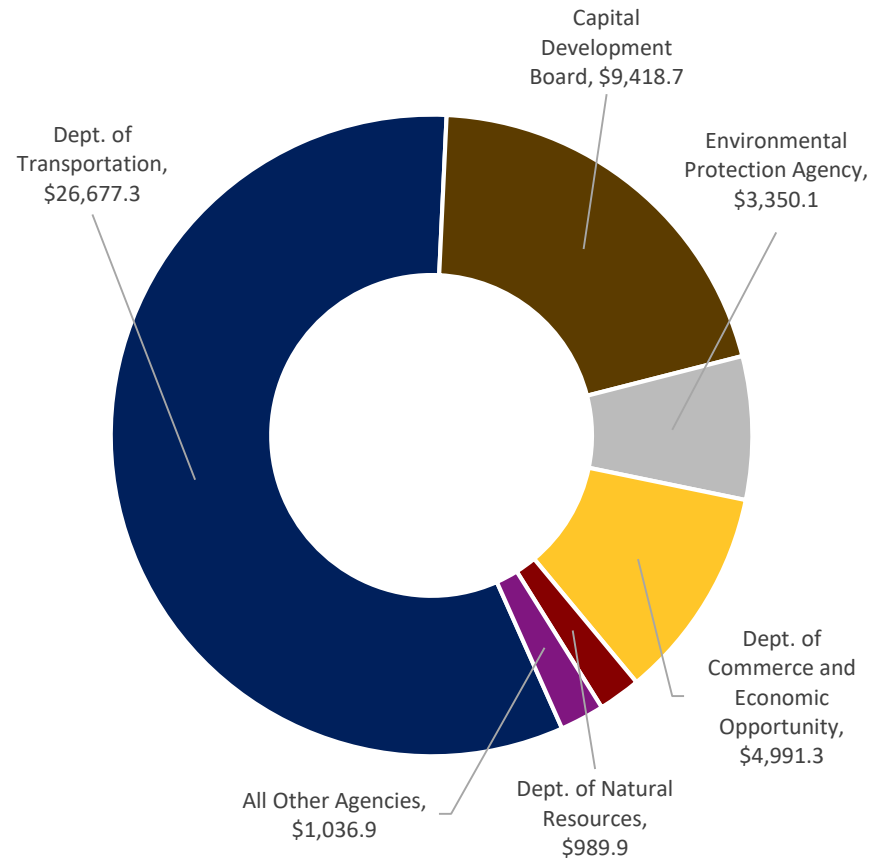
- ✓ Reauthorizes existing capital investments from Rebuild Illinois
- ✓ Includes reappropriations of ARPA SLFRF and Capital Projects Fund supported projects - **\$1 billion**
- ✓ Reappropriates authority at the Illinois Department of Transportation (IDOT) from CARES, CRRSA and ARPA - **\$336.2 million**
- ✓ Contains new and increased appropriations related to the federal Infrastructure Investment and Jobs Act (IIJA). Illinois' *preliminary allocation estimates* through the life of the plan include:
 - ✓ Multi-modal infrastructure funds at IDOT - **\$15.8 billion**
 - ✓ Includes an approximate 30 percent increase in formula funds - **\$11.2 billion**
 - ✓ Additional funding for the Drinking Water and Wastewater programs at the Environmental Protection Agency (EPA) - **\$1.2 billion**
 - ✓ Lead service line replacement loan and grant funds at EPA - **\$565.5 million**
 - ✓ Abandoned mined lands reclamation funding at Department of Natural Resources - **\$50 million**
 - ✓ IIJA funding also appears in the FY23 proposed operating budget, including additional funds at the Department of Commerce and Economic Opportunity for broadband expansion (**\$100 million**) and cybersecurity funding at the Department of Innovation and Technology (**\$30 million**)



Governor's FY23 Capital Budget

Continuing Investments to Rebuild Illinois

\$46.5B in FY23 Total Capital Appropriations
(\$ millions)



Key Investments Made Possible by Rebuild Illinois



A groundbreaking is planned for Spring 2022 for construction of Western Illinois University's new Performing Arts Center. The \$89 million project will include a 300-seat theater, 150-seat studio center, and performance support spaces. Rebuild Illinois has revived this project after it was stalled for decades.



The Houbolt Road bridge will link I-80 and the intermodal facilities in Will County that make up the country's largest inland port, home to thousands of jobs and \$75 billion in freight activity annually.

This project is a critical piece of the \$1.2 billion commitment to improve and modernize I-80 through Rebuild Illinois.

Key Investments Made Possible by Rebuild Illinois

DCEO continues to deliver historic levels of statewide capital funding through Rebuild Illinois programs

Connect Illinois is expanding broadband access



The most recent round leverages \$23 million in state dollars to fund \$47 million for 22 new projects, with at least one in every region of the state

Wet Lab funding is helping make way for advancements in research in medicine

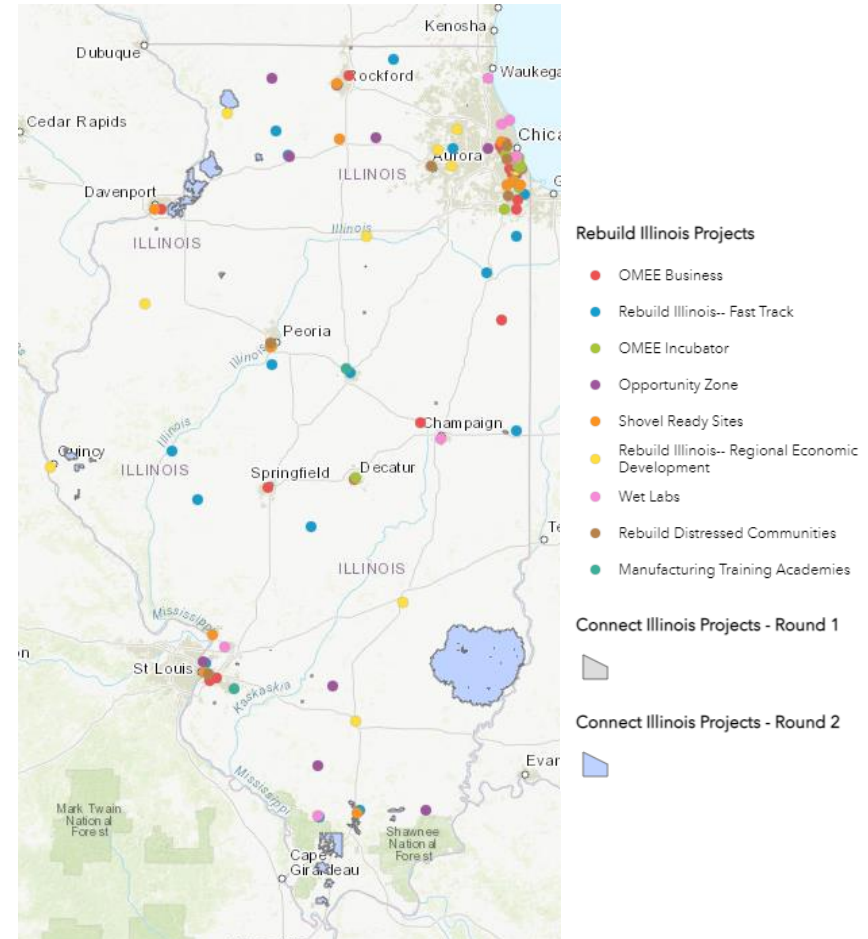


The most recent round of \$15.4 million supports 8 new wet lab spaces

Regional Economic Development grants fuel economic development throughout the state



The most recent round leverages \$16.5 million in state funding to unlock a total \$75.5 million investment for 11 new projects



Source: Illinois Department of Commerce and Economic Opportunity

Key Investments Made Possible by Rebuild Illinois



The Open Space Lands Acquisition and Development (OSLAD) program at DNR provides financial assistance to local governments for acquisition and development of land for public parks and open spaces. Recently funded projects include Laramie Park, a \$400,000 project to renovate and improve the 2.46-acre park.

The fiscal year 2023 budget allocates \$56 million in new funding for the OSLAD program, twice the amount appropriated in fiscal year 2022. This funding level supports the largest investment in parks in the State's history.



\$1.2 billion in Capital Development Board-managed projects at State facilities have been released since the beginning of Rebuild Illinois. These projects range from smaller maintenance projects to multi-million-dollar, large-scale projects to provide new facilities.





Need Additional Information?

- ✓ Please visit the Governor's Office of Management and Budget website to download a copy of the *Fiscal Year 2023 Budget* book, the *Fiscal Year 2023 Capital Budget* or to view the Interactive Budget portal.
- ✓ <https://www2.illinois.gov/sites/budget/Pages/default.aspx>