

Presented to:

HOUSE REVENUE COMMITTEE

Economic and Revenue Outlook



Presented by:

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Commission on Government Forecasting and Accountability
703 Stratton Office Building, Springfield, Illinois 62706

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<http://cgfa.ilga.gov>

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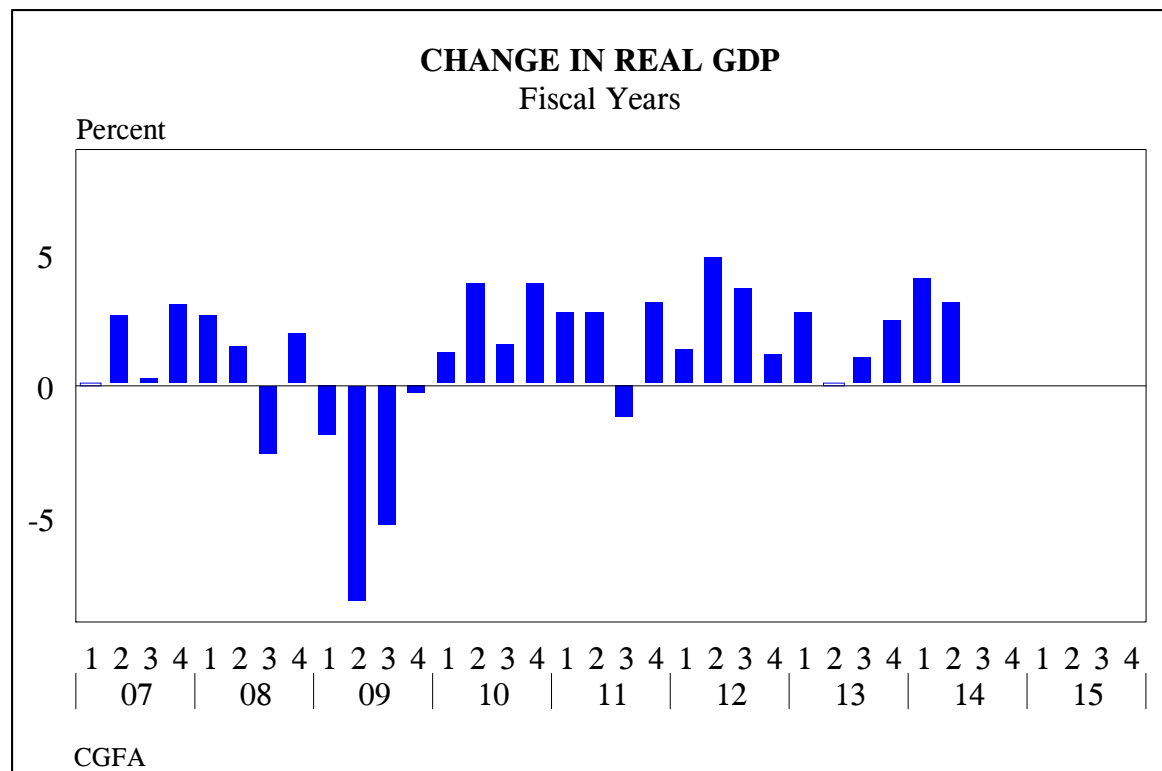
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CGFA Background & Responsibilities

- Bi-Partisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State.
- Preparation of annual revenue estimates with periodic updates;
- Analysis of the fiscal impact of revenue bills;
- Preparation of State Debt Impact Notes;
- Periodic assessment of capital facility plans;
- Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
- Implement the provisions of the State Facility Closure Act;
- Annual estimates of public pension funding requirements and preparation of pension impact notes.

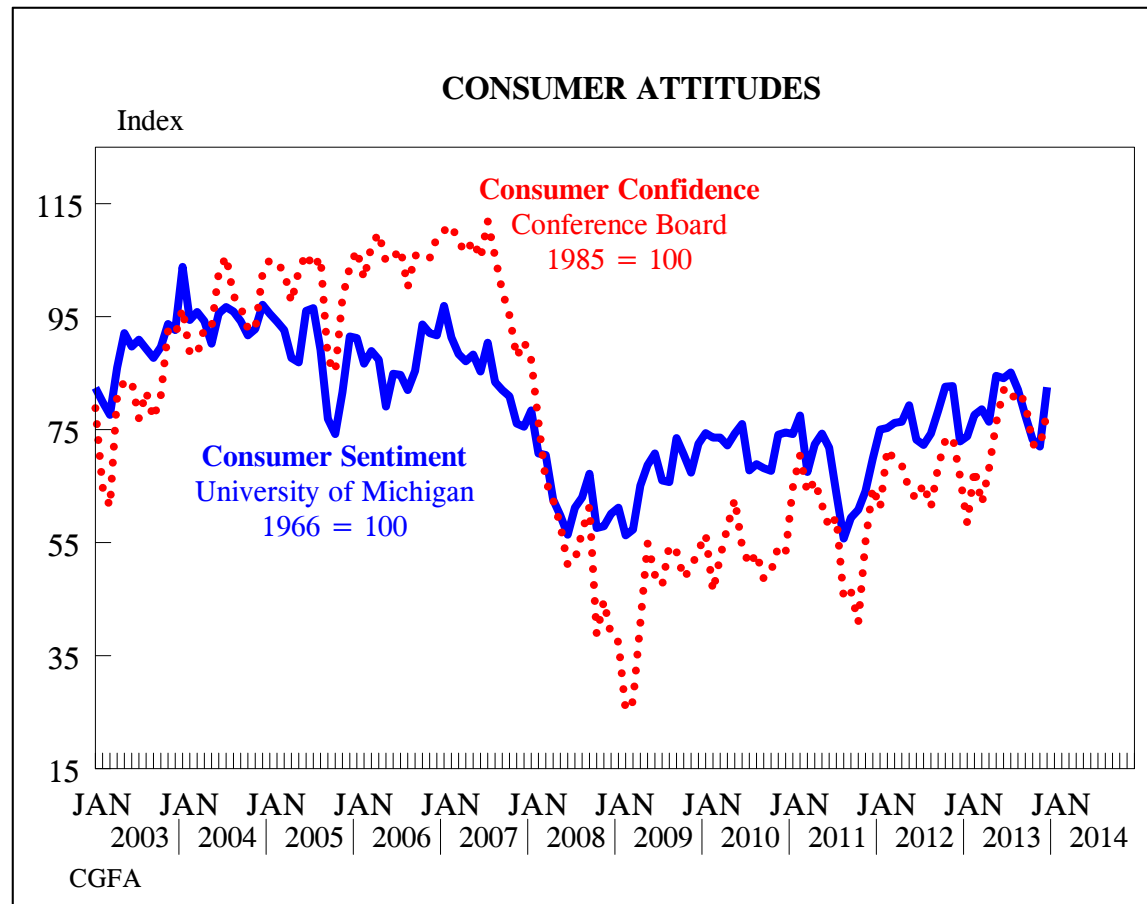
CHANGE IN REAL GDP

- Economic growth normally surges following a recession, and in the past the deeper the recession, the sharper has been the turnaround.
- In contrast, the recovery following the recession that began at the end of 2007 and didn't end until June 2009, exhibited the weakest growth in the post WWII era.
- As shown in the Chart, GDP rose 2.5% in FY 2011, 2.3% in FY 2012, and 2.0% in 2013. Growth improved in the first half of FY 2014, rising at an annual rate of twice as fast as the rate for all of FY 2013 before slowing in the last quarter. While recent forecasts projected growth at about last fiscal year's slower pace, it now appears that growth will be somewhat stronger.
- It takes **sustained** growth of 2.5% to 3%, however, to make any significant dent in today's high unemployment rate.



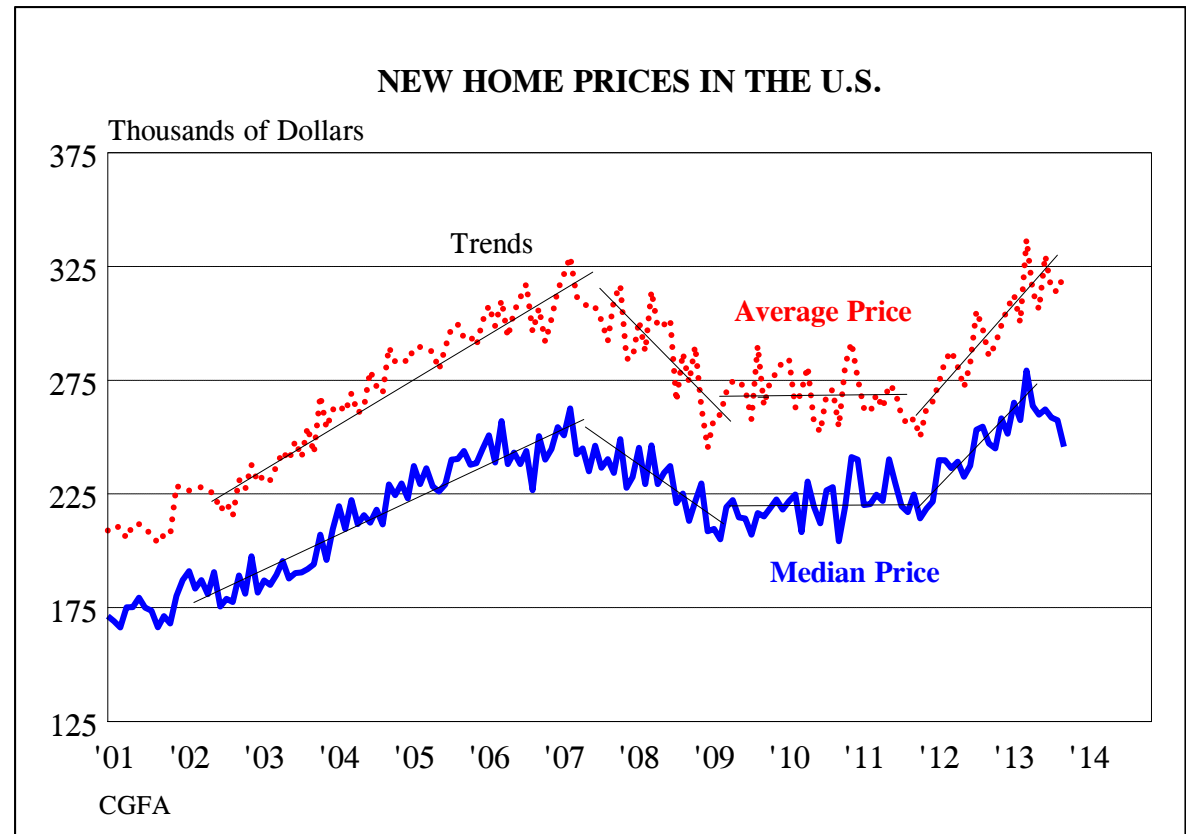
CONSUMER ATTITUDES

- The accompanying chart shows measures of consumer attitudes, which are signals as to their comfort level in increasing spending. Consumer attitudes as measured by either the University of Michigan's Consumer Sentiment Index or the Conference Board's Consumer Confidence Index had improved sharply from the lows reached in early in 2009, although there were several interruptions as the economy hit soft patches.
- Even so, both the University of Michigan and Conference Board indices began to rise again, so that by March 2012 they had recouped the ground lost during the previous summer's slump.
- Strength resumed this year and by July hit the highest levels since early in 2008. Confidence then swung widely. The report for November from the University of Michigan hit 75.1, before reversing course in December to 82.5, while the Conference Board's Index in November originally reported at 70.4, the lowest since April, was revised up to 72 and then jumped to 78.1 at year end.



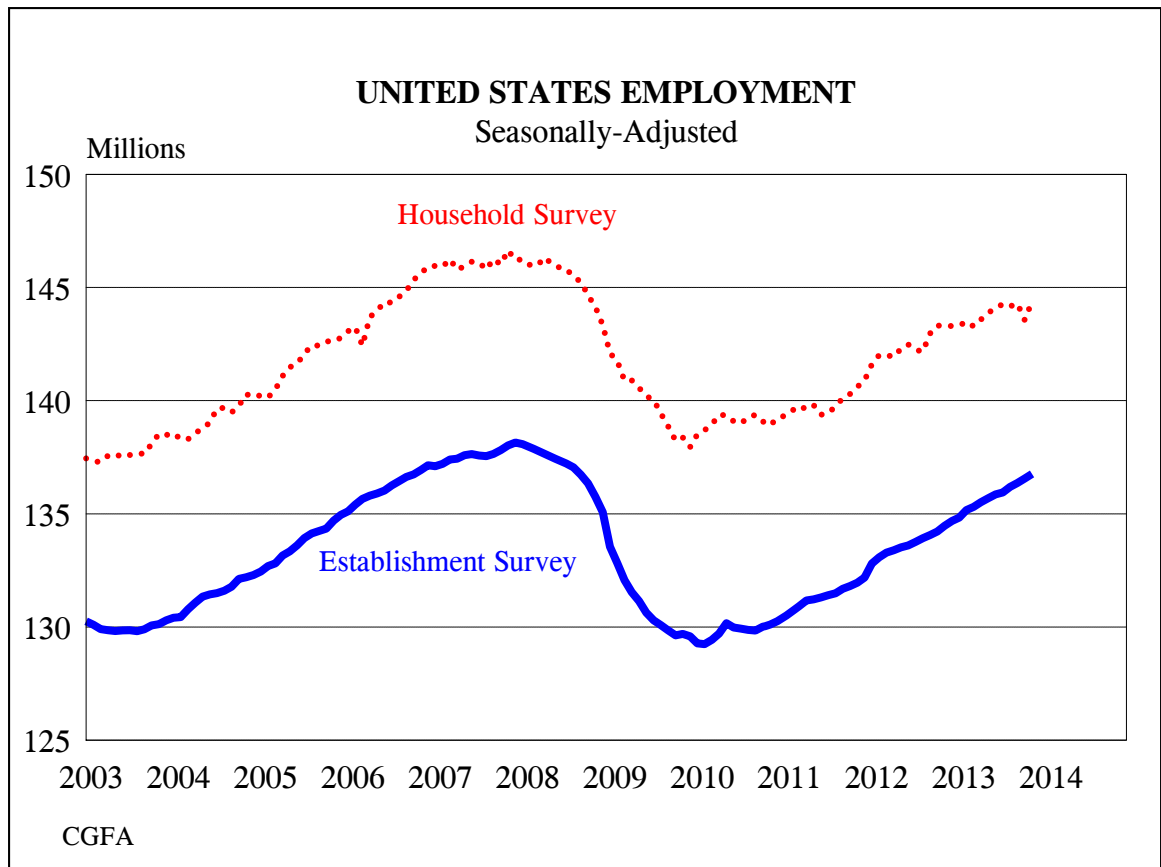
U.S. NEW HOME PRICES

- Another major improving factor has been an end to the decline in home prices that occurred during the recession and continued well into the recovery.
- To most consumers the value of their home is the most important asset, and the sharp falloff in value that had occurred brought many to levels below what they owed, depressing attitudes.
- As shown, prices have been on the rise, ending the prolonged period of sharp declines. A recent peak was reached in April although there has been some weakening since, particularly in median prices.
- Many believed that a true recovery could not occur without a contribution from the housing sector and this now appears to be happening.



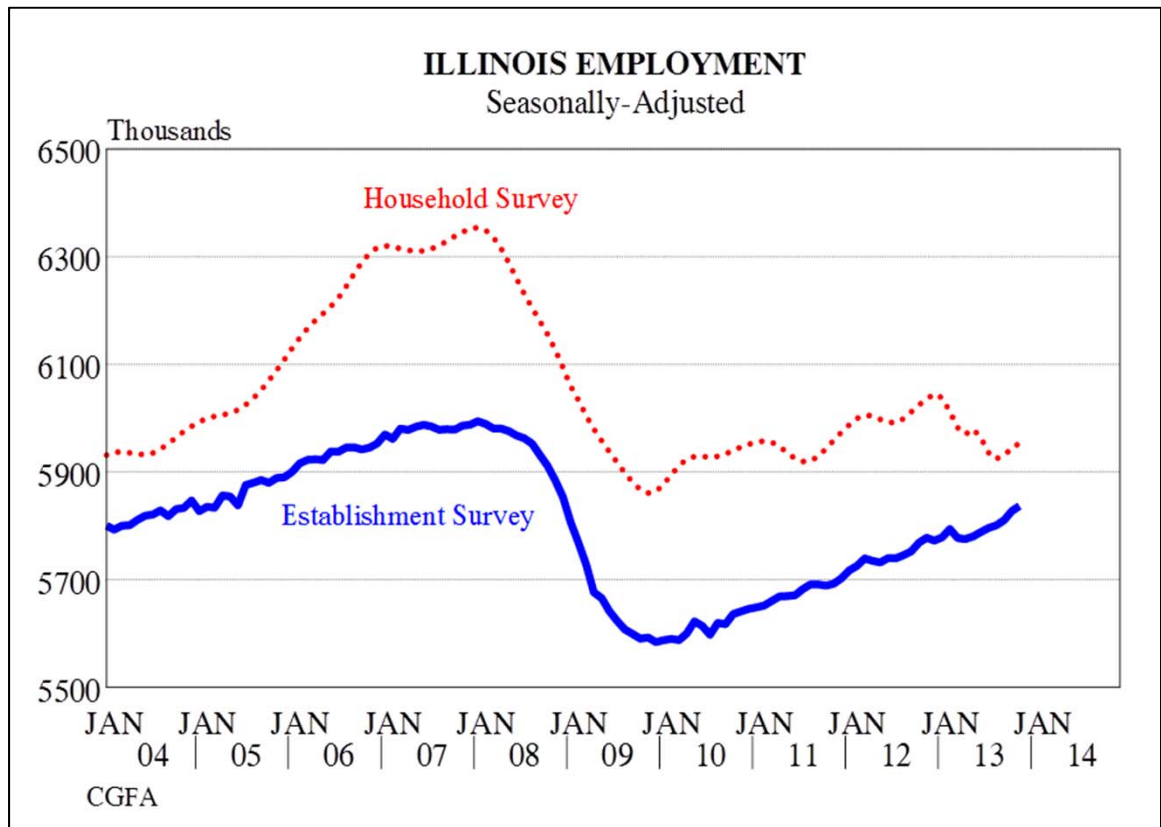
UNITED STATES EMPLOYMENT

- Perhaps the largest deterrent to faster growth was the lack of significant progress on the job front.
- As shown, non-farm payroll employment has grown but has shown no major acceleration. It grew an average 182,750 per month in 2012. Even with the large gain in November it showed only an average increase of 195,000 from the same 12 month period in 2012. At the same time, the labor participation rate showed little change and remains near its lowest since the twin recessions of the early 1980s.
- Even while United States employment has been rising, since its low at the end of 2009 to early 2010, as measured by both the Household and the Establishment Surveys, employment remains below the level in December 2007 at the beginning of the last recession.



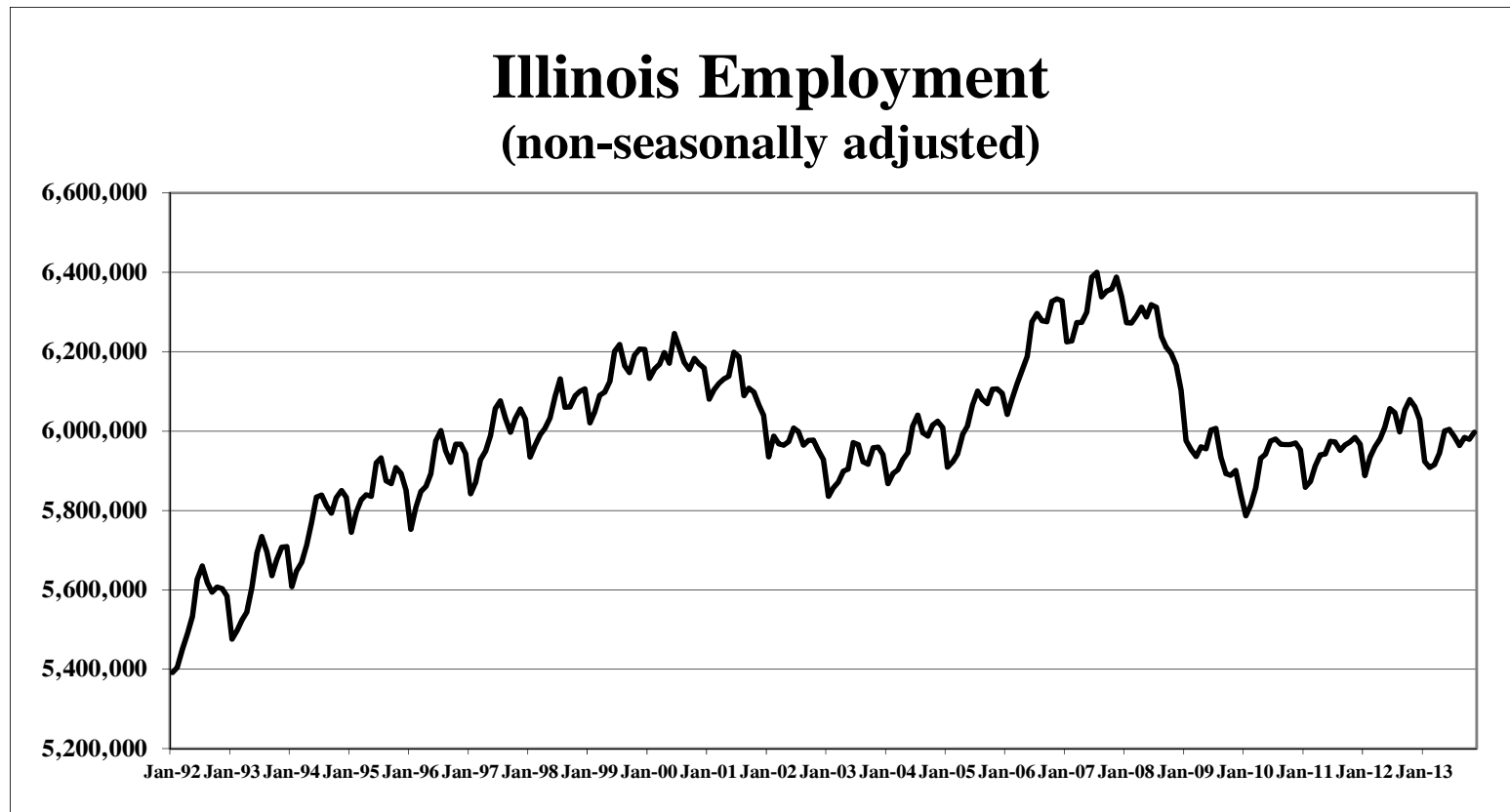
ILLINOIS EMPLOYMENT

- Illinois employment, like the U.S., also has shown gains but remains at extremely low levels as illustrated in the following chart.
- In November, employment as measured by both the Household Survey and Establishment survey registered a small increase. Indeed the Household Survey shows employment has been declining and is below that which existed at the end of 2012. At the same time, payroll employment continues to edge higher.
- Comparing Illinois to the nation, the more comprehensive establishment, or payroll, employment data for the nation had recovered its pre-recession level following the 2001 recession by early 2005, although Illinois never did recoup those losses before the last recession set in.
- Thus, the gap to reach a new high in employment in the current recovery is even more difficult for Illinois than for the nation as a whole.



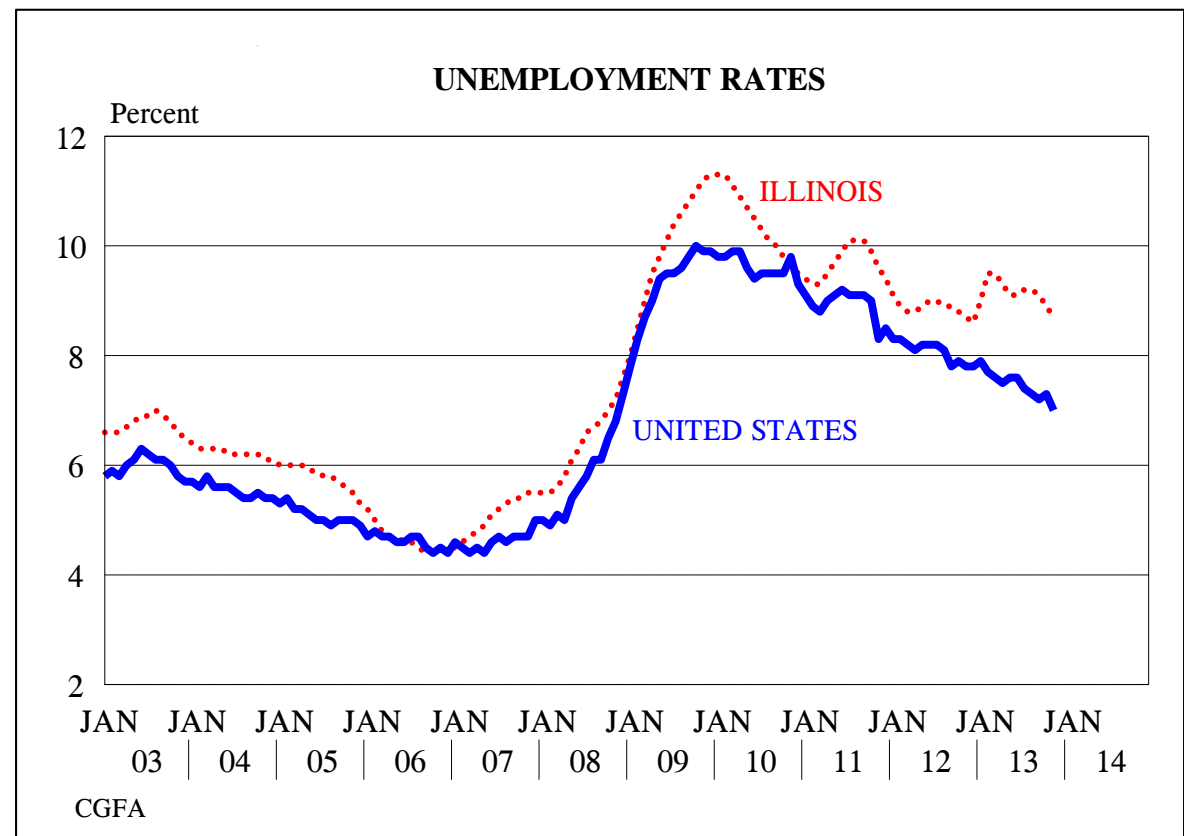
ILLINOIS EMPLOYMENT DATA

The graph below displays Illinois' employment data since the early 90s. Since the falloff in jobs as a result of the "Great Recession", employment in Illinois has made very little improvement.



UNEMPLOYMENT RATES

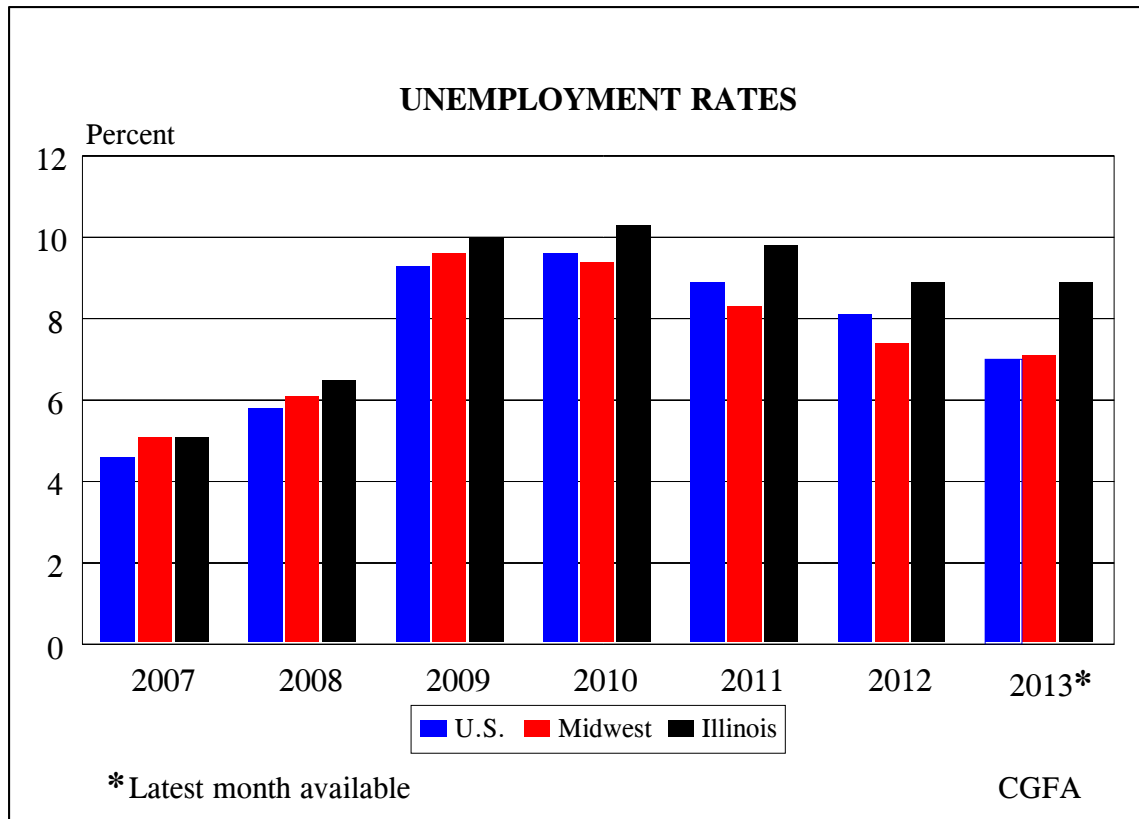
- As shown in the following Chart, as a result of job losses during the recession, the national unemployment rate rose from a low of 4.4% in early 2007 to a high of 10.1% by October 2009.
- In the recovery that began in mid 2009, however, the unemployment rate has shown only modest improvement until recently. By January 2012 the unemployment rate had edged down to 8.1% but has fallen to 7.0% in November, the lowest rate since November 2008.
- Much of the decline came from people dropping out of the labor force as the participation rate fell to its lowest level since the 1980s although it improved last month.
- As shown, the unemployment rate in Illinois continues to trail the U.S. by a wide gap. Illinois' rate hit 8.7% in November, the lowest since the same 8.7% rate a year earlier, while the national rate was 7.0%.



UNEMPLOYMENT RATES

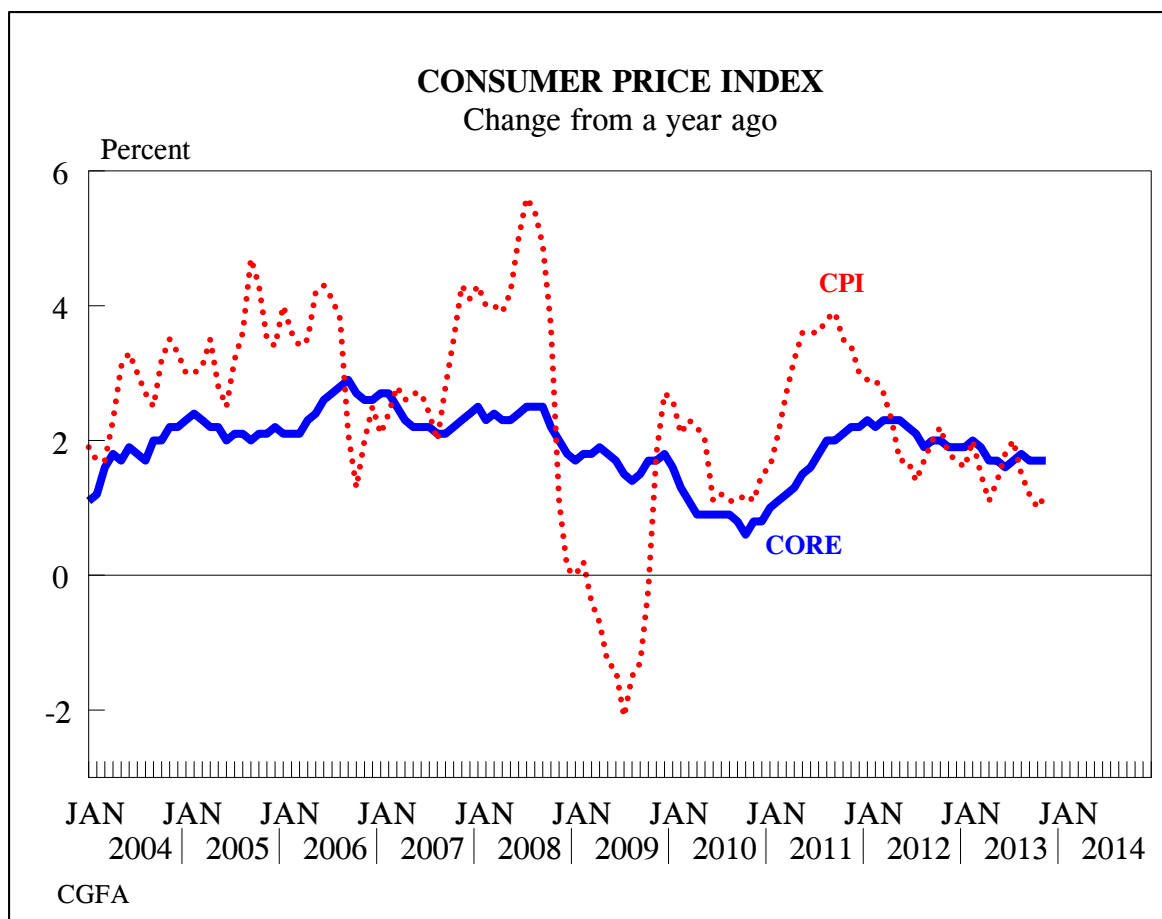
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- Unemployment rates have not moved in sync in recent years. The Chart shows comparative unemployment rates for the nation, Midwest, and Illinois in recent years.
- Starting in 2007, prior to the beginning of the recession that began at the end of that year, unemployment rates were low with the Midwest and Illinois rates slightly higher than the nation but on a par with each other.
- By 2010, however, unemployment in the Midwest actually fell below the national rate and this continued through 2012, in part as manufacturing in the “rust belt” showed resurgence.
- Unemployment in Illinois as represented by its unemployment rate began to exceed both the national and Midwest rates and the gap has increased further through 2013.



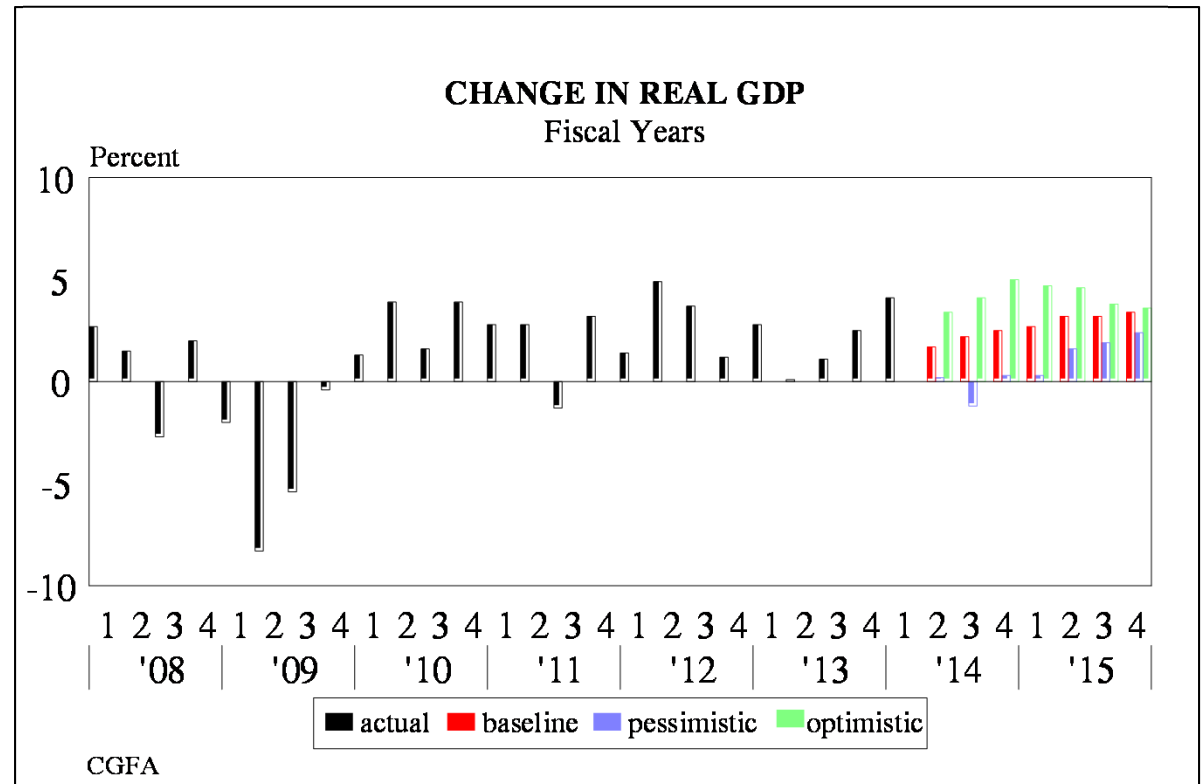
CONSUMER PRICE INDEX

- Monetary policy remains in a position to stimulate the economy, but there remains the potential that inflationary pressures eventually could emerge should the economy pick up steam. However, such fears seem far off given recent inflation moderation and some worry about deflation.
- As shown, consumer prices in November were 1.7% higher than a year earlier and the core rate, which excludes the volatile food and energy sectors and followed closely by the Fed, was 1.2% higher than a year earlier.
- The Federal Reserve has indicated it would keep interest rates it can influence at current levels as long as inflation remains on target and the unemployment rate is above 6.5% and even indicated it could ease further depending on economic data.



CHANGE IN REAL GDP

- The following Chart shows three alternative forecasts of the U.S. economy for the years through FY 2015. The **BASELINE** shows the most likely solution with a 60% chance of occurrence. It has the economy rising at a slow but improving rate through FY 2015.
- A more **OPTIMISTIC** solution with only a 20% chance of happening shows much stronger growth through the period. (A so-called V shaped recovery).
- Finally, a **PESSIMISTIC** alternative is provided with a 20% chance with virtually no growth in FY 2014 before improvement in FY 2015.



BASELINE FORECAST -- JANUARY 2014

(\$ Change from prior year levels)

REAL (2009 \$)	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Estimated
Gross Domestic Product	2.5	2.3	2.0	1.8	3.5	3.4
Personal Consumption	2.7	2.2	2.0	2.3	4.2	3.1
Durable	7.1	6.6	7.7	7.4	6.7	5.9
Nondurable	2.7	1.1	1.7	2.6	2.5	2.4
Services	2.0	2.0	1.2	1.5	2.6	2.8
Fixed Investment	10.0	8.7	5.0	7.0	6.7	8.7
Exports	9.7	5.1	2.0	4.3	4.3	5.9
Imports	10.3	3.1	0.9	3.0	6.1	3.1
Government	-1.8	-2.5	-0.7	-1.7	0.2	0.2
Federal	1.1	-3.0	-2.4	-3.7	0.2	-0.9
State & Local	-3.7	-2.2	-0.3	0.3	0.3	0.8
OTHER MEASURES						
Personal Income (Current \$)	5.3	4.7	3.7	3.5	5.0	5.0
Personal Consumption (Current \$)	4.5	4.7	3.4	3.4	4.4	4.6
Before Tax Profits (Current \$)	14.7	8.2	3.8	7.5	4.2	4.5
Consumer Prices	2.2	2.3	2.3	2.3	2.4	2.4
Unemployment Rate (Average)	9.3	8.6	7.8	7.0	6.2	5.7

ILLINOIS FORECASTS

Calendar Years	2010 Actual	2011 Actual	2012 Actual	2013 Estimated	2014 Estimated	2015 Estimated
Total Employment (Ths)	5,613.4	5,676.7	5,745.6	5,799.2	5,874.5	5,969.5
% Change	-0.8	1.1	1.2	0.8	1.3	1.6
Population (Ths)	12,841.2	12,861.4	12,877.7	12,899.4	12,928.3	12,962.2
% Change	0.3	0.2	0.1	0.2	0.2	0.3
Personal Income (Bil \$)	540.2	567.1	590.0	604.9	631.5	660.1
% Change	3.2	4.9	4.0	2.5	4.4	4.5
OTHER MEASURES						
Private Housing Starts	10.9	11.3	13.5	14.1	20.3	30.1
Unemployment Rate Avg.	10.4	9.7	8.8	9.1	8.3	7.7
SOURCE: Global Insight December 2013						

REVENUES YEAR-TO-DATE

- Through January, FY 2014 base general funds are up \$935 million compared to last fiscal year. Much of that growth can be attributed to the one-time surge in transfers related to the refund fund [\$397 million]. However, despite the pause in October and November, the larger economically-related sources have performed quite well.
- Gross personal income taxes are up \$361 million, or \$351 million net of refunds. Sales taxes continue to do quite well, up \$230 million to date. Gross corporate income tax is up a strong \$169 million, or \$156 million net of refunds. Other sources are up \$56 million for the year, although all of that increase can be attributed to September's receipt of one-time court settlement proceeds.
- Despite the performance of the larger sources, a number of smaller revenue lines suffered declines worth noting. The Cook County IGT is off \$30 million, inheritance tax is down \$33 million, and public utility tax is down \$8 million.
- Through January, overall transfers are up \$447 million. Nearly all of those gains stem from the one-time \$397 million transfer from the Income Tax Refund Fund. Federal sources are down \$229 million thus far, reflecting lower reimbursable spending.

GENERAL FUNDS RECEIPTS: YEAR TO DATE				
FY 2014 vs. FY 2013				
(\$ million)				
Revenue Sources	FY 2014	FY 2013	CHANGE FROM FY 2013	% CHANGE
State Taxes				
Personal Income Tax	\$10,065	\$9,704	\$361	3.7%
Corporate Income Tax (regular)	1,682	1,513	\$169	11.2%
Sales Taxes	4,567	4,337	\$230	5.3%
Public Utility Taxes (regular)	571	579	(\$8)	-1.4%
Cigarette Tax	206	206	\$0	0.0%
Liquor Gallonage Taxes	104	104	\$0	0.0%
Vehicle Use Tax	17	16	\$1	6.3%
Inheritance Tax (Gross)	147	180	(\$33)	-18.3%
Insurance Taxes and Fees	162	165	(\$3)	-1.8%
Corporate Franchise Tax & Fees	128	129	(\$1)	-0.8%
Interest on State Funds & Investments	10	12	(\$2)	-16.7%
Cook County IGT	26	56	(\$30)	-53.6%
Other Sources	304	248	\$56	22.6%
Subtotal	\$17,989	\$17,249	\$740	4.3%
Transfers				
Lottery	363	356	\$7	2.0%
Riverboat transfers & receipts	241	242	(\$1)	-0.4%
Proceeds from Sale of 10th license	0	0	\$0	N/A
Refund Fund transfer	397	0	\$397	N/A
Other	350	306	\$44	14.4%
Total State Sources	\$19,340	\$18,153	\$1,187	6.5%
Federal Sources	\$2,002	\$2,231	(\$229)	-10.3%
Total Federal & State Sources	\$21,342	\$20,384	\$958	4.7%
Nongeneral Funds Distribution:				
Refund Fund				
Personal Income Tax	(\$956)	(\$946)	(\$10)	1.1%
Corporate Income Tax	(\$225)	(\$212)	(\$13)	6.1%
Subtotal General Funds	\$20,161	\$19,226	\$935	4.9%
Short-Term Borrowing	\$0	\$0	\$0	N/A
FY'13/14 Backlog Payment Fund Transfer	\$50	\$264	(\$214)	N/A
Tobacco Liquidation Proceeds	\$0	\$0	\$0	N/A
Pension Contribution Fund Transfer	\$0	\$0	\$0	N/A
Budget Stabilization Fund Transfer	\$275	\$275	\$0	0.0%
Total General Funds	\$20,486	\$19,765	\$721	3.6%
SOURCE: Office of the Comptroller, State of Illinois: Some totals may not equal, due to rounding.				
CGFA				
3-Feb-14				

FY 2014 ESTIMATE SUMMARY

- On May 31, 2013, the Illinois House adopted HR 389 as the official revenue estimate for the new fiscal year. The FY 2014 budget was based upon a forecast of \$35.446 billion.
- In November, CGFA adjusted its estimate of FY 2014 revenues up a net \$369 million, which reflected continued strong performance of sales taxes as well as a couple of one-time revenue items.
- While not yet official, CGFA is anticipating making another upward revision to its FY 2014 forecast of approximately \$210 million. As shown, the forecast of both corporate income taxes and sales tax are expected to be revised up due to strong year-to-date growth. However, some of those adjustments will be offset by downward revisions in other sources, transfers-in, and federal sources.
- When the anticipated adjustments are included, FY 2014 revenues are expected to exceed HR 389 by \$579 million.

CGFA Revised FY 2014 General Funds Estimate [Nov-13]		
[\$millions]		
FY 2014 Estimate per HR 389	\$	35,446
<u>CGFA Adjustments [Nov-13]</u>		
Sales Tax Receipts	\$	200
Refund Fund Transfer	\$	97
Other Sources	\$	72
Revised FY 2014 Estimate [Nov-13]	\$	35,815
Net November-13 Adjustment	\$	369

Anticipated CGFA Revised FY 2014 Estimate [Feb/Mar-14]		
[\$millions]		
FY 2014 Revised Estimate [Nov-13]	\$	35,815
<u>CGFA Anticipated Adjustments [Feb/Mar-14]</u>		
Net Corporate Income Tax	\$	300
Sales Tax	\$	125
Other Sources [Net]	\$	(25)
Transfers In	\$	(40)
Federal Sources	\$	(150)
Anticipated FY 2014 Estimate [Feb/Mar-14]	\$	36,025
Net Adjustment	\$	210

Net Revisions Since HR 389	\$	579
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PRELIMINARY FY 2015 OUTLOOK

At the request of the House Revenue Committee, CGFA has prepared the accompanying Preliminary Revenue Projections for FY 2015. Also included are updated expectations for FY 2014 revenues. While CGFA is pleased to assist the Committee and provide them with forecasts to begin budgetary discussions, at this early date, it should be noted that these forecasts should be considered preliminary in nature and may change as circumstance merit, i.e. improved data, actual receipt performance in coming months, revised methodologies, etc. In the interim, the Commission will continue to provide Committee members with revenue updates via its monthly revenue briefings.

Preliminary FY 2015 Revenue Forecast

- As summarized below and in more detail on the accompanying table, the preliminary forecast for FY 2015 is \$34.439 billion. The estimate represents a drop in revenues of \$1.586 billion which reflects the mid-year decrease in the income tax rates.
- The following pages contain various assumptions and comments related to the forecasts.

Preliminary CGFA FY 2015 Estimate [Feb/Mar-14]		
[\$millions]		
FY 2014 Anticipated Revised [Feb/Mar-14]	\$	36,025
Estimated Growth		
Personal Income Tax [Net]	\$	(1,381)
Corporate Income Tax [Net]	\$	(427)
Sales Tax	\$	169
Other Sources [Net]	\$	(80)
Transfers In	\$	(290)
Federal Sources	\$	423
Preliminary FY 2015 Estimate [Feb/Mar-14]	\$	34,439
Net Change	\$	(1,586)

PRELIMINARY FY 2015 GENERAL FUNDS REVENUE CGFA ESTIMATES			
(millions)			
	FY'15 CGFA Feb-14	FY'14 CGFA Feb-14	\$ Difference
Revenue Sources			
State Taxes			
Personal Income Tax	\$16,717	\$17,713	(\$996)
Corporate Income Tax	\$3,267	\$3,738	(\$471)
Sales Taxes	\$7,842	\$7,673	\$169
Public Utility (regular)	\$995	\$1,005	(\$10)
Cigarette Tax	\$355	\$355	\$0
Liquor Gallonage Taxes	\$165	\$165	\$0
Vehicle Use Tax	\$29	\$29	\$0
Inheritance Tax (gross)	\$205	\$230	(\$25)
Insurance Taxes & Fees	\$330	\$330	\$0
Corporate Franchise Tax & Fees	\$205	\$203	\$2
Interest on State Funds & Investments	\$25	\$20	\$5
Cook County Intergovernmental Transfer	\$244	\$244	\$0
<u>Other Sources</u>	<u>\$430</u>	<u>\$482</u>	<u>(\$52)</u>
Subtotal	\$30,809	\$32,187	(\$1,378)
Transfers			
Lottery	\$682	\$669	\$13
Riverboat transfers and receipts	\$300	\$316	(\$16)
Proceeds from sale of 10th license	\$10	\$10	\$0
Refund Fund transfer	\$100	\$397	(\$297)
<u>Other</u>	<u>\$790</u>	<u>\$780</u>	<u>\$10</u>
Total State Sources	\$32,691	\$34,359	(\$1,668)
Federal Sources	\$4,273	\$3,850	\$423
Total Federal & State Sources	\$36,964	\$38,209	(\$1,245)
Nongeneral Funds Distribution:			
Refund Fund			
Personal Income Tax [9.5% FY'14]	(\$1,672)	(\$1,683)	\$11
Corporate Income Tax [13.4 FY'14]	(\$457)	(\$501)	\$44
Fund for Advancement of Education	(\$198)	N/A	(\$198)
Commitment to Human Services Fund	(\$198)	N/A	(\$198)
Subtotal General Funds	\$34,439	\$36,025	(\$1,586)
NOTE: Totals exclude Budget Stabilization transfers, transfers from FY 2013/14 Backlog Payment Fund, and other cash flow transfers.			
CGFA			

PERSONAL INCOME TAX

FY 2014 Estimate = \$16.030 billion (net of refunds)

Assumptions and Comments:

- No change to original HR 389 estimate is anticipated at this time;
- Underlying base growth rates of withholdings (wage income) tracking very similar to combined job growth and earnings growth (approx. 2.2%);
- Forecast assumes negative impact during final payment months (Spring 2014) related to last year's "April Surprise";
- Uncertainty will exist until actual final payments occur.

FY 2015 Estimate = \$15.045 billion (net of refunds)

Less \$198 million to Fund for Advancement of Education
Less \$198 million to Commitment to Human Services Fund
\$14.649 billion Net Refunds and Diversions

Assumptions and Comments:

- Forecast assumes base growth of withholding (wage income) of 2.7%, in line with current projections of job growth (1.2-1.4%) coupled with continued modest gains in wages;
- Growth rates are viewed as conservative in the context of projections of personal income growth of approximately 4.5% forecast by Global Insight;
- The estimate necessitates making assumptions related to timing of rate change beginning January 2015; i.e. timing of final payments under higher rates, second-half estimated payments under lower rates, delay in withholding changes similar to those experiences when rates were originally increased, etc.;
- Per conversations with IDOR, recent changes in income tax classification will result in approximately \$125 million being designated as personal rather than corporate income tax;
- Refund rate expected to rise slightly from 9.5% to 10%;
- Risks to the forecast exist from both economic expectations as well as uncertain receipt patterns related to the mid-year tax change (half year at higher and half year at lower rates);
- Beginning February 1, 2015, as passed into law per PA 46-1496, 1/30th of the previous months personal income tax (net of refunds) will be deposited into the newly created Fund for the Advancement of Education and another 1/30th into the newly created Commitment to Human Services Fund (for a total deposit of 2/30th). In FY 2015, the combined values of those deposits are estimated to be \$396 million.

CORPORATE INCOME TAX

FY 2014 Estimate = \$3.237 billion (net of refunds)

Assumptions and Comments:

- Anticipated upward adjustment of \$300 million (net of refunds) due to very strong receipt performance through January 2014. (Through December 2013, estimated payments were up 7.4% and are likely to rise measurably once January actual component breakdowns are available);
- Despite the consistently strong performance through the first part of FY 2014, a considerable degree of uncertainty remains regarding final payments and the impact that last year's "April Surprise" may have. However, despite the anticipated upward revision, the estimate is still able to accommodate a substantial falloff in final payments should that occur;
- The volatility of this source was textbook in FY 2014. Approximately a year ago, most forecasts were calling for negative or at best flat corporate profits. Instead, we have seen substantial gains in profits and record highs in the markets.

FY 2015 Estimate = \$2.810 billion

Assumptions and Comments:

- While most forecasting entities are calling for corporate profits to be in the range of 4.5% to over 7%, at this early stage the estimate is assuming a more modest level of approximately 4%. Historic volatility translates into a lower confidence than most revenue sources;
- Refund rate expected to rise slightly from 13.4% to 14.0%;
- Per conversations with IDOR, recent changes in income tax classification will result in approximately \$125 million being designated as personal rather than corporate income tax;
- Risks to the forecast exist from both economic expectations as well as uncertain receipt patterns related to the mid-year tax change (half year at higher and half year at lower rates);
- Per the IDOR, very little of corporate income tax receipts will meet the income definitions put forth in PA 96-1496 related to the 1/30th deposits into the two new funds created for human services and education.

SALES TAX

FY 2014 Estimate = \$7.673 billion

Assumptions and Comments:

- It is anticipated that the estimate will be increased by \$125 million;
- Sales taxes currently up 5.3% compared to FY 2013;
- Assumes growth of 3.0% rest of year;
- Sales tax on vehicles is currently running 10.5% higher than last year;
- While consumer confidence indexes have indicated improving but somewhat tepid consumer attitudes, actual spending appears to have been more robust;
- Strong stock market returns along with stabilizing home values in 2013 have led to more spending and improved sales tax performance.

FY 2015 Estimate = \$7.842 billion

Assumptions and Comments:

- Forecast growth of \$169 million;
- Assumed growth of 2.2% in sales tax is conservative but in line with the 15-year growth rate of 2.3%;
- Economic forecasts for personal consumption are estimated to grow between 3.1% and 4.4% in FY 2015.

ALL OTHER SOURCES (Net)

(Public Utility, Cigarette, Liquor, Vehicle Use, Inheritance, Insurance, Corporate Franchise, Interest, IGT, All Other Sources)

FY 2014 Estimate = \$3.063 billion

Assumptions and Comments:

- The estimate of public utility is anticipated to drop \$27 million. Despite improved receipts in natural gas tax revenues due to current severe weather patterns, those gains are more than offset by continued downward trend of telecommunications (messages) receipts;
- The estimate of vehicle use tax is anticipated to be revised up a modest \$2 million;
- The estimate of inheritance tax is anticipated to be revised up \$20 million, reflecting year to date performance;
- The estimate of insurance tax receipts is anticipated to be revised down \$20 million (companies are able to offset owed insurance taxes with taxes paid via the corporate income taxes. In years such as FY 2014, strong corporate income taxes often translate into weaker insurance taxes).

FY 2015 Estimate = \$2.983 billion

Assumptions and Comments:

- The preliminary estimate assumes a drop of \$80 million;
- Public utility is expected to fall \$10 million due primarily to continued downward trend of the telecommunications component;
- Inheritance tax receipts are expected to drop \$25 million as a full year of increased tax exemption levels are experienced;
- Corporate franchise taxes are expected to increase a modest \$2 million;
- Interest earnings are expected to return a \$5 million gain;
- Other sources are forecast to drop \$52 million. The falloff is due to FY 2014's one time receipt of \$72 million related to drug company court settlements. Those will not recur in FY 2015.

TRANSFERS-IN

FY 2014 Estimate = \$2.172 billion

Lottery =	\$669 million
Riverboat =	\$326 million
Refund Fund =	\$397 million
All Other =	\$780 million

Assumptions and Comments:

- The overall estimate of transfers into the general funds is anticipated to drop \$40 million;
- The estimate of Lottery transfers is unchanged;
- There is a \$40 million reduction in the estimate of riverboat transfers. Transfers have failed to perform up to expectations thus far and little evidence exists that would reverse that course. With each passing month of growing revenues from the video gaming sector (which goes into the Capitol Projects Fund), it is becoming evident that it is having a negative impact on existing riverboat performance;
- The Refund transfer remains unchanged;
- The estimate of other Transfers-In remains unchanged.

FY 2015 Estimate = \$1.882 billion

Lottery =	\$682 million
Riverboat =	\$310 million
Refund Fund =	\$100 million
All Other =	\$790 million

Assumptions and Comments:

- The Lottery transfer by law is governed by estimated inflation factor. Growth for next year is expected to be 2.0%;
- Riverboat transfers are expected to continue to erode in FY 2015 with continued placement of video gaming terminals;
- Per the IDOR, at this time, it is believed that there will be approximately \$100 million that will be available to transfer in FY 2015. Ultimately, demand for refunds during the upcoming tax filing period will determine what if any balance will be available to transfer. However, given current lack of refund backlog, the \$100 million estimate seems reasonable;
- Little change is expected in other transfers.

FEDERAL SOURCES

FY 2014 Estimate = \$3.850 billion

Assumptions and Comments:

- It is anticipated that the estimate of federal sources will be reduced by \$150 million as downward pressure has been building over the course of the fiscal year;
- The main contributor has been the current federal reimbursement offset related to the State's Medicare Part A/B premium payments to the Feds. In essence, the federal government has offset the reimbursements we received based on what we owe them in Medicare premiums. As a result, no appropriation spending has occurred in the Medicare lines (total approps of approximately \$400 million in FY 2014);
- In order to hit the original estimate, federal reimbursements would have to grow approximately 3.9%, a rate of growth that seems unlikely given last year's substantial federal source receipting made possible as a result of the "April Surprise" in income taxes. Since that level of revenue and subsequent reimbursable spending seems unlikely, a downward revision seems justified.
- The current trend could reverse however if the underspent approp. for Medicare were somehow tapped to fund other reimbursable spending. But even that action would be dependent on the State's available cash position and ability to spend on reimbursable programs.

FY 2015 Estimate = \$4.273 billion

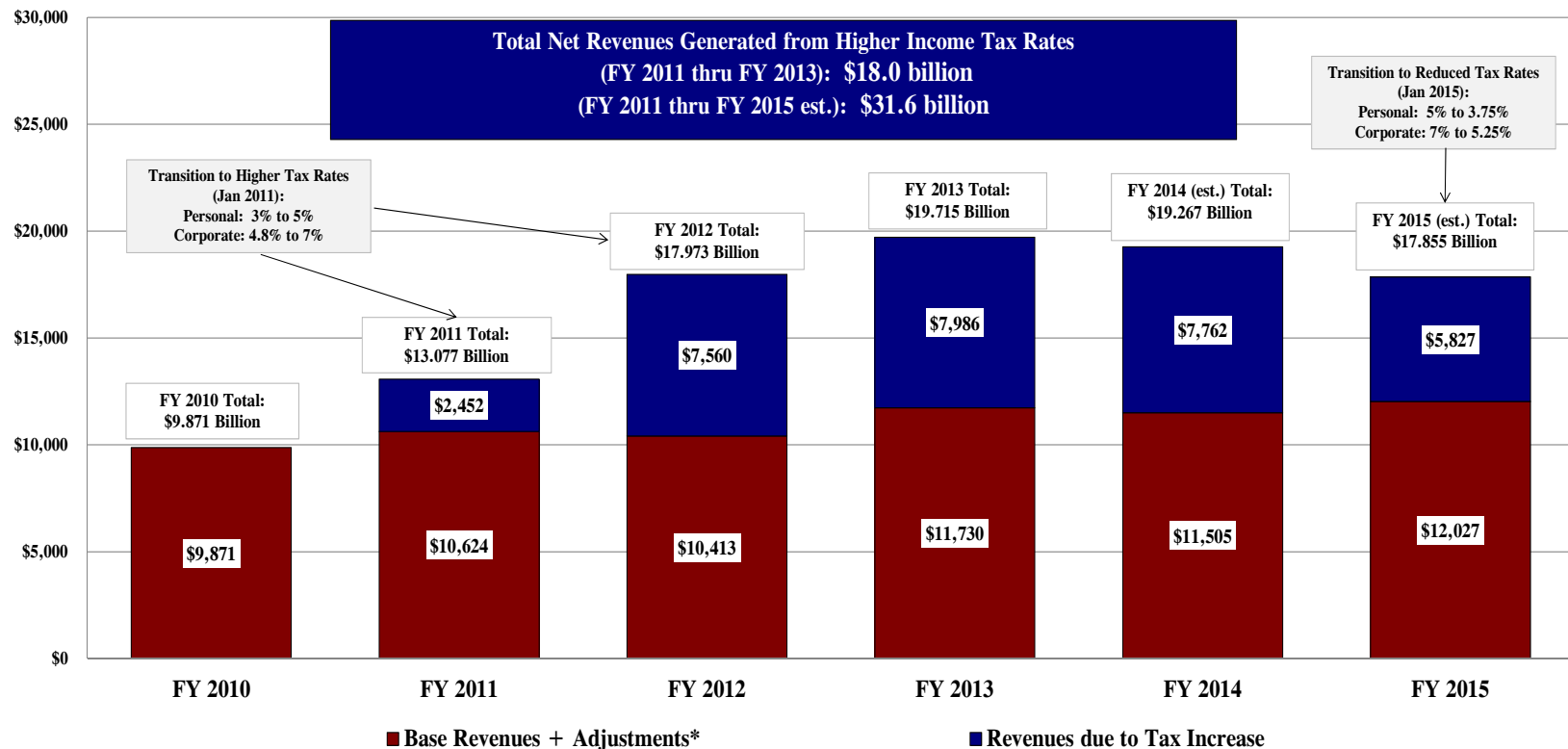
Assumptions and Comments:

- The current preliminary estimate of federal sources reflects the GOMB's estimate presented in their January 2014 Three-Year Budget Forecast;
- Federal sources are governed by appropriations levels as well as resources available to be directed to reimbursable spending. The preliminary forecast could be significantly affected by final appropriation levels;
- The lower than anticipated appropriation spending in FY 2014 could benefit FY 2015 federal sources as higher than expected lapse spending could result in the first part of the upcoming fiscal year.

HIGHLIGHTS OF 96-1496 (INCOME TAX INCREASE)

- Increase Individual Income Tax Rate.** Increases the personal income tax rate from 3% to 5% in tax year 2011; to 3.75% in tax year 2015; and, to 3.25% in tax year 2025.
- Increase Corporate Income Tax Rate.** Increases the corporate income tax rate from 4.8% to 7% in tax year 2011; to 5.25% in tax year 2015; and, to 4.8% in tax year 2025.

Composition of Income Tax Net Revenues between FY 2010 and FY 2015 (est.)
\$ in millions



* The adjustments added/subtracted to the base revenues of include the impacts from bonus depreciation, tax amnesty, refund percentage changes, and the costs of the new tax expenditures implemented by P.A. 97-0636 and P.A. 97-0652.

Individual and Corporate New Tax Revenues Under P.A. 96-1496 (SB 2505) as Compared to Previous Law

\$ in millions

Denotes Transition Years of Scheduled Rate Reductions

Fiscal Year	Total New Revenues	Amount to Refund Fund	Net Revenues from Personal Tax Increase	Net Revenues from Corporate Tax Increase	Total New Net Revenues from Tax Increases
FY 2011	\$2,706	\$254	\$2,288	\$164	\$2,452
FY 2012	\$8,407	\$847	\$6,512	\$1,048	\$7,560
FY 2013	\$8,921	\$935	\$6,673	\$1,313	\$7,986
FY 2014	\$8,641	\$879	\$6,476	\$1,286	\$7,762
FY 2015	\$6,515	\$688	\$5,048	\$779	\$5,827
FY 2016	\$3,275	\$341	\$2,653	\$281	\$2,934
FY 2017	\$3,173	\$328	\$2,627	\$219	\$2,846
FY 2018	\$3,246	\$335	\$2,687	\$224	\$2,911
FY 2019	\$3,321	\$343	\$2,749	\$229	\$2,978
FY 2020	\$3,397	\$351	\$2,812	\$235	\$3,047
FY 2021	\$3,476	\$359	\$2,877	\$240	\$3,117
FY 2022	\$3,555	\$367	\$2,943	\$246	\$3,189
FY 2023	\$3,637	\$375	\$3,011	\$251	\$3,262
FY 2024	\$3,721	\$384	\$3,080	\$257	\$3,337
FY 2025	\$2,797	\$288	\$2,325	\$184	\$2,509
FY 2026	\$1,267	\$128	\$1,117	\$22	\$1,139

NOTE: The income tax increase became effective January 1, 2011, and is set to be reduced (from 5% to 3.75% for PIT and 7% to 5.25% for CIT) on January 1, 2015. The estimates include the impact from the suspension of the N.O.L Deduction (FY 2012 thru FY 2014), but does not include impacts from P.A. 97-0636 AND P.A. 97-0652. The Commission assumed the refund percentages of 9.5% (PIT) and 13.4% (CIT) for FY 2014, but uses the DoR estimates of 10% (PIT) and 14% (CIT) for FY 2015 and thereafter.

ESTIMATES AS OF FEBRUARY 2014

DETAILED GENERAL FUNDS REVENUE HISTORY FY 2006 - FY 2015

(\$ Million)

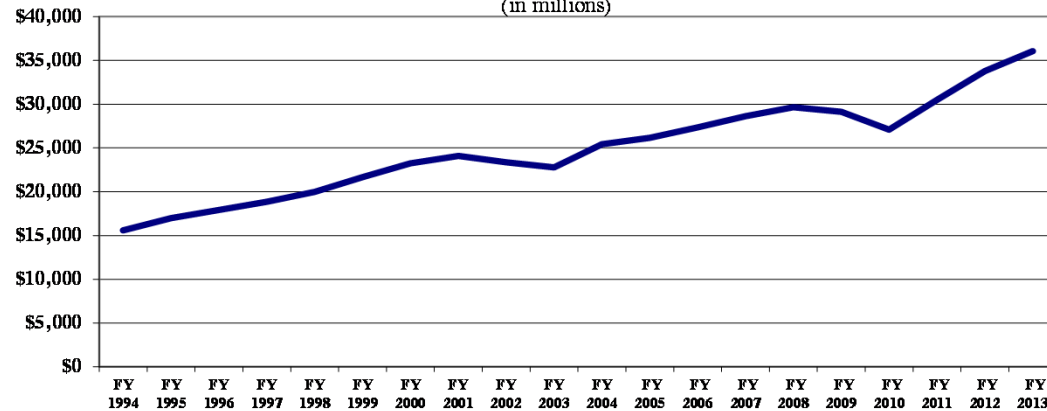
Revenue Sources	Actual Receipts FY 2006	Actual Receipts FY 2007	Actual Receipts FY 2008	Actual Receipts FY 2009	Actual Receipts FY 2010	Actual Receipts FY 2011	Actual Receipts FY 2012	Actual Receipts FY 2013	Estimated Feb-14 FY 2014	Preliminary Feb-14 FY 2015
State Taxes										
Personal Income Tax	\$9,568	\$10,424	\$11,187	\$10,219	\$9,430	\$12,301	\$17,000	\$18,323	\$17,713	\$16,717
Corporate Income Tax (regular)	1,784	2,121	2,201	2,073	1,649	2,277	2,983	3,679	3,738	3,267
Sales Taxes	7,092	7,136	7,215	6,773	6,308	6,833	7,226	7,355	7,673	7,842
Public Utility Taxes (regular)	1,074	1,131	1,157	1,168	1,089	1,147	995	1,033	1,005	995
Cigarette Tax	400	350	350	350	355	355	354	353	355	355
Liquor Gallonage Taxes	152	156	158	158	159	157	164	165	165	165
Vehicle Use Tax	34	33	32	27	30	30	29	27	29	29
Inheritance Tax (Gross)	272	264	373	288	243	122	235	293	230	205
Insurance Taxes and Fees	317	310	298	334	322	317	345	334	330	330
Corporate Franchise Tax & Fees	181	193	225	201	208	207	192	205	203	205
Interest on State Funds & Investments	153	204	212	81	26	28	21	20	20	25
Cook County Intergovernmental Transfer	350	307	302	253	244	244	244	244	244	244
Other Sources	<u>441</u>	<u>449</u>	<u>442</u>	<u>418</u>	<u>431</u>	<u>404</u>	<u>399</u>	<u>462</u>	<u>482</u>	<u>430</u>
Subtotal	\$21,818	\$23,078	\$24,152	\$22,343	\$20,494	\$24,422	\$30,187	\$32,493	\$32,187	\$30,809
Transfers										
Lottery	670	622	657	625	625	632	640	656	669	682
Gaming Fund Transfer [and related]	689	685	564	430	431	324	413	360	326	310
Other	746	939	679	538	828	1,226	885	688	1,177	890
Total State Sources	\$23,923	\$25,324	\$26,052	\$23,936	\$22,378	\$26,604	\$32,125	\$34,197	\$34,359	\$32,691
Federal Sources	\$4,725	\$4,703	\$4,815	\$6,567	\$5,920	\$5,386	\$3,682	\$4,154	\$3,850	\$4,273
Total Federal & State Sources	\$28,648	\$30,027	\$30,867	\$30,503	\$28,298	\$31,990	\$35,807	\$38,351	\$38,209	\$36,964
Nongeneral Funds Distribution:										
Refund Fund										
Personal Income Tax	(\$933)	(\$1,016)	(\$867)	(\$996)	(\$919)	(\$1,076)	(\$1,488)	(\$1,785)	(\$1,683)	(\$1,672)
Corporate Income Tax	(356)	(371)	(341)	(363)	(289)	(426)	(522)	(502)	(501)	(457)
Fund for Advancement of Education	0	0	0	0	0	0	0	0	0	(198)
Commitment to Human Services Fund	0	0	0	0	0	0	0	0	0	(198)
Subtotal General Funds	\$27,359	\$28,640	\$29,659	\$29,144	\$27,090	\$30,488	\$33,797	\$36,064	\$36,025	\$34,439
Change from Prior Year	\$1,199	\$1,281	\$1,019	(\$515)	(\$2,054)	\$1,344	\$3,309	\$2,267	(\$39)	(\$1,586)
Percent Change	4.6%	4.7%	3.6%	-1.7%	-7.0%	4.6%	10.9%	6.7%	-0.1%	-4.4%
Short-Term Borrowing	\$1,000	\$900	\$2,400	\$2,400	\$1,250	\$1,300	\$0	\$0	\$0	\$0
FY'13 Backlog Payment Fund Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$264	\$50	\$0
Tobacco Liquidation Proceeds	\$0	\$0	\$0	\$0	\$0	\$1,250	\$0	\$0	\$0	\$0
HPF and HHSMTF Transfers	\$0	\$456	\$1,503	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$276	\$276	\$276	\$576	\$1,146	\$535	\$275	\$275	\$275	\$275
Pension Contribution Fund Transfer	\$0	\$0	\$0	\$0	\$843	\$224	\$0	\$0	\$0	\$0
Total General Funds	\$28,635	\$30,272	\$33,838	\$32,120	\$30,329	\$33,797	\$34,072	\$36,603	\$36,350	\$34,714
Change from Prior Year	\$452	\$1,637	\$3,566	(\$1,718)	(\$1,791)	\$1,677	\$275	\$2,531	(\$253)	(\$1,636)
Percent Change	1.6%	5.7%	11.8%	-5.1%	-5.6%	5.2%	0.8%	7.4%	-0.7%	-4.5%

Source: CGFA

GENERAL FUNDS BALANCE INFORMATION

GENERAL FUNDS REVENUE HISTORY: FY 1994 - FY 2013

Excludes Budget Stabilization and Pension Contribution Fund Transfers, Short-Term Borrowing, and Related Transfers
(in millions)



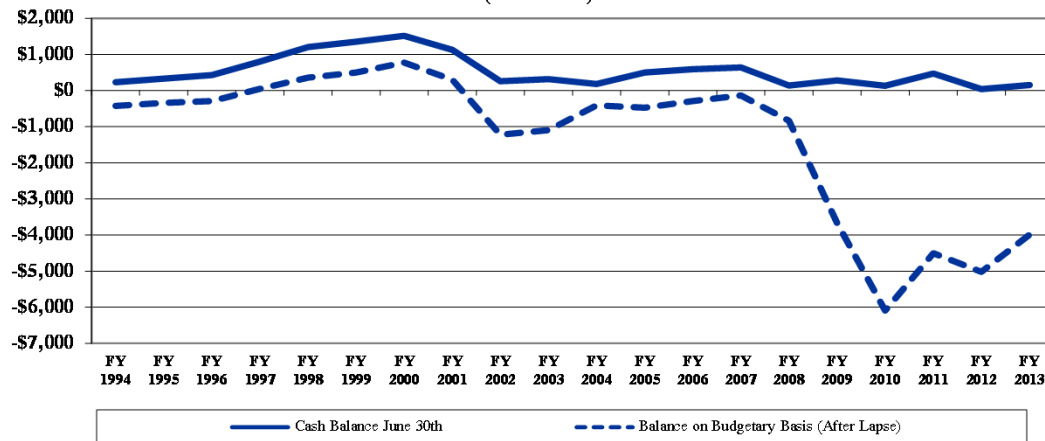
General Funds Annual \$ Change % Change
(in millions)

FY 1994	\$15,586	\$836	5.7%
FY 1995	\$17,002	\$1,416	9.1%
FY 1996	\$17,936	\$934	5.5%
FY 1997	\$18,854	\$918	5.1%
FY 1998	\$19,984	\$1,130	6.0%
FY 1999	\$21,674	\$1,690	8.5%
FY 2000	\$23,250	\$1,576	7.3%
FY 2001	\$24,106	\$856	3.7%
FY 2002	\$23,379	-\$727	-3.0%
FY 2003	\$22,786	-\$593	-2.5%
FY 2004	\$25,428	\$2,642	11.6%
FY 2005	\$26,160	\$732	2.9%
FY 2006	\$27,359	\$1,199	4.6%
FY 2007	\$28,640	\$1,281	4.7%
FY 2008	\$29,659	\$1,019	3.6%
FY 2009	\$29,144	-\$515	-1.7%
FY 2010	\$27,090	-\$2,054	-7.0%
FY 2011	\$30,488	\$3,398	12.5%
FY 2012	\$33,797	\$3,309	10.9%
FY 2013	\$36,064	\$5,576	6.7%

GENERAL FUNDS BALANCES - CASH BASIS

FY 1994 - FY 2013

(in millions)



Cash Balance Balance on
June 30th Lapse Spending Budgetary Basis
(After Lapse)

FY 1994	\$230	\$652	(\$422)
FY 1995	\$331	\$672	(\$341)
FY 1996	\$426	\$718	(\$292)
FY 1997	\$806	\$761	\$45
FY 1998	\$1,202	\$846	\$356
FY 1999	\$1,351	\$848	\$503
FY 2000	\$1,517	\$740	\$777
FY 2001	\$1,126	\$826	\$300
FY 2002	\$256	\$1,476	(\$1,220)
FY 2003	\$317	\$1,411	(\$1,094)
FY 2004	\$182	\$592	(\$410)
FY 2005	\$497	\$971	(\$474)
FY 2006	\$590	\$881	(\$291)
FY 2007	\$642	\$777	(\$135)
FY 2008	\$141	\$975	(\$834)
FY 2009	\$280	\$3,953	(\$3,673)
FY 2010	\$130	\$6,224	(\$6,094)
FY 2011	\$469	\$4,976	(\$4,507)
FY 2012	\$40	\$5,064	(\$5,024)
FY 2013	\$154	\$4,142	(\$3,988)

GENERAL FUNDS BUDGET PLAN -- FY 2011 to FY 2014

GOMB

(\$ Millions)

	Actuals June-12 FY 2011	Actuals June-13 FY 2012	Enacted July-12 FY 2013	Revised Sept-13 FY 2013	Intro. Mar-13 FY 2014	Enacted July-13 FY 2014
Revenues [GOMB]	\$30,163 GOMB	\$33,622 GOMB	\$34,398 GOMB	\$36,328 GOMB	\$35,630 GOMB	\$35,742 GOMB
Appropriations*	\$25,845	\$25,448	\$23,935	\$25,741	\$25,186	\$25,165
less unspent approp	(\$350)	(\$374)	(\$650)	(\$485)	(\$500)	(\$533)
Net Approp Spending	\$25,495	\$25,074	\$23,285	\$25,256	\$24,686	\$24,632
Pension Contributions	\$3,680	\$4,135	\$5,107	\$5,107	\$6,036	\$5,988
Savings from Pension Stabilization	\$0	\$0	\$0	\$0	\$0	\$0
Statutory Transfers Out						
approx. Legislatively Required Transfers	\$2,399	\$2,473	\$2,533	\$2,840	\$2,716	\$2,878
Pension Obligation Bond Debt Service	\$1,667	\$1,607	\$1,552	\$1,552	\$1,655	\$1,655
Debt Service transfer for Capital Projects	\$540	\$453	\$469	\$551	\$527	\$527
Debt Service on FY10 Medicaid Borrowing	\$189	\$0	\$0	\$0	\$0	\$0
Debt Service on FY'11 Restructuring bonds	\$0	\$0	\$0	\$0	\$0	\$0
Reduced Transfer to LGDF	\$0	\$0	\$0	\$0	\$0	\$0
Tranfers Payable at Year End	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Borrowing Repayments/BSF	\$0	\$356	\$132	\$132	\$0	\$0
Total Transfers Out	\$4,795	\$4,889	\$4,686	\$5,075	\$4,899	\$5,061
Total Operating Spending and Transfers Out	\$33,970	\$34,098	\$33,078	\$35,438	\$35,621	\$35,681
Operating Deficit (Surplus)	(\$3,807)	(\$476)	\$1,320	\$890	\$9	\$61
Short-term Borrowing	\$1,300	\$0	\$0	\$0	\$0	\$0
Repay of Short-term Borrowing [w/ interest]	(\$1,322)	\$0	\$0	\$0	\$0	\$0
Pension Obligation Bonds	\$3,680	\$0	\$0	\$0	\$0	\$0
Tobacco Liquidation \$1.2b/Interfund borrow \$1.0b	\$1,250	\$0	\$0	\$0	\$0	\$0
Interfund Borrowing (per Emergency Budget Act)	\$496	\$0	\$0	\$0	\$0	\$0
Repayment Inter-fund borrowing	(\$10)	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Repayment	\$0	\$0	\$0	\$0	\$0	\$0
Voucher Payment Notes	\$0	\$0	\$0	\$0	\$0	\$0
Proposed FY'11 GO Restructuring Bond	\$0	\$0	\$0	\$0	\$0	\$0
Budget Deficit (Surplus)	\$1,587	(\$476)	\$1,320	\$890	\$9	\$61
Budgetary Basis to Begin Year	(\$6,095)	(\$4,508)	(\$4,984)	(\$5,023)	(\$4,491)	(\$4,094)
Budget Deficit at End of Year	(\$4,508)	(\$4,984)	(\$3,664)	(\$4,094)	(\$4,481)	(\$4,033)

* See GOMB's FY 2014 Budget Book and latest Official Statements for detailed explanations.

** Sum totals may not add due to rounding

COMBINED DEBT SERVICE OF 2003, 2010 and 2011 PENSION OBLIGATION BONDS AND NOTES

	FY2003 \$10 BILLION PENSION OB BONDS			FY 2010 \$3.466 BILLION PENSION OB NOTES			FY 2011 \$3.7 BILLION PENSION OB NOTES			COMBINED TOTALS		
Fiscal Year	2003 Principal	2003 Interest	2003 POB Total	2010 Principal	2010 Interest	2010 PON Total	2011 Principal	2011 Interest	2011 POB Total	Total Principal	Total Interest	Grand Total
FY 2004	\$0	\$481,038,333	\$481,038,333							\$0	\$481,038,333	\$481,038,333
FY 2005	0	496,200,000	\$496,200,000							\$0	\$496,200,000	\$496,200,000
FY 2006	0	496,200,000	\$496,200,000							\$0	\$496,200,000	\$496,200,000
FY 2007	0	496,200,000	\$496,200,000							\$0	\$496,200,000	\$496,200,000
FY 2008	50,000,000	496,200,000	\$546,200,000							\$50,000,000	\$496,200,000	\$546,200,000
FY 2009	50,000,000	494,950,000	\$544,950,000							\$50,000,000	\$494,950,000	\$544,950,000
FY 2010	50,000,000	493,550,000	\$543,550,000							\$50,000,000	\$493,550,000	\$543,550,000
FY 2011	50,000,000	491,900,000	\$541,900,000	\$693,200,000	\$109,277,049	\$802,477,049				\$743,200,000	\$601,177,049	\$1,344,377,049
FY 2012	100,000,000	490,125,000	\$590,125,000	\$693,200,000	\$101,061,628	\$794,261,628		\$194,500,800	\$194,500,800	\$793,200,000	\$785,687,428	\$1,578,887,428
FY 2013	100,000,000	486,375,000	\$586,375,000	\$693,200,000	\$81,887,716	\$775,087,716		\$199,488,000	\$199,488,000	\$793,200,000	\$767,750,716	\$1,560,950,716
FY 2014	100,000,000	482,525,000	\$582,525,000	\$693,200,000	\$58,866,544	\$752,066,544	\$100,000,000	\$199,488,000	\$299,488,000	\$893,200,000	\$740,879,544	\$1,634,079,544
FY 2015	100,000,000	478,575,000	\$578,575,000	\$693,200,000	\$30,646,372	\$723,846,372	\$300,000,000	\$195,462,000	\$495,462,000	\$1,093,200,000	\$704,683,372	\$1,797,883,372
FY 2016	100,000,000	474,525,000	\$574,525,000				\$600,000,000	\$181,929,000	\$781,929,000	\$700,000,000	\$656,454,000	\$1,356,454,000
FY 2017	125,000,000	470,175,000	\$595,175,000				\$900,000,000	\$152,163,000	\$1,052,163,000	\$1,025,000,000	\$622,338,000	\$1,647,338,000
FY 2018	150,000,000	464,737,500	\$614,737,500				\$900,000,000	\$103,878,000	\$1,003,878,000	\$1,050,000,000	\$568,615,500	\$1,618,615,500
FY 2019	175,000,000	458,212,500	\$633,212,500				\$900,000,000	\$52,893,000	\$952,893,000	\$1,075,000,000	\$511,105,500	\$1,586,105,500
FY 2020	225,000,000	449,550,000	\$674,550,000							\$225,000,000	\$449,550,000	\$674,550,000
FY 2021	275,000,000	438,412,500	\$713,412,500							\$275,000,000	\$438,412,500	\$713,412,500
FY 2022	325,000,000	424,800,000	\$749,800,000							\$325,000,000	\$424,800,000	\$749,800,000
FY 2023	375,000,000	408,712,500	\$783,712,500							\$375,000,000	\$408,712,500	\$783,712,500
FY 2024	450,000,000	390,150,000	\$840,150,000							\$450,000,000	\$390,150,000	\$840,150,000
FY 2025	525,000,000	367,200,000	\$892,200,000							\$525,000,000	\$367,200,000	\$892,200,000
FY 2026	575,000,000	340,425,000	\$915,425,000							\$575,000,000	\$340,425,000	\$915,425,000
FY 2027	625,000,000	311,100,000	\$936,100,000							\$625,000,000	\$311,100,000	\$936,100,000
FY 2028	700,000,000	279,225,000	\$979,225,000							\$700,000,000	\$279,225,000	\$979,225,000
FY 2029	775,000,000	243,525,000	\$1,018,525,000							\$775,000,000	\$243,525,000	\$1,018,525,000
FY 2030	875,000,000	204,000,000	\$1,079,000,000							\$875,000,000	\$204,000,000	\$1,079,000,000
FY 2031	975,000,000	159,375,000	\$1,134,375,000							\$975,000,000	\$159,375,000	\$1,134,375,000
FY 2032	1,050,000,000	109,650,000	\$1,159,650,000							\$1,050,000,000	\$109,650,000	\$1,159,650,000
FY 2033	1,100,000,000	56,100,000	\$1,156,100,000							\$1,100,000,000	\$56,100,000	\$1,156,100,000
TOTAL	\$10,000,000,000	\$11,933,713,333	\$21,933,713,333	\$3,466,000,000	\$381,739,309	\$3,847,739,309	\$3,700,000,000	\$1,279,801,800	\$4,979,801,800	\$17,166,000,000	\$13,595,254,442	\$30,761,254,442
	PA 93-0002			PA 96-0043			PA 96-1497					
	2003 POB TIC = 5.047%			2010 POB TIC = 3.854%			2011 POB TIC = 5.563%					
	thirty-year maturity			five-year maturity			eight-year maturity					

FY 2012 – FY 2013 BOND SALES & BOND RATINGS

Bond proceeds will be used for projects under the Illinois Jobs Now multi-year \$31 billion capital plan.

✓ General Obligation Bonds April 2013 Series A	\$450 million	- TIC= 3.92 %
✓ General Obligation Bonds April 2013 Series B	\$350 million taxable	- TIC= 4.97 %
✓ Build Illinois May 2013	\$300 million taxable	- TIC= 3.29 %
✓ Build Illinois June 2013 Refunding	\$604 million	- TIC= 2.70 %
✓ General Obligation Bonds June 2013	\$1.3 billion	- TIC= 5.04 %
✓ General Obligation Bonds December 2013	\$350 million taxable	- TIC= 5.40 %
✓ General Obligation Bonds February 2014	\$1.0 billion	- TBA

- Moody's downgraded Illinois in June 2013:
 - G.O. and Build Illinois Bond ratings - from A2 to A3
 - State Civic Center and MPEA Bonds - from A3 to Baa1
 - 4 State public universities were downgraded from A2 to A3 in March 2013:
GSU, NEIU, NIU & EIU.
 - 8 State public universities are on watch for possible downgrades due to their receipt of State funding, payments of which have been consistently late.
- Fitch downgraded Illinois in June 2013 from A to A-. Fitch also downgraded the Illinois Sports Facility Authority from A- to BBB+.
- S&P downgraded Illinois in January 2013 from A to A-.
- **Fitch and Moody's have IL on Negative Watch for possible downgrading, based on budget and pension funding concerns. S&P changed their outlook to "Developing" after the Pension reforms were passed, meaning they could raise or lower Illinois' rating during a two-year outlook period.**

Illinois' General Obligation Ratings History

Date of Rating Action	<i>Fitch</i>		<i>S&P</i>		<i>Moody's</i>	
	<i>Rating</i>	<i>up/down</i>	<i>Rating</i>	<i>up/down</i>	<i>Rating</i>	<i>up/down</i>
June 2013	A-	↓1x			A3	↓1x
Jan 2013			A-	↓1x		
Aug 2012			A	↓1x		
Jan 2012					A2	↓1x
Jun 2010	A	↓1x			A1	↓1x
Mar-Apr 2010	A-/A+ recal	↓1x/↑2x			Aa3 recal	↑2x
Dec 2009			A+	↓1x	A2	↓1x
Mar-Jul 2009	A	↓2x	AA-	↓1x	A1	↓1x
Dec 2008	AA-	↓1x				
May 2003	AA	↓1x			Aa3	↓1x
Jun 2000	AA+	↑1x				
Jun 1998					Aa2	↑1x
Jul 1997			AA	↑1x		
Feb 1997					Aa3	↑1x
Sep 1996	AA	initial rating				
Feb 1995					A1	↓2x
Aug 1992			AA-	↓1x	Aa	↓1x
Aug-Sep 1991			AA	↓1x	Aa1	↓2x
Mar 1983			AA+	↓2x		
Feb 1979			AAA	initial rating		
1973					AAA	initial rating

Note: "recal" means recalibration, when Fitch and Moody's revised their ratings on municipal bonds to match global/corporate ratings. These are not considered upgrades.

Agency Ratings Comparison	
Fitch/S&P	Moody's
AAA+	Aaa1(Aaa)
AAA	Aaa2
AAA-	Aaa3
AA+	Aa1
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB+	Ba1
BB	Ba2
BB-	Ba3
B+	B1
B	B2
B-	B3
CCC+	Caa1
CCC	Caa2
CCC-	Caa3
CC+	Ca1
CC	Ca2
CC-	Ca3
C+	C1
C	C2
C-	C3