

Three-Year Budget Forecast FY 2027 – FY 2029



*Commission on Government
Forecasting and Accountability*

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*Commission on Government
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INTRODUCTION

As part of Public Act 96-0958, the Commission on Government Forecasting and Accountability (CGFA) has been directed to **“...develop a three-year budget forecast for the State, including opportunities and threats concerning anticipated revenues and expenditures, with an appropriate level of detail.”**

This report represents the Commission’s mandated three-year budget forecast. It begins with an examination of the State of Illinois’ General Funds revenues and expenditures over the last 20 years, and then considers threats and opportunities to Illinois’ budget. Finally, it concludes with potential three-year budget results based upon scenario analysis.

I. Illinois' Budget History

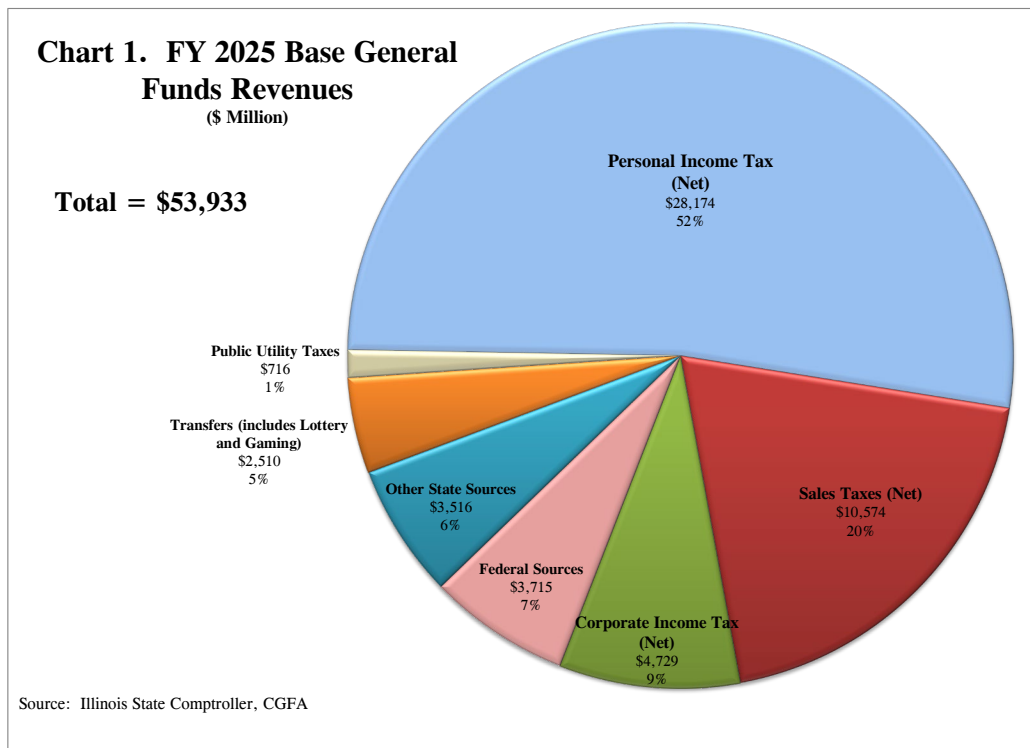
To begin analyzing Illinois' budget, an assessment of historical General Fund revenues and expenditures was conducted. The examined data was from the Illinois State Comptroller's annual report entitled "Traditional Budgetary Financial Report." The composition of base revenues and expenditures was evaluated. In addition, growth rates for both revenues and expenditures were calculated over various time periods. These assessments were then used to assist in the Commission's three-year budget forecast.

Revenues

Base General Funds revenue totaled \$53.9 billion in FY 2025, an increase of approximately \$2.2 billion (4.3%) from FY 2024. The State's largest revenue source remains the Net Personal Income Tax, which generated \$28.2 billion and accounted for 52% of total base revenues.

The next largest source was Net Sales Taxes, totaling \$10.6 billion, followed by Net Corporate Income Taxes at \$4.7 billion. Together, the two income taxes comprised roughly 61% of total base revenues, underscoring the State's continued reliance on income-based revenue sources.

Other revenue sources include Federal Sources (\$3.7 billion), Other State Sources (\$3.5 billion), and Transfers such as lottery and gaming revenues (\$2.5 billion). Public Utility Taxes accounted for \$716 million, representing a relatively small share of the State's overall revenue structure.



General Funds revenue growth in FY 2025 was largely driven by strong gains in the Personal Income Tax, while several other major revenue sources showed more modest performance. Personal Income Tax receipts increased significantly during the fiscal year, supported by steady employment and wage growth as well as a sizable reallocation of business-related income tax revenues through the Department of Revenue’s annual “true-up” process. In contrast, Corporate Income Tax receipts declined from FY 2024 levels, reflecting the impact of the same true-up adjustments that shifted revenues into the Personal Income Tax category. Sales Tax revenues also experienced relatively weak growth, increasing only slightly for the year and remaining below longer-term averages. Despite these mixed results among major revenue sources, gains in several smaller State-source categories helped support overall revenue performance, allowing FY 2025 General Funds revenues to reach a record annual total. As shown in Table 1, growth rates across the State’s major revenue sources vary considerably over time, with income-based taxes generally experiencing stronger long-term growth than other revenue categories.

Base General Funds revenues increased 4.3% in FY 2025, a pace that exceeds the State’s longer-term historical averages. Over the past two decades, base revenues have grown at an average annual rate of 4.1%, while the 10-year and 15-year averages stand at 4.8% and 5.2%, respectively. The five-year average growth rate of 7.4% remains elevated compared to historical norms, reflecting the unusually strong revenue growth that occurred in the years immediately following the COVID-19 pandemic.

To place the FY 2025 results in historical context, Table 1 summarizes growth rates for the State’s major revenue sources over several time horizons.

Growth patterns vary considerably across individual revenue sources. Personal Income Tax revenues have continued to show particularly strong long-term growth, increasing at an average annual rate of 7.5% over the past twenty years and 9.1% over the most recent five-year period. In contrast, Sales Tax revenues have grown more modestly, averaging 2.5% annually over the last twenty years. This slower growth likely reflects both the gradual shift of consumer spending toward services that are not broadly taxed under Illinois’ current sales tax structure and policy changes that have redirected portions of sales tax receipts away from the General Revenue funds in recent years.

<u>Revenue Sources</u>	<u>1-Year Growth</u>	<u>5-Year Average</u>	<u>10-Year Average</u>	<u>15-Year Average</u>	<u>20-Year Average</u>
State Taxes					
Personal Income Tax (Net)	10.0%	9.1%	7.2%	9.5%	7.5%
Sales Taxes (Net)	1.0%	5.2%	2.9%	3.6%	2.5%
Other State Sources	7.4%	7.9%	4.1%	4.0%	2.1%
Transfers (includes Lottery and Gaming)	-1.6%	6.2%	3.6%	6.2%	4.0%
Corporate Income Tax (Net)	-9.5%	22.2%	10.9%	12.8%	10.7%
Public Utility Taxes	3.0%	-2.8%	-3.3%	-2.6%	-1.8%
Total State Sources	5.0%	8.0%	5.0%	6.4%	4.8%
Federal Sources	-4.6%	2.2%	6.3%	0.9%	2.2%
Total, Base Revenues	4.3%	7.4%	4.8%	5.2%	4.1%

*Excludes short-term borrowing, interfund borrowing, and other one-time revenues
Illinois State Comptroller, CGFA

Corporate Income Tax receipts have historically exhibited the largest amount of volatility among the major revenue sources. While the category declined 9.5% in FY 2025, it still shows strong average growth over longer periods, including 10.7% over the past twenty years. These fluctuations are often influenced by economic cycles, changes in corporate profitability, and periodic adjustments such as the Department of Revenue's income tax "true-up" process.

Other revenue categories have generally grown at a slower and more stable pace. Other State Sources have increased by 2.1% annually over the past twenty years, while Transfers, which include lottery and gaming revenues, have grown at an average rate of 4.0%. Public Utility Taxes, however, continue to show a long-term decline, averaging -1.8% annual growth over the past twenty years. Much of this trend reflects structural changes in the telecommunications sector, particularly the long-term decline in landline telephone usage and the transition toward wireless and internet-based communication services that are not fully captured under the traditional tax structure.

Overall, Illinois' revenue structure continues to show stronger long-term growth in income-based taxes than in consumption-based sources, gradually increasing the State's reliance on income taxes as the primary driver of General Funds revenue growth.

Expenditures

According to the Office of the Comptroller’s Traditional Budgetary Financial Report, base General Funds expenditures totaled \$53.9 billion in FY 2025, an increase of \$2.175 billion (4.2%) over FY 2024. As illustrated in Chart 2, General Funds spending remains concentrated among a small number of program areas. The State Board of Education, Healthcare and Family Services, Human Services, and the Teachers’ Retirement System together account for roughly two-thirds of total base expenditures, highlighting the dominant role of education, healthcare, human services, and pension contributions in the State’s budget.

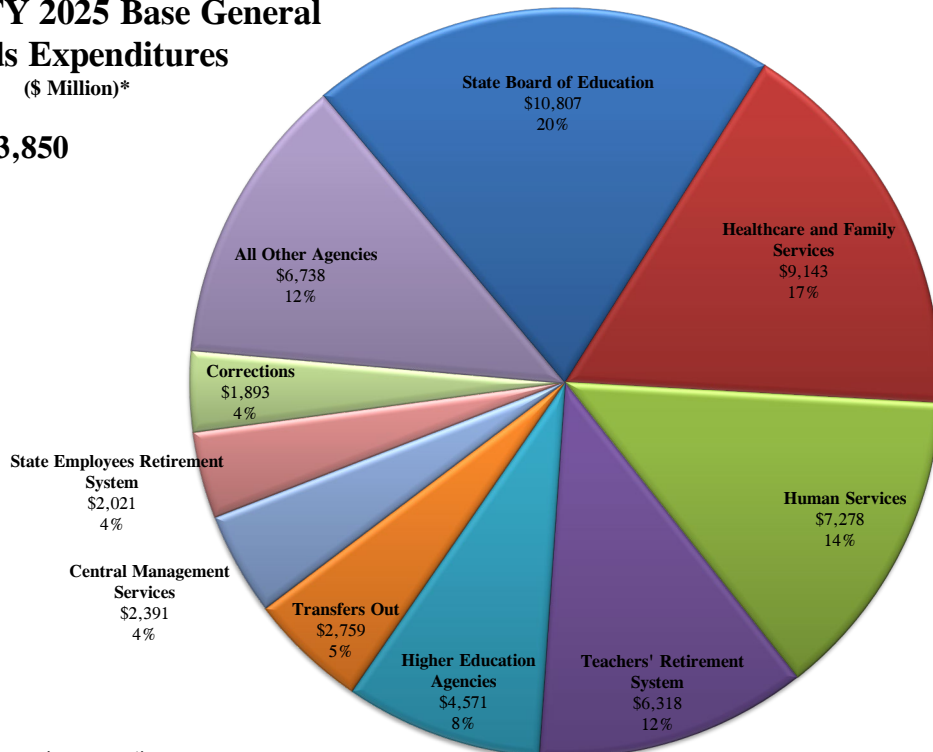
The largest spending category remained the State Board of Education, which totaled \$10.8 billion and accounted for approximately 20% of total base expenditures. Spending within this category increased by 4.4%, or roughly \$458 million, from FY 2024 levels, largely due to annual increases under the State’s Evidence-Based Funding formula for K-12 education.

Several other major agencies also experienced notable changes. Expenditures within the Department of Human Services rose to \$7.3 billion, an increase of \$731 million (11.2%) from FY 2024. The Teachers’ Retirement System increased by 3.4% to \$6.3 billion, while spending for Higher Education Agencies grew 3.1% to \$4.6 billion. In contrast, expenditures within the Department of Healthcare and Family Services, which administers the State’s Medicaid and related healthcare programs, declined by 8.2%, falling from approximately \$10.0 billion in FY 2024 to \$9.1 billion in FY 2025.

Chart 2. FY 2025 Base General Funds Expenditures

(\$ Million)*

Total = \$53,850



*Chart does not show prior year adjustments

Source: Illinois State Comptroller

For a longer-term perspective, Table 2 summarizes the growth of base General Funds expenditures over the past twenty years. During this period, expenditures have grown at an average annual rate of 3.9%. More recent growth has been somewhat faster, with a five-year average of 6.4%, a ten-year average of 4.5%, and a fifteen-year average of 4.3%.

Growth patterns vary across agencies. Most major spending categories have experienced average annual increases of roughly 3% to 6%, reflecting the gradual expansion of education, healthcare, and human service programs. However, certain agencies show unusually high long-term growth rates due to policy changes and atypical fiscal events. For example, the Teachers' Retirement System (TRS) shows elevated historical growth due to an 874% increase in FY 2012, when the State resumed funding TRS with General Funds after relying primarily on pension note revenue in FY 2010 and FY 2011. Similarly, Central Management Services (CMS) reflects unusually large growth rates due to the shift of State employee health insurance payments to CMS beginning in FY 2013 and accounting issues associated with the FY 2016–FY 2018 budget impasse.

Overall, General Funds spending is primarily driven by education, healthcare, human services, and pension contributions, which together account for the majority of State expenditures.

TABLE 2. GENERAL FUNDS BASE EXPENDITURES GROWTH RATES FY 2006 - FY 2025					
WARRANTS ISSUED	1-Year Growth	5-Year Average	10-Year Average	15-Year Average	20-Year Average
BY AGENCY					
State Board of Education	4.4%	4.0%	5.2%	2.8%	3.3%
Healthcare and Family Services	-8.2%	6.6%	4.1%	2.2%	4.2%
Teachers' Retirement System*	3.4%	5.1%	6.2%	60.1%	46.7%
Human Services	11.2%	12.9%	8.3%	4.5%	3.7%
Higher Education Agencies	3.1%	5.1%	5.9%	6.9%	5.3%
Central Management Services**	14.2%	5.6%	146.3%	n/a	n/a
State Employees Retirement System	13.9%	4.4%	6.1%	n/a	n/a
Corrections	3.0%	5.0%	6.8%	5.4%	4.0%
Aging	13.2%	10.6%	7.9%	7.9%	n/a
Children and Family Services	1.3%	11.1%	7.9%	3.8%	3.5%
All Other Agencies	5.7%	15.3%	9.2%	6.1%	5.7%
Total Warrants Issued (14 months)	3.5%	6.5%	5.5%	4.8%	4.5%
Transfers					
Transfers Out	20.2%	11.4%	0.5%	-1.2%	0.9%
Total, Base Expenditures	4.2%	6.4%	4.5%	4.3%	3.9%
* The 15-year and 20-year growth rates for the Teachers' Retirement System (TRS) expenditures are high due to FY 2012 growth of over 874%. This large increase was due to the return of using General Funds revenue to fund the Teachers' Retirement System after mostly using pension notes in FY 2010 and FY 2011.					
** The extremely high growth in Central Management Services (CMS) expenditures is related to a policy change under which employee health insurance costs were paid by CMS instead of by individual agencies starting in FY 2013 and issues connected to the budget impasse in FY 2016 - FY 2018.					
Illinois State Comptroller, CGFA					

II. Threats and Opportunities

The Threats and Opportunities section of this report highlights those issues that pose a threat or create a negative outlook, or on the contrary, provide or offer a positive opportunity, to Illinois' economic or financial condition. Illinois' financial condition has improved in recent years, although long-standing fiscal challenges continue to present areas of concern and uncertainty. As a result, several topics discussed in this section are recurring issues from prior reports, with updated information provided where applicable.

Threats

- **Recession** Illinois' fiscal condition has improved in recent years as the national and state economies recovered from the sharp downturn caused by the COVID-19 pandemic. However, the State's finances remain sensitive to broader economic conditions, and a recession would pose a significant threat to the fiscal outlook. Recent data suggest that Illinois' economy has already begun to lose momentum. A recent economic forecast prepared by Moody's Analytics for CGFA noted that payroll employment growth weakened in 2025 and has trailed both the Midwest and national averages, reflecting slower hiring and weaker labor market conditions¹.

Economic slowdowns typically reduce major State revenue sources, particularly personal income taxes and sales taxes, while increasing demand for State-funded services such as Medicaid and other social assistance programs. Illinois' reliance on income and consumption-based taxes for General Funds revenues means these combined effects can quickly place pressure on the State budget and reverse recent fiscal gains.

While many economic forecasters currently expect slower economic growth in the coming year, most are not predicting a full recession at this time. Nevertheless, economic uncertainty remains elevated. Changes in federal fiscal and trade policy, including the implementation of new tariffs on major trading partners, could affect business investment, consumer spending, and supply chains.

More recently, geopolitical developments such as the escalation of conflict in the Middle East have raised concerns about potential disruptions to global energy markets. Instability in major oil-producing regions can contribute to higher oil and natural gas prices, which may increase inflationary pressures and reduce consumer purchasing power.

Higher energy costs can also increase operating expenses for businesses and transportation providers, potentially slowing economic activity. If energy prices were to rise significantly or remain elevated for an extended period, these pressures could weigh on economic growth both nationally and within Illinois.

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¹ Moody's Analytics. *State of Illinois Economic Forecast*. 2026
<https://cgfa.ilga.gov/Upload/2026StofILEconomicForecast%20Moody's.pdf>

- **Slow Population Growth and Long-Term Economic Constraints** The economic forecast prepared by Moody’s Analytics for CGFA also indicates that Illinois’ long-term economic growth is likely to trail both the Midwest and national averages. According to Moody’s, slower population growth and continued out-migration have limited labor force expansion in the State, which in turn constrains employment and income growth over time.

The report notes that these demographic trends represent an important structural challenge for Illinois’ economy. A slower-growing labor force can make it more difficult for the State to sustain stronger job growth and broader economic expansion. In addition, longstanding fiscal pressures, including large pension obligations and other long-term liabilities, continue to weigh on the State’s long-term outlook. As Moody’s summarized in its forecast, Illinois is expected to remain “a step behind the Midwest average and a few steps behind the nation in job and income growth over the long term.”

- **Federal Policy and Funding Uncertainty** Changes in federal fiscal policy could pose risks to Illinois’ fiscal outlook. Federal funding supports a wide range of State programs, particularly healthcare, human services, education, and transportation. In recent years, federal funds have accounted for roughly one-third of the State’s total operating budget, with major programs such as Medicaid and various human services initiatives relying heavily on federal cost-sharing arrangements.

Illinois’ reliance on these federal funds means that changes in federal funding levels, program eligibility rules, or reimbursement formulas could have significant fiscal implications for the State. Reductions in federal aid or shifts in cost-sharing requirements could increase State expenditures or require additional State resources to maintain existing programs. In addition, broader federal policy changes affecting taxation, healthcare financing, or discretionary spending could indirectly influence Illinois’ economic outlook and revenue growth.

- **General Obligation Bond Ratings** Illinois has had one of the lowest credit ratings among the states for many years. Credit ratings influence the interest rate the State must pay to issue debt, meaning lower ratings can increase borrowing costs and lead to higher debt service expenditures. Beginning in 2009, Illinois experienced an extended period of credit rating downgrades from the major rating agencies as a result of persistent fiscal challenges and the State’s budget impasse.

Illinois’ G.O. bond ratings declined from the AA category to the single-A category in 2009 and fell into the BBB category in October 2015. By June 2017, the major rating agencies had lowered Illinois’ ratings to BBB by Fitch, BBB- by Standard and Poor’s (S&P), and Baa3 by Moody’s. Additional downgrades were threatened during the FY 2018 budget impasse before a budget was enacted in July 2017. Fitch later lowered the State’s rating to BBB- in April 2020 at the onset of the COVID-19 pandemic.

In recent years, improvements in the State’s fiscal condition have led to a series of credit rating upgrades. Since 2021, Fitch and S&P have each upgraded Illinois’ G.O. bond ratings three times, while Moody’s has upgraded the State four times. Key actions include Fitch’s two-level upgrade in May 2022 from BBB- to BBB+, upgrades by S&P and Moody’s in early 2023 that raised the State’s ratings to A- and A3, respectively, Fitch’s upgrade to A- in November 2023, and Moody’s upgrade of Illinois’ General Obligation and Build Illinois bonds to A2 from A3 in October 2025.

Despite these improvements, Illinois continues to have one of the lowest credit ratings among the states. A report from Moody’s Ratings in the fall of 2025 indicated that Illinois is one of the ten states with the highest net tax-supported debt. Of these 10 states, Illinois has the lowest ratings based on information from the websites of Moody’s, Standard & Poor’s, and Fitch.

- **Unfunded Pension Liabilities**. As in prior years, the State’s unfunded pension liabilities continue to pose a significant long-term challenge to Illinois’ fiscal outlook. As of June 30, 2025, the unfunded liabilities of the State retirement systems totaled approximately \$145 billion, based on the actuarial value of assets. The Teachers’ Retirement System (TRS) accounts for the largest share of this total, with an unfunded liability of approximately \$83 billion. The combined funded ratio of the State retirement systems improved modestly to 47.8% in FY 2025, up from 45.8% in FY 2024.

The 2025 Report of the State Actuary, issued in December of 2025, noted that “The Illinois Pension Code (for TRS, SURS, SERS, JRS, and GARS) establishes a method that does not adequately fund the systems. It requires the actuary to calculate the employer contribution as the level percentage of projected payroll that would accumulate assets equal to 90 percent of the actuarial accrued liability in the year 2045 if all assumptions are met. This methodology does not conform to generally accepted actuarial principles and practices. Generally accepted actuarial funding methods target the accumulation of assets equal to 100 percent of the actuarial liability, not 90 percent.²”

Under this statutory funding structure, pension contributions are expected to remain a significant portion of State expenditures for many years, which may limit fiscal flexibility and place pressure on the State budget during periods of slower revenue growth.

² State of Illinois Office of the Auditor General. *State Actuary’s Report of the Actuarial Assumptions and Valuations of the State-Funded Retirement Systems*. 2025. <https://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/State-Actuary-Reports/2025-State-Actuary-Rpt-Full.pdf>

Opportunities

This section highlights some ideas for changes that have been introduced or discussed in recent years. **The Commission is not advocating for or against the implementation of these ideas.**

- **Align Expenditures with Revenues** A fundamental problem causing the financial instability within the State of Illinois over the past few decades is a long-term trend of having expenditures being higher than revenues. This dynamic has led to most of the problems with the State's financial condition in past years. The misalignment of revenues to expenditures can be directly linked to bill backlogs, high interest penalty payments, low bond ratings, and unfunded pension liabilities.

An opportunity exists to improve the State's financial situation by continuing to align the revenues and expenditures of the State. This can be done by raising revenues, cutting spending, or some combination of both. Since the passage of the income tax increase in 2017, the gap between revenues and expenditures has closed but work still remains to be done to have a budgetary system that is more stable in the long-term. The State's financial picture has continued to improve with the recent uptick in revenues. Continued fiscal discipline should help stabilize the State's finances but it remains to be seen how well revenues and expenditures will remain aligned during an economic downturn.

- **Reducing Rates for Timely and Prompt Payment Interest** The State is required to pay interest on certain past due bills under the Timely and Prompt Payment Acts. Depending on the type of bill, these interest penalties accrue at annual rates of either 9% or 12%. Reducing these statutory interest rates could lower the amount of interest penalties paid by the State if bill backlogs occur.

According to the Office of the Comptroller, the State paid approximately \$43 million in late payment interest penalties in FY 2025. As of January 31, 2026, the aggregate of outstanding accrued and pending late payment interest penalties at agencies and the Comptroller's office totaled approximately \$19 million, including more than \$2 million in estimated penalties on vouchers still held by agencies. Approximately \$16 million of this amount is associated with the Technology Management Revolving Fund rather than the General Fund.

Although these payments remain relatively low compared to prior years when the State faced a large bill backlog, they could increase again during periods of fiscal stress. For every \$1 billion in unpaid bills, Illinois pays between \$90 million and \$120 million in interest annually depending on the applicable penalty rate. If the late payment interest rate were reduced to 7.5%, the annual interest cost on \$1 billion in late bills would decline to approximately \$75 million, representing potential savings of \$15 million to \$45 million per year per \$1 billion in late bills.

- **Expand Sales Tax Base** In recent decades, the service sector has become a larger portion of the national economy, as well as the Illinois economy. Based on data from the Bureau of Economic Analysis, private services-providing industries accounted for almost 74% of Illinois' contribution to the Gross Domestic Product (GDP) in recent years.

Currently, Illinois does not tax many kinds of services. This affords the State an opportunity to modernize, broaden, and diversify its tax base. The Illinois sales tax was originally developed in the 1930s when the economy was much more reliant on goods production. By taxing services, the tax system would modernize to reflect the economy of 2026 more accurately.

Expanding the sales tax base to include more services could provide a source of additional revenue for the State. This approach could also help offset a portion of the sales tax on goods, potentially allowing for an overall reduction in the tax rate. A notable example of such an expansion was the passage of P.A. 103-0592, which, effective January 1, 2025, began taxing the leasing or rental of tangible personal property in Illinois.

For more information on this topic, please see the Commission's 2017 service tax report update at: <http://cgfa.ilga.gov/Upload/ServiceTaxes2017update.pdf>.³

- **Strengthen Long-Term Pension Funding** Reducing the State's long-term pension liabilities represents another potential opportunity to improve Illinois' fiscal outlook. Although the funded ratio of the State retirement systems has improved modestly in recent years, the systems remain significantly underfunded compared to national averages. As of June 30, 2025, the State retirement systems had approximately \$145 billion in unfunded pension liabilities based on the actuarial value of assets.

Under current law, State pension contributions are determined by the statutory funding plan established in 1995. The funding schedule was designed to bring the retirement systems to 90 percent funded by 2045 through gradually increasing State contributions over time. This structure resulted in relatively lower contributions during the early years of the schedule and substantially higher contributions in later years.

Continued efforts to improve the long-term funding trajectory of the retirement systems could reduce unfunded liabilities and strengthen the State's fiscal outlook over time. Rating agencies have repeatedly cited pension liabilities as one of the primary factors constraining Illinois' credit ratings. In recent years, the current Governor has proposed modifying the State's statutory pension funding schedule by extending the target date and increasing the funding goal from 90 percent funded in 2045 to full funding at a later date. The proposal has also included structural changes such as redirecting certain

³ Commission on Government Forecasting and Accountability. *Service Taxes 2017 Update*. 2017. <http://cgfa.ilga.gov/Upload/ServiceTaxes2017update.pdf>

bond debt service payments to pension contributions and implementing a layered amortization approach, which the State Actuary has previously identified as a more stable funding method.

- **Maximize Illinois' Economic Advantages** The economic forecast prepared by Moody's Analytics for the Commission on Government Forecasting and Accountability highlights several structural advantages that support Illinois' long-term economic potential. These advantages include a large and diverse economy, a highly skilled workforce, globally recognized universities and research institutions, and Chicago's role as one of the nation's largest transportation and logistics hubs. The report notes that these strengths provide a foundation for future growth even as Illinois faces challenges related to slower population growth and long-term fiscal pressures.

Opportunities exist to build on these economic advantages by encouraging business investment and job creation. In recent years, the State has implemented several initiatives intended to attract large development projects. One example is the Large Business Attraction Fund, which received a \$400 million appropriation in January 2023 under P.A. 102-1115 and is designed to support major business investment in Illinois.

Early indicators suggest that these types of economic development incentives may be contributing to increased investment activity. In January 2025, the Governor's Office and the Department of Commerce and Economic Opportunity reported that total company investments associated with key State incentive programs more than doubled from \$6.3 billion in 2023 to a record \$12.5 billion in 2024. Additional announcements in 2025 also highlighted several large investment projects associated with the State's economic development strategy, including major investments in advanced manufacturing, life sciences, and quantum computing technologies.

III. Three-Year Budget Scenarios

The following section highlights the Commission’s use of scenario analysis to display various budgetary results based on different spending assumptions. The section begins with a discussion of the Commission’s three-year forecast for General Funds revenue. This is followed by an explanation of the Commission’s methodology related to spending scenarios that the forecasted revenues are paired with. The section concludes with a presentation of the results from the scenario analysis.

Revenue Forecasts

Tables 3 and 4 present the Commission’s three-year estimate for General Funds revenues. These forecasts are based on the Commission’s March 2026 estimates, released on March 5, 2026. The Commission projects that FY 2027 General Funds revenues will total approximately \$55.5 billion, reflecting a modest decline from the revised FY 2026 estimate. Over the remainder of the forecast period, revenues are expected to resume moderate growth, reaching approximately \$58.3 billion by FY 2029.

The Commission’s outlook reflects current law and assumes continued, but moderating, economic growth over the forecast horizon. While underlying growth in personal income and consumer spending is expected to support revenue collections, several factors will limit near-term revenue expansion. These include smaller income tax “true-up” reallocations, declining interest earnings as interest rates moderate, and the normalization of unusually strong revenue sources observed in recent fiscal years.

FY 2026 Revenue Forecast

The Commission’s revised FY 2026 General Funds estimate is \$55.983 billion, representing an increase of \$1.985 billion (3.7%) over FY 2025. The revised estimate is approximately \$686 million above the FY 2026 enacted budget assumption, reflecting stronger-than-expected year-to-date performance in several revenue categories.

Growth in FY 2026 revenues is largely driven by higher Personal Income Tax receipts and stronger performance in several smaller revenue sources, including Estate Taxes, Insurance

	FY 2025	CGFA Revised FY 2026	CGFA FY 2027	CGFA FY 2028	CGFA FY 2029
Revenue Sources	Actuals	Estimate Mar-25	Estimate Mar-25	Estimate Mar-25	Estimate Mar-25
Personal Income Taxes [Net]	\$28,174	\$29,081	\$28,959	\$30,122	\$30,925
Corporate Income Taxes [Net]	\$4,729	\$4,401	\$4,432	\$4,397	\$4,529
Sales Tax [Net]	\$10,574	\$10,795	\$10,942	\$11,259	\$11,574
All Other State Sources	\$4,232	\$4,511	\$4,237	\$4,203	\$4,203
Transfers In	\$2,510	\$3,177	\$2,884	\$2,858	\$2,869
Federal Sources (One-Time and Base)	\$3,780	\$4,018	\$4,071	\$4,150	\$4,225
Total General Funds Revenues	\$53,998	\$55,983	\$55,525	\$56,989	\$58,325

Note: Net income tax reflects gross receipts less transfers to the Refund Fund and the Local Government Distributive Fund. Net sales tax reflects gross receipts less statutory sales tax distributions (Road Fund, PTF, and DPTF).

SOURCE: Office of the Comptroller, CGFA: Some totals may not equal, due to rounding

Taxes and Fees, and Interest on State Funds and Investments. Transfers into the General Funds are also higher than expected, primarily due to a \$700 million transfer from the Income Tax Refund Fund. These gains are partially offset by weaker Corporate Income Tax receipts following recent federal tax changes that reduce taxable income for many businesses.

FY 2027 Revenue Forecast

FY 2027 General Funds revenues are estimated to total \$55.525 billion, representing a decline of \$458 million (-0.8%) from the revised FY 2026 estimate. The decline primarily reflects smaller Personal Income Tax “true-up” reallocations and the normalization of the unusually large Income Tax Refund Fund transfer recorded in FY 2026. Estate Tax receipts and Interest on State Funds and Investments are also expected to decline from elevated FY 2026 levels. These reductions are partially offset by modest growth in Sales Tax and Corporate Income Tax receipts.

FY 2028 Revenue Forecast

General Funds revenues are projected to increase to \$56.989 billion in FY 2028, a gain of \$1.464 billion (2.6%) from FY 2027. Most of the increase reflects a rebound in the State’s largest revenue source. Net Personal Income Tax revenues are projected to grow by about \$1.2 billion, rising from roughly \$29.0 billion to \$30.1 billion. Net Sales Tax revenues are also expected to increase by approximately \$317 million, reaching about \$11.3 billion. Offsetting a portion of this growth is a small decline of roughly \$35 million in net Corporate Income Tax revenues, along with continued weakness in several smaller revenue sources such as Interest on State Funds and Investments, Corporate Franchise Taxes and Fees, and Cigarette Taxes.

FY 2029 Revenue Forecast

In FY 2029, General Funds revenues are projected to reach \$58.325 billion, representing an increase of \$1.336 billion (2.3%) from the prior year. The growth is spread across several major revenue sources. Net Personal Income Tax revenues are expected to rise by roughly \$800 million, bringing the total to about \$30.9 billion, while net Sales Tax revenues are forecast to grow by about \$315 million to approximately \$11.6 billion. Net Corporate Income Tax revenues are also expected to improve modestly, increasing by roughly \$130 million. These gains are tempered somewhat by continued declines in certain smaller revenue sources, particularly Interest on State Funds and Investments and Cigarette Taxes, which continue to trend downward over the forecast period.

TABLE 4. DETAILED CGFA REVENUE ESTIMATES FY 2026 - FY 2029

(\$ millions)

	FY 2025	CGFA Revised	CGFA	CGFA	CGFA
	Actuals	FY 2026	FY 2027	FY 2028	FY 2029
Revenue Sources		Estimate Mar-25	Estimate Mar-25	Estimate Mar-25	Estimate Mar-25
State Taxes					
Personal Income Tax	\$33,154	\$34,225	\$34,080	\$35,450	\$36,394
Corporate Income Tax (regular)	\$5,904	\$5,494	\$5,533	\$5,488	\$5,653
Sales Taxes	\$11,794	\$12,263	\$12,617	\$12,983	\$13,346
Public Utility (regular)	\$716	\$700	\$695	\$690	\$685
Cigarette Tax	\$191	\$175	\$165	\$154	\$143
Liquor Gallonage Taxes	\$173	\$167	\$165	\$163	\$162
Estate Tax	\$603	\$830	\$685	\$700	\$715
Insurance Taxes & Fees	\$574	\$659	\$675	\$685	\$695
Corporate Franchise Tax & Fees	\$197	\$202	\$170	\$168	\$166
Interest on State Funds & Investments	\$741	\$730	\$600	\$580	\$570
Cook County Intergovernmental Transfer	\$244	\$244	\$244	\$244	\$244
Other Sources	<u>\$793</u>	<u>\$804</u>	<u>\$838</u>	<u>\$819</u>	<u>\$823</u>
Total State Taxes	\$55,084	\$56,493	\$56,467	\$58,124	\$59,596
Transfers In					
Lottery	\$777	\$823	\$827	\$831	\$835
Gaming	\$186	\$262	\$283	\$313	\$308
Sports Wagering	\$203	\$390	\$400	\$410	\$420
Cannabis	\$113	\$108	\$107	\$106	\$105
Refund Fund	\$253	\$700	\$350	\$350	\$350
Other	<u>\$978</u>	<u>\$894</u>	<u>\$917</u>	<u>\$848</u>	<u>\$851</u>
Total Transfers In	\$2,510	\$3,177	\$2,884	\$2,858	\$2,869
Total State Sources	\$57,594	\$59,670	\$59,351	\$60,982	\$62,465
Federal Sources [Base]	\$3,715	\$4,016	\$4,071	\$4,150	\$4,225
Total Federal & State Sources	\$61,309	\$63,686	\$63,422	\$65,132	\$66,690
Nongeneral Funds Distribution:					
Refund Fund*					
Personal Income Tax	(\$3,031)	(\$3,132)	(\$3,118)	(\$3,244)	(\$3,330)
Corporate Income Tax	(\$827)	(\$769)	(\$775)	(\$768)	(\$791)
Local Government Distributive Fund					
Personal Income Tax	(\$1,949)	(\$2,012)	(\$2,003)	(\$2,084)	(\$2,139)
Corporate Income Tax	(\$348)	(\$324)	(\$326)	(\$323)	(\$333)
Sales Tax Distributions					
Sales Tax Deposits into Road Fund	(\$698)	(\$647)	\$0	\$0	\$0
Sales Tax Distribution to the PTF and DPTF	(\$522)	(\$821)	(\$1,675)	(\$1,724)	(\$1,772)
General Funds Subtotal [Base]	\$53,933	\$55,981	\$55,525	\$56,989	\$58,325
Change from Prior Year	\$2,225	\$2,048	(\$456)	\$1,464	\$1,336
Percent Change	4.3%	3.8%	-0.8%	2.6%	2.3%
ARPA Reimb. for Essential Gov't Services	\$65	\$0	\$0	\$0	\$0
Transfers to Repay Payroll Borrowing	\$0	\$2	\$0	\$0	\$0
Total General Funds Revenues	\$53,998	\$55,983	\$55,525	\$56,989	\$58,325
Change from Prior Year	\$1,409	\$1,985	(\$458)	\$1,464	\$1,336
Percent Change	2.7%	3.7%	-0.8%	2.6%	2.3%

* The FY 2026-2029 estimates were based on statutory refund percentages of 9.15% for PIT and 14.0% for CIT.

SOURCE: Office of the Comptroller, CGFA: Some totals may not equal, due to rounding

Budget Scenario Analysis

The Commission used these revenue estimates to illustrate several potential budget outcomes under different spending assumptions. Spending levels will ultimately depend on priorities determined during the budget negotiation process. Three scenarios were therefore modeled using alternative expenditure growth rates applied to the Commission's revenue projections. These scenarios are presented in Table 5 on Page 17. **The Commission does not advocate for or against any of the revenue or spending levels reflected in these scenarios.**

Table 5 outlines the methodology used in the analysis. The scenarios begin with the Commission's revenue estimates for FY 2026 through FY 2029, which are based on current law and exclude the \$728 million in net revenue adjustments proposed by the Governor in the FY 2027 Budget Book. The spending base is derived from the Governor's FY 2026 Budget Book expenditure projections and does not include any potential supplemental appropriations. Alternative spending growth rates based on historical trends are applied to this base over the following three fiscal years to estimate the resulting impact on accounts payable, commonly referred to as bills on hand.

The three scenarios illustrate how different spending growth assumptions would affect the State's accounts payable position over the forecast period. The first scenario estimates the level of spending that would maintain accounts payable at the same level observed at the end of FY 2025. The second scenario assumes spending that would result in accounts payable totaling approximately \$3 billion at the end of the three-year forecast period. [Note: An accounts payable level near \$3 billion is generally consistent with conditions in which the State is paying its bills within approximately thirty days.] As of the end of January 2026, estimated accounts payable totaled about \$1.6 billion and the oldest General Revenue Fund voucher pending at the Office of the Comptroller was 14 business days. The third scenario applies the State's twenty-year historical expenditure growth rate of 3.9 percent. No debt restructuring is assumed in any of the scenarios.

Each scenario assumes accounts payable of \$1.386 billion at the end of FY 2025, as reported by the Office of the Comptroller in the fourth quarter FY 2025 Comptroller's Quarterly. Applying the Commission's FY 2026 revenue estimate of \$55.981 billion and the Governor's FY 2026 spending estimate of \$55.153 billion results in a projected FY 2026 surplus of \$828 million. Under these assumptions, accounts payable would decline to approximately \$558 million at the end of FY 2026, which serves as the starting point for the three spending scenarios for the remaining years of the forecast period.

Scenario Analysis Results

Table 5 presents projected revenues, spending levels, operating surpluses or deficits, and cumulative accounts payable for each of the three budget scenarios. **These scenarios are not the Commission's projections of future fiscal outcomes.** Instead, they are simply used to illustrate how different spending growth assumptions could affect the State's financial position when paired with the Commission's revenue estimates.

Scenario 1. Maintain Accounts Payable at FY 2025 Level

Revenue: CGFA
Spending Base: GOMB FY 2026
Spending Growth: 1.9% in FY 2027 to FY 2029

The first scenario estimates the average spending growth required to maintain accounts payable at the FY 2025 level of approximately \$1.386 billion by the end of FY 2029. Achieving this outcome would require average annual spending growth of roughly 1.9 percent over the forecast period. Under this scenario, the State would experience modest operating deficits of \$650 million in FY 2027 and \$227 million in FY 2028, followed by a small surplus of \$49 million in FY 2029. These deficits would cause the backlog of bills to increase from \$558 million at the end of FY 2026 to \$1.435 billion by the end of FY 2028, before declining slightly to approximately \$1.386 billion in FY 2029 as the surplus reduces the outstanding balance. By the end of the forecast period, revenues are projected to total \$58.325 billion while spending under this scenario would reach approximately \$58.276 billion.

Scenario 2. Maintain Accounts Payable at \$3 billion

Revenue: CGFA
Spending Base: GOMB FY 2026
Spending Growth: 2.3% in FY 2027 to FY 2029

The second scenario illustrates the spending growth that allows for accounts payable to rise to approximately \$3.0 billion by the end of FY 2029, a level that is often associated with the State paying its bills within roughly thirty days. Under this scenario, the State would run operating deficits in each of the out years, totaling \$912 million in FY 2027, \$761 million in FY 2028, and \$769 million in FY 2029. These deficits would gradually increase the backlog of bills from \$558 million at the end of FY 2026 to approximately \$3.0 billion by the end of FY 2029. This scenario therefore illustrates the level of spending growth that could occur while allowing accounts payable to rise to a level consistent with a routine payment cycle, although moderate deficits would occur in each year of the forecast period under these assumptions.

Scenario 3. Twenty-Year Average Spending Growth

Revenue: CGFA
 Spending Base: GOMB FY 2026
 Spending Growth: 3.9% in FY 2027 to FY 2029

The final scenario applies the historical twenty-year average spending growth rate of approximately 3.9 percent, under which spending grows substantially faster than projected revenues throughout the forecast period. In this scenario, the operating deficit reaches about \$1.8 billion in FY 2027, increases to \$2.6 billion in FY 2028, and rises further to roughly \$3.5 billion in FY 2029. As a result, the backlog of unpaid bills expands significantly, growing from \$558 million at the end of FY 2026 to approximately \$8.4 billion by the end of FY 2029. Spending under this scenario would increase to about \$61.9 billion by FY 2029 while revenues are projected to total \$58.325 billion. These results illustrate how sustained spending growth at historical average rates could produce large structural deficits if revenue growth remains comparatively modest, although in practice spending decisions would likely be constrained if revenues were to only grow near the levels currently projected.

TABLE 5. THREE-YEAR BUDGET SCENARIOS				
(\$ million)				
Scenario 1: Maintain Accounts Payable at FY 2025 Level [+1.9% growth]				
	Revenues	Spending	General Funds Surplus/Deficit	End of Fiscal Year Accounts Payable (Backlog of Bills)
FY 2026	\$55,981	\$55,153	\$828	(\$558)
FY 2027	\$55,525	\$56,175	(\$650)	(\$1,208)
FY 2028	\$56,989	\$57,216	(\$227)	(\$1,435)
FY 2029	\$58,325	\$58,276	\$49	(\$1,386)
Scenario 2: Maintain Accounts Payable at \$3 Billion [+2.3% growth]				
	Revenues	Spending	General Funds Surplus/Deficit	End of Fiscal Year Accounts Payable (Backlog of Bills)
FY 2026	\$55,981	\$55,153	\$828	(\$558)
FY 2027	\$55,525	\$56,437	(\$912)	(\$1,470)
FY 2028	\$56,989	\$57,750	(\$761)	(\$2,231)
FY 2029	\$58,325	\$59,094	(\$769)	(\$3,000)
Scenario 3: 20-Year Average Growth in Spending [+3.9% growth]				
	Revenues	Spending	General Funds Surplus/Deficit	End of Fiscal Year Accounts Payable (Backlog of Bills)
FY 2026	\$55,981	\$55,153	\$828	(\$558)
FY 2027	\$55,525	\$57,304	(\$1,779)	(\$2,337)
FY 2028	\$56,989	\$59,539	(\$2,550)	(\$4,887)
FY 2029	\$58,325	\$61,861	(\$3,536)	(\$8,423)
All scenarios use CGFA revenue estimates, the Governor's FY 2027 State Budget Proposal for FY 2026 spending, and an estimated accounts payable of \$1.386 billion at the end of FY 2025.				
Governor's Office of Management and Budget, Illinois State Comptroller, CGFA				

Conclusion

The State of Illinois' financial condition has improved in recent years after many years of fiscal challenges associated with long-term structural budget imbalances and the FY 2016–FY 2017 budget impasse. The State has reduced its backlog of bills, strengthened budget reserves, and improved overall financial operations. These improvements have contributed to several credit rating upgrades and have allowed the State to pay its bills more promptly than in prior years.

Despite this progress, Illinois continues to face several long-term fiscal challenges. Unfunded pension liabilities remain significant, and required pension contributions represent a large share of State expenditures. In addition, slower population growth and continued out-migration may limit the State's long-term economic and revenue growth.

The revenue outlook presented in this report suggests that General Funds revenues will grow modestly over the next several fiscal years following a projected decline in FY 2027. The scenario analysis demonstrates that the State's fiscal position remains sensitive to spending growth. Moderate spending increases could allow the State to maintain a manageable accounts payable level, while higher spending growth could lead to renewed deficits and an expanding backlog of bills.

Illinois has made meaningful progress in stabilizing its finances, but the State's fiscal outlook remains subject to economic conditions and policy decisions. The scenario analysis presented in this report illustrates how future budget outcomes will depend largely on the relationship between revenue growth and spending decisions. Continued fiscal discipline will be important to maintain the progress achieved in recent years.

APPENDIX A. DETAILED GENERAL FUNDS REVENUE HISTORY FY 2016 - FY 2025

(\$ millions)

Revenue Sources	Actual Receipts FY 2016	Actual Receipts FY 2017	Actual Receipts FY 2018	Actual Receipts FY 2019	Actual Receipts FY 2020	Actual Receipts FY 2021	Actual Receipts FY 2022	Actual Receipts FY 2023	Actual Receipts FY 2024	Actual Receipts FY 2025
State Taxes										
Personal Income Tax	\$15,299	\$15,385	\$20,784	\$22,604	\$21,657	\$26,350	\$29,137	\$27,889	\$30,134	\$33,154
Corporate Income Tax (regular)	2,334	1,610	2,607	3,026	2,596	4,450	6,831	7,318	6,525	5,904
Sales Taxes	8,063	8,043	8,256	8,897	8,691	9,799	10,984	11,589	11,710	11,794
Public Utility Taxes (regular)	926	884	896	863	831	752	750	751	695	716
Cigarette Tax	353	353	344	361	267	281	254	235	204	191
Liquor Gallonage Taxes	170	171	172	172	177	177	183	181	179	173
Estate Tax	306	261	358	388	283	450	603	503	627	603
Insurance Taxes and Fees	398	391	432	396	361	480	455	492	486	574
Corporate Franchise Tax & Fees	207	207	207	247	210	322	216	225	202	197
Interest on State Funds & Investments	24	36	79	145	137	57	30	407	654	741
Cook County Intergovernmental Trans	244	244	244	244	244	244	244	244	244	244
Other Sources	574	725	679	710	761	339	443	590	677	793
Total State Taxes	\$28,898	\$28,310	\$35,058	\$38,053	\$36,215	\$43,701	\$50,130	\$50,424	\$52,337	\$55,084
Transfers In										
Lottery	677	720	719	731	630	777	820	726	877	777
Gaming	277	270	272	269	195	0	140	157	158	186
Sports Wagering	0	0	0	0	0	0	0	0	0	203
Cannabis	0	0	0	0	18	71	115	111	114	113
Refund Fund	77	4	1	327	617	282	282	1,481	555	253
Other	550	548	1,185	708	971	420	735	773	846	978
Total Transfers In	\$1,581	\$1,542	\$2,177	\$2,035	\$2,431	\$1,550	\$2,092	\$3,248	\$2,550	\$2,510
Total State Sources	\$30,479	\$29,852	\$37,235	\$40,088	\$38,646	\$45,251	\$52,222	\$53,672	\$54,887	\$57,594
Federal Sources	\$2,665	\$2,483	\$5,238	\$3,600	\$3,551	\$4,744	\$4,584	\$3,802	\$3,893	\$3,715
Total Federal & State Sources	\$33,144	\$32,335	\$42,473	\$43,688	\$42,197	\$49,995	\$56,806	\$57,474	\$58,780	\$61,309
Nongeneral Funds Distribution:										
Refund Fund										
Personal Income Tax	(\$1,493)	(\$1,724)	(\$2,037)	(\$2,193)	(\$2,058)	(\$2,372)	(\$2,696)	(\$2,580)	(\$2,758)	(\$3,031)
Corporate Income Tax	(362)	(278)	(457)	(470)	(370)	(625)	(1,026)	(1,062)	(914)	(827)
Direct Deposits										
Fund for Advancement of Education	(458)	(464)	0	0	0	0	0	0	0	0
Commitment to Human Services Fund	(458)	(464)	0	0	0	0	0	0	0	0
Local Government Distributive Fund										
Personal Income Tax	0	0	(1,022)	(1,175)	(1,128)	(1,453)	(1,602)	(1,559)	(1,771)	(1,949)
Corporate Income Tax	0	0	(133)	(167)	(145)	(262)	(398)	(429)	(384)	(348)
Sales Tax Distributions										
Deposits into Road Fund	0	0	0	0	0	0	(132)	(484)	(570)	(698)
Distribution to the PIF and DPTF	0	0	(446)	(488)	(436)	(431)	(618)	(654)	(675)	(522)
General Funds Subtotal [Base]	\$30,373	\$29,405	\$38,378	\$39,195	\$38,060	\$44,852	\$50,334	\$50,707	\$51,708	\$53,933
Change from Prior Year	(\$5,515)	(\$968)	\$8,973	\$817	(\$1,135)	\$6,792	\$5,482	\$373	\$1,001	\$2,225
Percent Change	-15.4%	-3.2%	30.5%	2.1%	-2.9%	17.8%	12.2%	0.7%	2.0%	4.3%
Transfer of Excess PA 102-700 Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$248	\$0
Prior Year Federal Matching Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633	\$0
SLFRF Allocation Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,363	\$0	\$0
ARPA Reimb. for Essential Gov't Ser	\$0	\$0	\$0	\$0	\$0	\$0	\$736	\$1,064	\$0	\$65
Short-Term Borrowing/MLF	\$0	\$0	\$0	\$0	\$1,198	\$1,998	\$0	\$0	\$0	\$0
Treasurer's Investments	\$0	\$0	\$0	\$750	\$400	\$400	\$0	\$0	\$0	\$0
Interfund Borrowing	\$0	\$0	\$533	\$250	\$462	\$0	\$0	\$0	\$0	\$0
Income Tax Bond Fund Transfer	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total General Funds	\$30,498	\$29,405	\$41,451	\$40,195	\$40,120	\$47,250	\$51,070	\$53,134	\$52,589	\$53,998
Change from Prior Year	(\$6,119)	(\$1,093)	\$12,046	(\$1,256)	(\$75)	\$7,130	\$3,820	\$2,064	(\$545)	\$1,409
Percent Change	-16.7%	-3.6%	41.0%	-3.0%	-0.2%	17.8%	8.1%	4.0%	-1.0%	2.7%

Source: ILLINOIS STATE COMPTROLLER, CGFA

APPENDIX B. GENERAL FUNDS EXPENDITURES HISTORY BY AGENCY FY 2016 - FY 2025

(\$ million)

WARRANTS ISSUED	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
BY AGENCY										
State Board of Education	\$6,507	\$7,211	\$8,201	\$8,376	\$8,886	\$8,873	\$9,274	\$9,756	\$10,349	\$10,807
Healthcare and Family Services	\$6,090	\$5,972	\$7,601	\$7,633	\$6,743	\$7,548	\$7,810	\$8,476	\$9,959	\$9,143
Human Services	\$3,153	\$3,283	\$3,640	\$3,740	\$4,001	\$4,228	\$4,456	\$5,407	\$6,547	\$7,278
Teachers' Retirement System	\$3,851	\$4,096	\$4,210	\$4,592	\$4,946	\$5,278	\$5,838	\$6,001	\$6,109	\$6,318
Higher Education Agencies	\$2,039	\$3,359	\$3,141	\$3,226	\$3,578	\$3,747	\$4,174	\$4,169	\$4,432	\$4,571
Central Management Services	\$28	\$182	\$1,960	\$2,101	\$2,082	\$2,078	\$2,852	\$1,906	\$2,094	\$2,391
State Employees Retirement System	\$1,367	\$1,309	\$1,319	\$1,395	\$1,638	\$1,705	\$1,721	\$1,698	\$1,775	\$2,021
Corrections	\$888	\$1,076	\$1,890	\$1,519	\$1,490	\$1,502	\$1,523	\$1,725	\$1,837	\$1,893
Aging	\$646	\$590	\$893	\$919	\$984	\$1,055	\$1,132	\$1,289	\$1,437	\$1,627
Children and Family Services	\$619	\$684	\$746	\$780	\$839	\$999	\$1,122	\$1,289	\$1,393	\$1,411
All Other Agencies	\$1,574	\$1,662	\$1,808	\$2,106	\$2,193	\$2,364	\$3,012	\$4,980	\$3,500	\$3,700
Prior Year Adjustments	<u>-\$12</u>	<u>-\$3</u>	<u>-\$28</u>	<u>-\$26</u>	<u>-\$17</u>	<u>-\$50</u>	<u>-\$38</u>	<u>-\$55</u>	<u>-\$52</u>	<u>-\$69</u>
Total Warrants Issued	\$26,750	\$29,421	\$35,381	\$36,361	\$37,363	\$39,327	\$42,876	\$46,641	\$49,380	\$51,091
Transfers										
Transfers Out	\$4,576	\$4,636	\$3,610	\$3,906	\$2,596	\$5,200	\$5,417	\$4,196	\$2,295	\$2,759
Total Expenditures	\$31,326	\$34,057	\$38,991	\$40,267	\$39,959	\$44,527	\$48,293	\$50,837	\$51,675	\$53,850
Change from Prior Year	(\$4,295)	\$2,731	\$4,934	\$1,276	(\$308)	\$4,568	\$3,766	\$2,544	\$838	\$2,175
Percent Change	-12.1%	8.7%	14.5%	3.3%	-0.8%	11.4%	8.5%	5.3%	1.6%	4.2%
Repayment of Short-Term Borrowing	\$0	\$0	\$0	\$0	\$0	\$1,209	\$0	\$0	\$0	\$0
Repayment of Interfund Borrowing	\$0	\$15	\$128	\$10	\$280	\$127	\$710	\$0	\$0	\$0
Budget Stabilization Fund Transfers	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasurer's Investments	\$0	\$0	\$0	\$700	\$0	\$800	\$0	\$0	\$0	\$0
Treasurer's Investments - Contingency Fund Exchange	\$0	\$0	\$0	\$50	\$0	\$0	\$0	\$0	\$0	\$0
Total, Base Expenditures	\$31,201	\$34,042	\$38,863	\$39,507	\$39,679	\$42,391	\$47,583	\$50,837	\$51,675	\$53,850
Change from Prior Year	(\$4,145)	\$2,841	\$4,821	\$644	\$172	\$2,712	\$5,192	\$3,254	\$838	\$2,175
Percent Change	-11.7%	9.1%	14.2%	1.7%	0.4%	6.8%	12.2%	6.8%	1.6%	4.2%

Source: ILLINOIS STATE COMPTROLLER, CGFA

COMMISSION OVERVIEW

The Commission on Government Forecasting & Accountability is a bipartisan legislative support service agency responsible for advising the Illinois General Assembly on economic and fiscal policy issues and for providing objective policy research for legislators and legislative staff. The Commission's board is comprised of twelve legislators—split evenly between the House and Senate and between Democrats and Republicans.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts who analyze policy proposals, legislation, state revenues & expenditures, and benefit programs, and who provide research services to members and staff of the General Assembly. The Commission's staff fulfills the statutory obligations set forth in the Commission on Government Forecasting and Accountability Act (25 ILCS 155/), the State Debt Impact Note Act (25 ILCS 65/), the Illinois Pension Code (40 ILCS 5/), the Pension Impact Note Act (25 ILCS 55/), the State Facilities Closure Act (30 ILCS 608/), the State Employees Group Insurance Act of 1971 (5 ILCS 375/), the Public Safety Employee Benefits Act (820 ILCS 320/), the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/), and the Reports to the Commission on Government Forecasting and Accountability Act (25 ILCS 110/).

- The **Revenue Unit** issues an annual revenue estimate, reports monthly on the state's financial and economic condition, and prepares bill analyses and debt impact notes on proposed legislation having a financial impact on the State. The Unit publishes a number of statutorily mandated reports, as well as on-demand reports, including the *Monthly Briefing* newsletter and annually, the *Budget Summary*, *Capital Plan Analysis*, *Illinois Economic Forecast Report*, *Wagering in Illinois Update*, and *Liabilities of the State Employees' Group Insurance Program*, among others. The Unit's staff also fulfills the agency's obligations set forth in the State Facilities Closure Act.
- The **Pension Unit** prepares pension impact notes on proposed pension legislation and publishes several reports including the *Financial Condition of the Illinois State Retirement Systems*, the *Financial Condition of Illinois Public Pension Systems*, and the *Fiscal Analysis of the Downstate Police & Fire Pension Funds in Illinois*. The Unit's staff also fulfills the statutory responsibilities set forth in the Public Safety Employee Benefits Act.
- The **Research Unit** primarily performs research and provides information as may be requested by members of the General Assembly or legislative staffs. Additionally, the Unit maintains a research library and, per statute, collects information concerning state government and the general welfare of the state, examines the effects of constitutional provisions and previously enacted statutes, and considers public policy issues and questions of state-wide interest. The Unit publishes a monthly Grant Alerts report and an Abstracts Report of annual reports or special studies from other state agencies. Other reports include the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, *Preface to Lawmaking*, various reports detailing appointments to State Boards and Commissions, the *1970 Illinois Constitution Annotated for Legislators*, the *Roster of Illinois Legislators*, and numerous special topic publications.

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