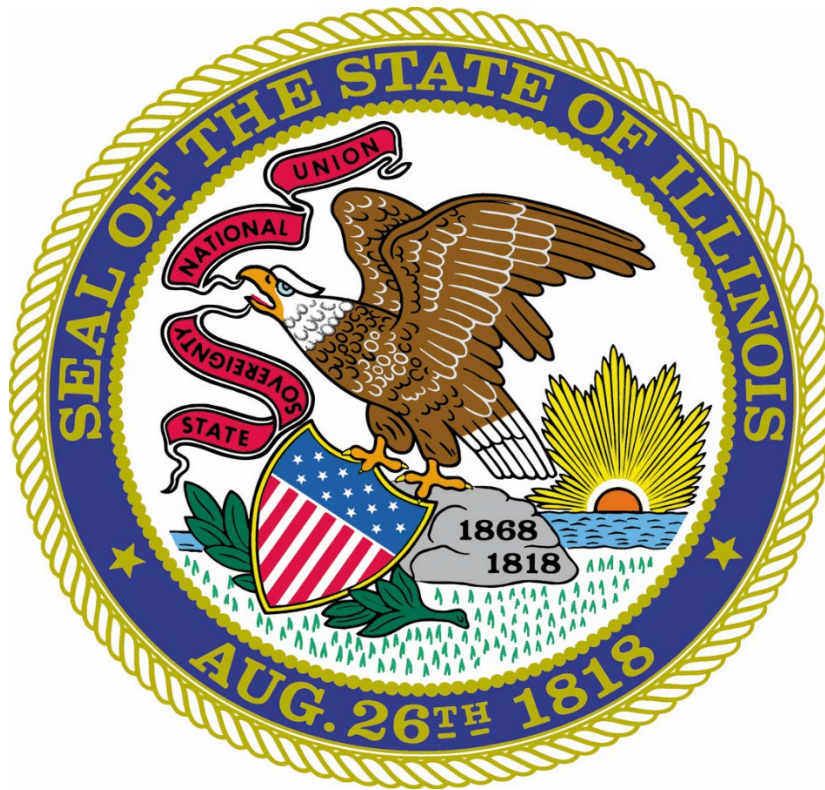


# Three-Year Budget Forecast FY 2026 – FY 2028



*Commission on Government  
Forecasting and Accountability*

*March, 2025*

*Commission on Government  
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# TABLE OF CONTENTS

## **Three-Year Budget Forecast (FY 2026 – FY 2028) March 2025**

<u>Section</u>	<u>PAGE</u>
Introduction	i
I. Illinois Budget History	1
II. Threats and Opportunities	5
III. Three-Year Budget Scenarios	9
 <u>TABLES:</u>	
Table 1. General Funds Base Revenue Growth Rates	2
Table 2. General Funds Base Expenditures Growth Rates	4
Table 3. CGFA Revenue Estimates FY 2025 - FY 2028	11
Table 4. Three-Year Budget Scenarios	14
 <u>CHARTS:</u>	
Chart 1. FY 2024 Base General Funds Revenues	1
Chart 2. FY 2024 Base General Funds Expenditures	3
 <u>APPENDIX:</u>	
A Detailed General Funds Revenue History FY 2015 – FY 2024	16
B General Funds Expenditures History by Agency FY 2015 – FY 2024	17



## **INTRODUCTION**

As part of Public Act 96-0958, the Commission on Government Forecasting and Accountability 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.



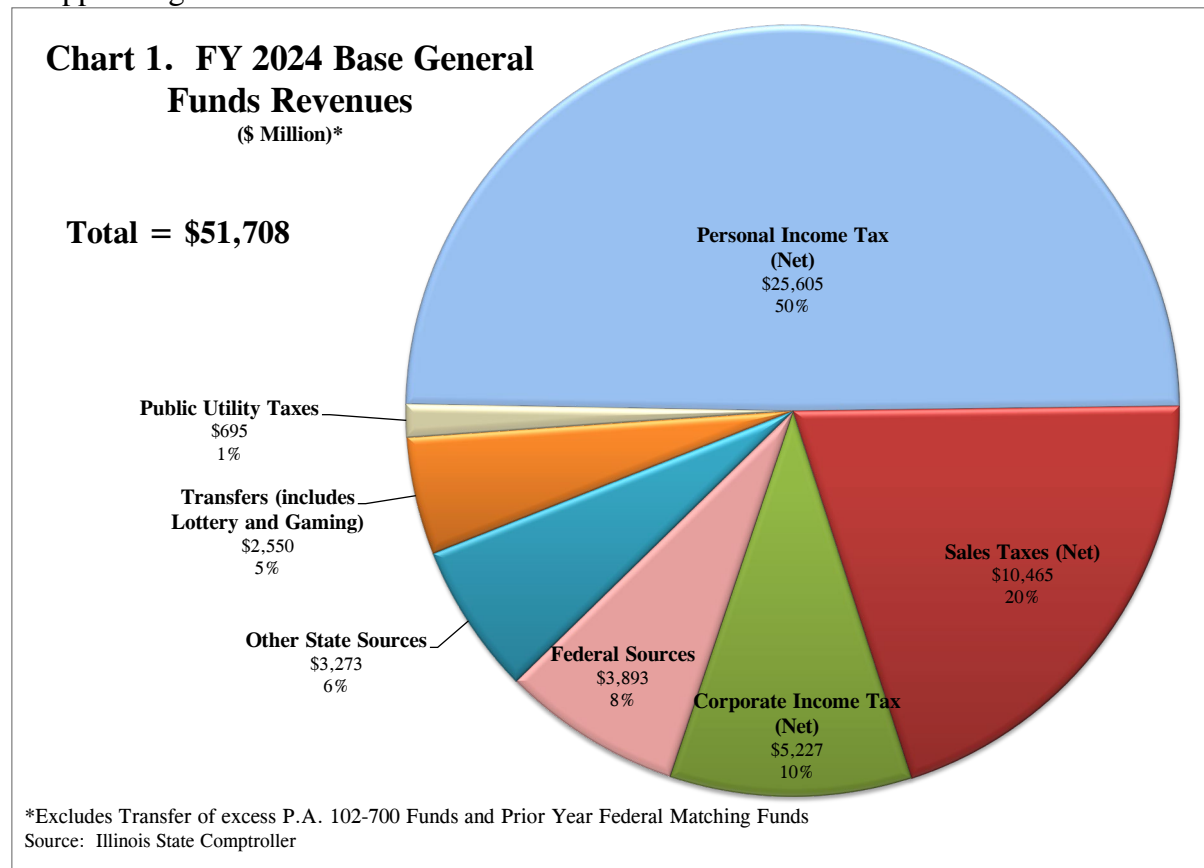
# I. Illinois' Budget History

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 \$51.7 billion in FY 2024, reflecting an increase of just over \$1 billion (2.0% growth) compared to FY 2023. The primary driver of this growth was the State's largest income source, Net Personal Income Tax, which increased by nearly \$1.9 billion to \$25.6 billion. This growth was supported by approximately \$1.1 billion in business-related income tax revenues that were reallocated to Personal Income Tax distributions as part of the Department of Revenue's annual "true-up" process in FY 2024.

Other revenue sources also contributed to the overall increase in base revenues, including Interest/Investment Income (+\$247 million), Lottery (+\$151 million), Estate Tax (+\$124 million), and Federal Sources (+\$91 million). However, the State's second-largest revenue source, Net Sales Tax, rose by only \$14 million compared to FY 2023, which was considered disappointing.



Two key revenue sources weighed on base revenue performance in FY 2024: the Refund Fund Transfer and Net Corporate Income Tax. The Refund Fund Transfer—representing money returned to the General Revenue Fund after processing income tax refunds—was unusually high in FY 2023 at \$1.5 billion but fell by \$926 million to \$555 million in FY 2024. Similarly, Net Corporate Income Tax declined by \$600 million in FY 2024, largely due to the “true-up” process that redirected some business-related revenues to Personal Income Tax. In addition to these significant declines, the State experienced reductions in Public Utility Taxes (-\$56 million), the Cigarette Tax (-\$31 million), and the Corporate Franchise Tax (-\$23 million).

As noted earlier, total base General Funds revenue increased by 2.0% in FY 2024, which falls below the historical average growth rate for base revenues. As shown in Table 1 below, the 5-year average growth rate is 6.0%, though this figure is somewhat skewed by the unusually rapid revenue growth following the COVID-19 pandemic. Base revenue increased by nearly 18% in FY 2021 and over 12% in FY 2022, significantly higher than the longer-term average, which ranges between 4.0% and 4.4%. The 10-year average growth rate stands at 4.2% annually, the 15-year average is slightly higher at 4.4%, and the 20-year average is a bit lower at 4.0%.

Analyzing individual revenue sources, income taxes have shown particularly strong growth. Over the last 20 years, personal income tax has averaged annual growth of 7.5%, while corporate income tax has grown at an even higher rate of 12.4%. This rapid growth has caused income taxes to become an increasingly dominant share of base revenues. Before the Great Recession, income taxes accounted for approximately 40% of total base revenues; in recent years, this share has grown to nearly 60%.

By contrast, growth in other revenue sources has been more modest. Transfers—including the lottery and gaming—have averaged growth of 3.8% over the past 20 years. Sales taxes have grown at an average rate of 2.7%, though recent inflation-driven increases have pushed this rate higher in recent years. Other State Sources and Federal Sources have shown slower growth of around 2% annually, while Public Utility Taxes have experienced accelerating declines.

**TABLE 1. GENERAL FUNDS BASE REVENUE GROWTH RATES  
FY 2005 - FY 2024\***

<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>
<b>State Taxes</b>					
Personal Income Tax (Net)	7.8%	6.3%	5.4%	8.3%	7.5%
Sales Taxes (Net)	0.1%	4.6%	3.3%	3.1%	2.7%
Other State Sources	13.8%	4.7%	4.3%	3.3%	2.2%
Transfers (includes Lottery and Gaming)	-21.5%	10.4%	7.9%	7.5%	3.8%
Corporate Income Tax (Net)	-10.3%	21.5%	10.4%	12.1%	12.4%
Public Utility Taxes	-7.5%	-4.2%	-3.6%	-3.3%	-2.0%
<b>Total State Sources</b>	<b>1.9%</b>	<b>6.3%</b>	<b>4.4%</b>	<b>5.7%</b>	<b>4.8%</b>
<b>Federal Sources</b>	<b>2.4%</b>	<b>2.8%</b>	<b>5.2%</b>	<b>0.6%</b>	<b>1.9%</b>
<b>Total, Base Revenues</b>	<b>2.0%</b>	<b>6.0%</b>	<b>4.2%</b>	<b>4.4%</b>	<b>4.0%</b>

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



## Expenditures

According to the Office of the Comptroller’s *Traditional Budgetary Financial Report*, base General Funds expenditures totaled \$51.7 billion in FY 2024, an increase of \$838 million (or 1.6%) over FY 2023’s base expenditures. The largest spending increase came from the Department of Healthcare and Family Services, which rose by nearly \$1.5 billion to \$10.0 billion — a growth of almost 18%. Another significant increase occurred in the Department of Human Services, which grew from \$5.4 billion in FY 2023 to \$6.5 billion in FY 2024, an increase of over \$1.1 billion (or 21.1%). The State Board of Education, which remains the largest source of expenditures at \$10.3 billion, increased spending by 6.1%, adding \$593 million to the total.

Although most agencies experienced spending growth of over 4%, overall spending increased by only 1.6%, which is below the long-term trend of 4.1%. This slower growth was primarily due to a sharp decline in spending within the All Other Agencies category. In FY 2023, spending in this category increased by nearly \$2.0 billion, rising from just over \$3.0 billion to \$5.0 billion — growth of more than 65%. This increase was tied to repayment of funds borrowed under Title XII of the Social Security Act to support the State’s unemployment trust fund during the COVID-19 pandemic. Since this payment did not reoccur in FY 2024, spending in this category dropped by almost \$1.5 billion.

For a more detailed look at expenditures over the last decade, please see Appendix B in the back of this report.

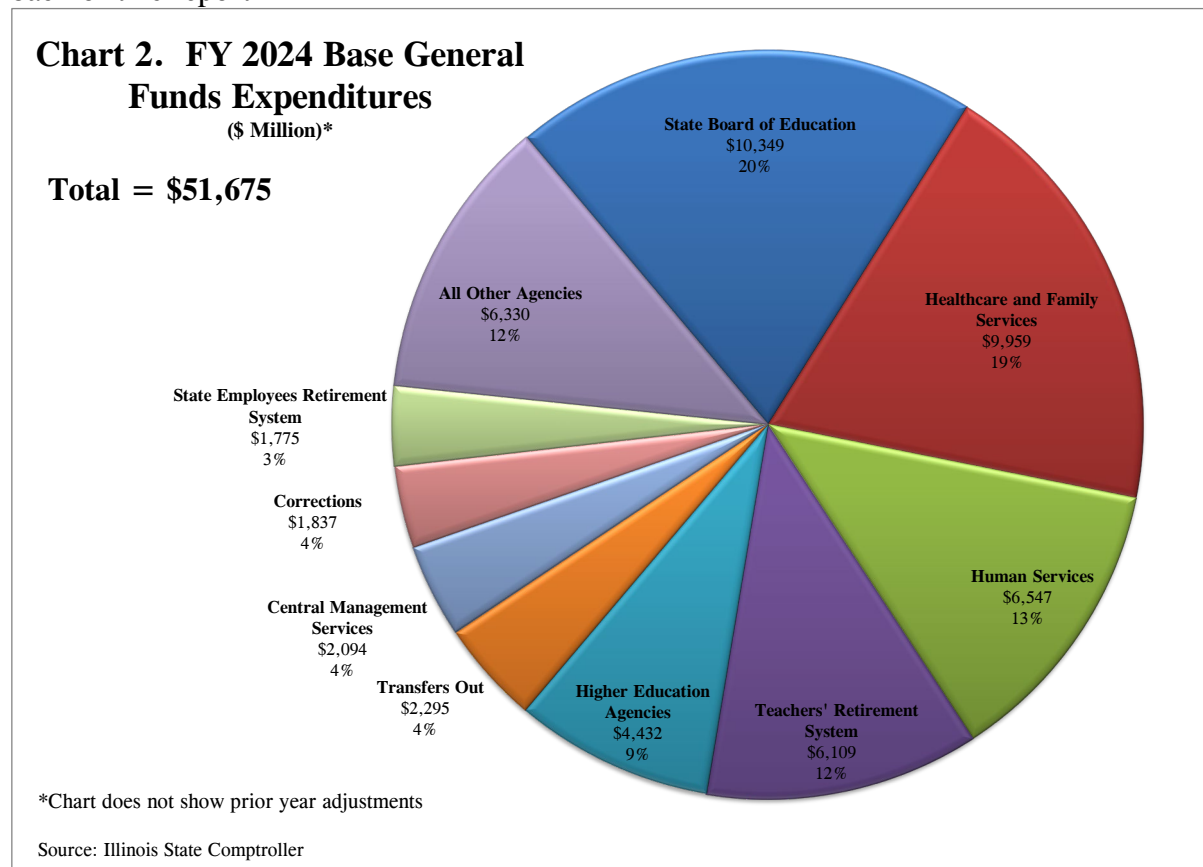


Table 2 illustrates the growth of base General Funds expenditures over the past 20 years. After two fiscal years of declining expenditures in FY 2015 and FY 2016 due to the budget stalemate, the State significantly increased spending in the following two years as it reduced the backlog of bills. Spending remained relatively flat in FY 2019 and FY 2020, before rising in FY 2021 due to the effects of COVID-19. Expenditures continued to increase in FY 2022 and FY 2023, driven by higher revenues that allowed further reduction of the bill backlog. Growth slowed to 1.6% in FY 2024.

The five-year average growth rate for base General Funds expenditures currently stands at 5.6%, while the 10-year rate is 3.8%. The 15-year growth rate is slightly lower at 3.3%, and the 20-year growth rate is 4.1%.

Most agencies show average annual growth of around 2% to 5%, but the Teachers' Retirement System has experienced exceptionally high growth due to an outlier year. In FY 2012, the State resumed funding the Teachers' Retirement System with General Funds after relying primarily on pension note revenue for two years, resulting in an 874% increase. Adjusting for the impact of pension notes, expenditures have grown at an average of 11% annually — still high but less extreme than the unadjusted rate that includes FY 2010–2012. Similarly, Central Management Services (CMS) has shown unusually high growth rates due to policy changes related to group health insurance payments and the budget impasse.

<b>TABLE 2. GENERAL FUNDS BASE EXPENDITURES GROWTH RATES</b>					
<b>FY 2005 - FY 2024</b>					
	<b>1-Year</b>	<b>5-Year</b>	<b>10-Year</b>	<b>15-Year</b>	<b>20-Year</b>
<b>WARRANTS ISSUED</b>	<b>Growth</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>
<b><i>BY AGENCY</i></b>					
State Board of Education	6.1%	4.3%	4.6%	2.4%	3.3%
Healthcare and Family Services	17.5%	6.0%	3.8%	1.2%	4.0%
Teachers' Retirement System*	1.8%	5.9%	5.7%	57.2%	47.3%
Human Services	21.1%	12.1%	7.7%	3.5%	3.3%
Higher Education Agencies	6.3%	6.6%	5.6%	6.2%	4.9%
Central Management Services**	9.9%	2.6%	145.5%	n/a	n/a
State Employees Retirement System	4.5%	5.1%	5.2%	n/a	n/a
Corrections	6.5%	4.0%	6.8%	4.4%	3.9%
Aging	11.5%	9.4%	6.0%	8.5%	n/a
Children and Family Services	8.1%	12.4%	7.6%	3.3%	3.2%
All Other Agencies	-29.7%	15.0%	8.3%	5.6%	4.9%
<b>Total Warrants Issued (14 months)</b>	<b>5.9%</b>	<b>6.3%</b>	<b>4.9%</b>	<b>3.8%</b>	<b>4.3%</b>
<b><i>Transfers</i></b>					
Transfers Out	-45.3%	0.6%	-2.7%	-0.9%	5.3%
<b>Total, Base Expenditures</b>	<b>1.6%</b>	<b>5.6%</b>	<b>3.8%</b>	<b>3.3%</b>	<b>4.1%</b>

\* 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 troubles have been a continuing matter of concern and uncertainty over the years. As such, several topics in this section are recurring issues from previous year's reports for which we have provided updated information.

### Threats

- **Recession.** The State of Illinois' fiscal situation has significantly improved in recent years as the country recovered from the sharp economic downturn caused by the COVID-19 pandemic. However, this progress could be jeopardized if the nation or state were to slip into a recession. While many economic forecasters have recently predicted a slowdown in the economy, most have not forecasted a full-blown recession.

Nonetheless, the country is facing considerable economic uncertainty due to the new trade and fiscal policies under the second Trump administration. In February, President Trump announced tariffs on Canada, Mexico, and China, with the tariffs on Canada and Mexico being delayed by one month before taking effect in March. In response, these countries have implemented their own tariffs, leaving market participants uncertain about the potential impacts on trade, business investment, and consumer spending. The resulting higher import costs and disruptions to supply chains could drive up inflation and hamper economic growth, which may lead to reduced State revenues and increased fiscal pressure. A slowdown in business activity could also result in higher unemployment and greater demand for State-funded social services. If these economic challenges persist, Illinois may face budget deficits, higher borrowing costs, and difficulties in sustaining its recent fiscal improvements.

- **General Obligation Bond Ratings.** Illinois has had one of the lowest credit ratings among the states for years. Illinois' G.O. Bond ratings had been downgraded fifteen times since 2010. The major consequence of rating downgrades is that debt ratings are one of the factors that are strongly considered when determining the interest rate the State must pay to issue debt (sell bonds). Consequently, declines in the State's rating has led to a corresponding increase in debt service costs for Illinois. Increased debt service costs are a threat to the State. However, the State's improving financial situation in recent years has led the State to receive multiple ratings upgrades by the various rating agencies.

Illinois' General Obligation ratings fell from AA territory to single A in 2009, and entered BBB territory in October 2015. By June of 2017, the rating agencies had downgraded Illinois to BBB by Fitch, BBB- by S&P and Baa3 by Moody's. While the budget impasse continued through June, all three ratings agencies threatened more downgrades if the State did not pass a budget for FY 2018. The budget-related bills -- SB 6, SB 9, and SB 42 -- did not become law until July 6, 2017, after the General Assembly overrode the Governor's vetoes. By July 20, 2017, all three rating agencies had affirmed their ratings

on the State. In April 2020, near the beginning of the COVID-19 pandemic, Fitch lowered the State's G.O. rating to BBB-.

Due to the State's improving financial condition, the ratings agencies have increased the State's bond rating. In May of 2022, Fitch raised Illinois' General Obligation ratings two levels from BBB- to BBB+, and Build Illinois ratings two levels from BBB+ to A, with stable outlooks. In February and March of 2023, Moody's upgraded Illinois' G.O. and Build Illinois bonds to A3 from Baa1, and Standard and Poor's upgraded Illinois' General Obligation Bonds to A- from BBB+. This was the third single-level upgrade on Illinois' General Obligation ratings in less than three years, from both Moody's and S&P. The most recent upgrade to the State's credit rating occurred in November of 2023, when Fitch increased the State's General Obligation rating from BBB+ to A-. Despite these multiple upgrades, Illinois still has one of the lowest credit ratings among the states.

- **Unfunded Pension Liabilities.** As with previous years, the unfunded pension liabilities continue to pose an ongoing challenge to the current fiscal outlook. As of June 30, 2024, the unfunded liabilities of the State retirement systems, based on the actuarial value of assets, totaled \$144 billion, led by the Teachers' Retirement System (TRS), whose unfunded liability was \$83 billion. The combined funded ratio for the retirement systems for FY 2024 was 46.0%. This was up from 44.6% in FY 2023.

The 2024 Report of the State Actuary, issued in December of 2024, 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% 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% of the actuarial liability, not 90%."<sup>1</sup>

- **Weak Demographics and Fiscal Instability.** Moody's Analytics prepared the State of Illinois Economic Forecast Report for the Commission in February 2025. The report highlighted recent performance among various sectors of Illinois' economy, as well as provided a near-term and long-term outlook, including risks that affect the Illinois forecast. Moody's identified weak demographics and fiscal instability as constraints on future growth. The report stated:

"The state will be a step behind the Midwest average and a few steps behind the nation in job and income growth over the long term. Below average population trends and deep-rooted fiscal problems such as mounting pension obligations and a shrinking tax base represent the biggest hurdles to stronger

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<sup>1</sup> State of Illinois Office of the Auditor General. *State Actuary's Report of the Actuarial Assumptions and Valuations of the State-Funded Retirement Systems*. 2024. <https://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/State-Actuary-Reports/2024-State-Actuary-Rpt-Full.pdf>

economic performance. Persistent out-migration will weigh on the strength of employment and income gains.”<sup>2</sup>

## **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 recent years. The misalignment of revenues to expenditures can be directly linked to the previous outstanding bill backlog, the interest penalty payments, the State’s low bond ratings, and the unfunded pension liabilities.

An opportunity exists to improve the State’s financial situation by better aligning 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 current 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 obligated to pay interest on past due bills. This interest is either 9% or 12% annually, depending on the associated bill type. If these interest rates were reduced, the amount of interest penalties the State pays would decrease proportionately, depending upon the number of bills on hand. According to the Comptroller, the State paid almost \$34 million in late payment interest penalties in FY 2024. The aggregate of outstanding accrued and pending late payment interest penalties at agencies and the comptroller’s office totaled \$72 million for the period ending February 28, 2025. Approximately \$69 million of the \$72 million in pending late payment interest penalties is owed from the Technology Management Revolving Fund, which is not a General Fund. There was also an additional \$11 million in estimated late payment interest penalties on vouchers still held by agencies. Though the amount of these types of interest payments is likely to remain low compared to previous years in the short-term, a recessionary economic environment could lead to a rebound in these types of payments.

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<sup>2</sup> Moody’s Analytics. *State of Illinois Economic Forecast*. 2025  
<https://cgfa.ilga.gov/Upload/2025StateofILEconomicForecast.pdf>

For every \$1 billion in late bills, Illinois pays between \$90 million and \$120 million in interest per year depending upon the type of bill. If Illinois were to reduce the interest rate it pays for late payments, it could save the State millions of dollars per year. For example, if the late penalty rates were lowered to 7.5%, the total amount would equal \$75 million per \$1 billion in late bills. This would equal a savings of \$15 million to \$45 million per year per \$1 billion in late penalty payments.

- **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 2025 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>.<sup>3</sup>

- **Maximize Illinois' Economic Advantages** In the economic report by Moody's Analytics, it noted numerous economic assets that the State of Illinois possesses. These assets included skilled workers, world-class universities, more money for investment, and transportation hubs. However, it stated that the State's fiscal problems were eroding its edge in competition for talent, jobs, and capital.

Despite facing significant challenges, Illinois has a strong foundation for economic growth, with opportunities to capitalize on its key advantages. To help unlock this potential, \$400 million was allocated to the Large Business Attraction Fund in January 2023 under P.A. 102-1115. This fund is designed to attract new business projects to the state. There are some indications of progress due to these kinds of tax incentives, as a January 2025 announcement from Governor Pritzker and the Department of

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

Commerce and Economic Opportunity noted that “Total company investments from key incentive programs more than doubled from \$6.3 billion in 2023 to a record \$12.5 billion in 2024.”<sup>4</sup>

### **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**

The table on the following page presents the Commission’s three-year estimate for General Funds revenues. These forecasts are based on the Commission’s March 2025 estimates, released on March 4, 2025. The Commission projects that FY 2025 General Funds base revenue will reach \$53.5 billion, reflecting a 3.6% increase over FY 2024. Additionally, the State has received \$65 million in federal reimbursement for essential government services under the American Rescue Plan Act (ARPA). This brings the total General Funds revenue estimate for FY 2025 to \$53.6 billion. The Commission’s outlook reflects current law and anticipates a slowing but still growing economy in FY 2025 and FY 2026, with moderate acceleration projected in the final two years of the forecast period.

#### **FY 2026 Revenue Forecast**

As shown in Table 3, the Commission’s FY 2026 base General Funds forecast, under current law, is \$54.2 billion, representing an increase of \$675 million (or 1.3%) over FY 2025. Total General Funds revenue is projected to increase by \$610 million (or 1.1%). The anticipated growth is primarily driven by increases in net personal income tax receipts (+\$521 million) and federal sources (+\$173 million). These gains are partially offset by declines in net sales taxes (-\$85 million) and interest/investment income (-\$88 million). Growth in personal income taxes is expected to be constrained by a reduction of approximately \$500 million in "true-up" receipts—annual reallocations of income tax receipts—that were unusually high in FY 2025.

#### **FY 2027 Revenue Forecast**

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<sup>4</sup> Illinois Department of Commerce & Economic Opportunity. (2025, January 14). Gov. Pritzker Announces Illinois Doubled Private Sector Investments in One Year [Press Release]. <https://dceo.illinois.gov/news/press-release.30820.html>

Revenues are projected to grow by approximately \$978 million in FY 2027, reaching just over \$55.2 billion. This growth is driven by increases in personal income taxes, corporate income taxes, and sales taxes. Net personal income tax receipts are forecast to increase by nearly \$400 million, reaching \$28.6 billion. Net sales tax revenue is expected to grow by \$314 million, reflecting the full implementation of the diversion of motor fuel sales tax revenue during the previous fiscal year. Net corporate income tax receipts are projected to provide an additional \$293 million in FY 2027.

### **FY 2028 Revenue Forecast**

Revenue growth is expected to accelerate moderately in FY 2028, with base revenues projected to increase by 2.3% to \$56.5 billion—a gain of nearly \$1.3 billion. Most of the growth is driven by a rebound in net personal income tax receipts, expected to rise by \$768 million. Net corporate income taxes are projected to contribute an additional \$153 million, while net sales tax revenue is anticipated to grow by \$323 million. However, interest and investment income are forecast to decline by \$85 million due to expected lower returns.



## Budget Scenario Analysis

The Commission utilized these revenue estimates to present budget scenarios using various spending levels as spending will change based upon priorities that will be determined during budget negotiations. Three budget scenarios were analyzed using the Commission's revenue estimates with different spending growth rates. These scenarios are presented in Table 4 on Page 14. **The Commission is not advocating for or against the implementation of these revenue and spending levels.**

<b>TABLE 3. CGFA REVENUE ESTIMATES FY 2025 - FY 2028</b>					
(\$ millions)					
	FY 2024	CGFA Revised FY 2025	CGFA FY 2026	CGFA FY 2027	CGFA FY 2028
<u>Revenue Sources</u>	<u>Actuals</u>	<u>Estimate Mar-25</u>	<u>Estimate Mar-25</u>	<u>Estimate Mar-25</u>	<u>Estimate Mar-25</u>
<b>State Taxes</b>					
Personal Income Tax	\$30,134	\$32,627	\$33,241	\$33,707	\$34,611
Corporate Income Tax (regular)	\$6,525	\$5,895	\$5,969	\$6,334	\$6,524
Sales Taxes	\$11,710	\$11,742	\$12,039	\$12,400	\$12,772
Public Utility (regular)	\$695	\$701	\$691	\$684	\$676
Cigarette Tax	\$204	\$197	\$185	\$174	\$163
Liquor Gallonage Taxes	\$179	\$177	\$176	\$176	\$176
Estate Tax	\$627	\$605	\$620	\$635	\$650
Insurance Taxes & Fees	\$486	\$560	\$525	\$525	\$525
Corporate Franchise Tax & Fees	\$202	\$190	\$170	\$165	\$160
Interest on State Funds & Investments	\$654	\$698	\$610	\$580	\$495
Cook County Intergovernmental Transfer	\$244	\$244	\$244	\$244	\$244
Other Sources	<u>\$677</u>	<u>\$747</u>	<u>\$778</u>	<u>\$760</u>	<u>\$764</u>
<b>Total State Taxes</b>	<b>\$52,337</b>	<b>\$54,383</b>	<b>\$55,248</b>	<b>\$56,384</b>	<b>\$57,760</b>
<b>Transfers In</b>					
Lottery	\$877	\$810	\$820	\$830	\$835
Gaming	\$158	\$180	\$190	\$205	\$210
Sports Wagering	\$0	\$170	\$210	\$220	\$230
Cannabis	\$114	\$118	\$122	\$126	\$131
Refund Fund	\$555	\$253	\$300	\$275	\$275
Other	<u>\$846</u>	<u>\$811</u>	<u>\$828</u>	<u>\$759</u>	<u>\$763</u>
<b>Total Transfers In</b>	<b>\$2,550</b>	<b>\$2,342</b>	<b>\$2,470</b>	<b>\$2,415</b>	<b>\$2,444</b>
<b>Total State Sources</b>	<b>\$54,887</b>	<b>\$56,725</b>	<b>\$57,718</b>	<b>\$58,799</b>	<b>\$60,204</b>
<b>Federal Sources [Base]</b>	<b><u>\$3,893</u></b>	<b><u>\$4,097</u></b>	<b><u>\$4,270</u></b>	<b><u>\$4,355</u></b>	<b><u>\$4,442</u></b>
<b>Total Federal &amp; State Sources</b>	<b>\$58,780</b>	<b>\$60,822</b>	<b>\$61,988</b>	<b>\$63,154</b>	<b>\$64,646</b>
<b>Nongeneral Funds Distribution:</b>					
<b>Refund Fund*</b>					
Personal Income Tax	(\$2,758)	(\$2,985)	(\$3,042)	(\$3,084)	(\$3,167)
Corporate Income Tax	(\$914)	(\$825)	(\$836)	(\$887)	(\$913)
<b>Local Government Distributive Fund</b>					
Personal Income Tax	(\$1,771)	(\$1,918)	(\$1,954)	(\$1,981)	(\$2,034)
Corporate Income Tax	(\$384)	(\$347)	(\$352)	(\$373)	(\$384)
<b>Sales Tax Distributions</b>					
Sales Tax Deposits into Road Fund	(\$570)	(\$700)	(\$866)	(\$892)	(\$919)
Sales Tax Distribution to the PTF and DPTF	(\$675)	(\$498)	(\$714)	(\$735)	(\$757)
<b>General Funds Subtotal [Base]</b>	<b>\$51,708</b>	<b>\$53,549</b>	<b>\$54,224</b>	<b>\$55,202</b>	<b>\$56,472</b>
Change from Prior Year	\$1,001	\$1,841	\$675	\$978	\$1,270
Percent Change	2.0%	3.6%	1.3%	1.8%	2.3%
ARPA Reimb. for Essential Gov't Services	\$0	\$65	\$0	\$0	\$0
<b>Total General Funds Revenues</b>	<b>\$52,589</b>	<b>\$53,614</b>	<b>\$54,224</b>	<b>\$55,202</b>	<b>\$56,472</b>
Change from Prior Year	(\$545)	\$1,025	\$610	\$978	\$1,270
Percent Change	-1.0%	1.9%	1.1%	1.8%	2.3%

\* The FY 2025-28 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

Table 4 shows the Commission's methodology which uses the Commission's revenue estimates for FY 2025 through FY 2028. These revenue estimates are based on current law and do not include any of the \$492 million in net revenue adjustments proposed by the Governor in the FY 2026 Budget Book. The values for State spending are based on the Governor's Budget Book expenditure projections for the current fiscal year, FY 2025, which includes \$550 million in supplemental expenditures. Various spending growth rates based on historical data are then applied to the spending base over the following three fiscal years to calculate the effect on accounts payable (bills on hand) in individual years and in aggregate.

The first scenario shows how much spending could occur while keeping accounts payable at the same level as seen at the end of FY 2024. The second growth rate reflects spending that would have accounts payable equaling \$3 billion at the end of the three-year forecast. An accounts payable level near \$3 billion is similar to what would be seen under circumstances where the State is paying its bills within thirty days. At the end of January 2025, the estimated accounts payable totaled \$2.3 billion and the oldest General Revenue Fund voucher pending at the Illinois Office of the Comptroller was 14 business days. The third and final scenario employed the twenty-year expenditure growth rate of 4.1%. No debt restructuring was assumed in any of these scenarios.

In each set of scenarios, accounts payable (bills on hand) totaling \$416 million was assumed at the end of FY 2024 as indicated by the Office of the Comptroller in their Comptroller's Quarterly from the fourth quarter of FY 2024. Then, when combining these figures with the projected deficit in FY 2025 of \$277 million (applying the Commission's FY 2025 revenue projection of \$53.614 billion with the GOMB spending estimate of \$53.891 billion), the accounts payable grows to \$693 million at the end of FY 2025. This is the starting point for the three various scenarios for the three out years.

**NOTE: GOMB's revenue projections for FY 2025 are \$286 million higher than the Commission's. This is the reason a deficit of \$277 million is shown when combining the Commission's revenue estimate with GOMB's expenditure estimate, which includes supplemental spending, for FY 2025.**

## **Scenario Analysis Results**

Table 4, on page 14, contains revenues, spending, operating surplus/deficit, and cumulative accounts payable for each scenario. **To be clear, these budget scenarios are NOT a Commission projection of what will occur, but rather, an exercise simply displaying what a fiscal year balance would look like under certain conditions of expenditures.**

### **Scenario 1. Keep Accounts Payable at FY 2024 Level**

Revenue: CGFA  
Spending Base: GOMB FY 2025  
Spending Growth: 1.2% in FY 2026 - FY 2028

The first scenario projects the average spending growth required to keep accounts payable at the same level as at the end of FY 2024, estimated at \$416 million—a notable decrease from previous years. To achieve this, spending would need to grow at an average rate of approximately 1.21% over the three-year forecast period. In this scenario, as well as in all others, a \$277 million deficit is expected in FY 2025 when using the Commission’s slightly lower FY 2025 revenue projections. Consequently, accounts payable would be negative \$693 million at the end of FY 2025, as previously discussed. The State is projected to run a deficit of \$320 million in FY 2026 and \$2 million in FY 2027, before returning to a \$599 million surplus in FY 2028. Across all scenarios, revenues are expected to grow to just under \$56.5 billion, while total spending in this scenario would increase to slightly over \$55.8 billion.

### **Scenario 2. Maintain Accounts Payable at \$3 billion**

Revenue: CGFA  
Spending Base: GOMB FY 2025  
Spending Growth: 2.0% in FY 2026 - FY 2028

The second scenario projects the spending necessary to reduce accounts payable to no more than \$3.0 billion by the end of FY 2028, which would allow the State to pay its bills within thirty days. Achieving this target with consistent expenditure growth would require three years of deficit spending at an average rate of just under 2.0% per year.

Under this scenario, the State would face three consecutive years of deficits ranging from \$707 million to \$859 million. The deficit is expected to increase to \$741 million in FY 2026, reaching a low point of \$859 million in FY 2027. However, FY 2028 projects some improvement, with the deficit narrowing by \$152 million to \$707 million.

This scenario outlines the revenue and spending levels necessary to maintain a timely payment cycle. While it ensures that the State could pay its bills within thirty days, it comes at the cost of three years of deficit spending—potentially reversing recent budgetary progress and returning to the unsustainable fiscal practices that contributed to the State’s past financial challenges.

### Scenario 3. Twenty-Year Average Spending Growth

Revenue: CGFA  
 Spending Base: GOMB FY 2025  
 Spending Growth: 4.1% in FY 2026 - FY 2028

This final scenario uses the twenty-year average of 4.1% annual growth in spending. Under this scenario, when accompanied with revenue growth notably below spending levels, the accounts payable continually grows as deficit spending occurs in each of the fiscal years. Like the other scenarios, FY 2025 sees a deficit of \$277 million. This deficit grows significantly each of the remaining years. The annual deficit grows to \$1.9 billion in FY 2026, \$3.2 billion in FY 2027, and \$4.3 billion in FY 2028. The accounts payable grows to just over \$10.0 billion by the end of the three years. In this scenario spending rises to \$60.8 billion, while revenues only reach \$56.5 billion. This scenario demonstrates that a return to longer-term growth rates in spending in the out years could cause the backlog of bills to become a problem once again if spending were to occur at levels significantly higher than the anticipated revenue stream for these fiscal years. While this scenario illustrates the potential deficit under these specific conditions, in reality, spending would likely be constrained below this assumed spending rate if revenue growth remains at the modest levels currently projected.

**TABLE 4. THREE-YEAR BUDGET SCENARIOS**  
 (\$ million)

<b>Scenario 1: Keep Accounts Payable at FY 2024 Level [+1.2% growth]</b>				
	<b>Revenues</b>	<b>Spending</b>	<b>General Funds Surplus/Deficit</b>	<b>End of Fiscal Year Accounts Payable (Backlog of Bills)</b>
<b>FY 2025</b>	\$53,614	\$53,891	(\$277)	(\$693)
<b>FY 2026</b>	\$54,224	\$54,544	(\$320)	(\$1,013)
<b>FY 2027</b>	\$55,202	\$55,204	(\$2)	(\$1,015)
<b>FY 2028</b>	\$56,472	\$55,873	\$599	(\$416)
<b>Scenario 2: Maintain Accounts Payable at \$3 Billion [+2.0% growth]</b>				
	<b>Revenues</b>	<b>Spending</b>	<b>General Funds Surplus/Deficit</b>	<b>End of Fiscal Year Accounts Payable (Backlog of Bills)</b>
<b>FY 2025</b>	\$53,614	\$53,891	(\$277)	(\$693)
<b>FY 2026</b>	\$54,224	\$54,965	(\$741)	(\$1,434)
<b>FY 2027</b>	\$55,202	\$56,061	(\$859)	(\$2,293)
<b>FY 2028</b>	\$56,472	\$57,179	(\$707)	(\$3,000)
<b>Scenario 3: 20-Year Average Growth in Spending [+4.1% growth]</b>				
	<b>Revenues</b>	<b>Spending</b>	<b>General Funds Surplus/Deficit</b>	<b>End of Fiscal Year Accounts Payable (Backlog of Bills)</b>
<b>FY 2025</b>	\$53,614	\$53,891	(\$277)	(\$693)
<b>FY 2026</b>	\$54,224	\$56,101	(\$1,877)	(\$2,570)
<b>FY 2027</b>	\$55,202	\$58,401	(\$3,199)	(\$5,768)
<b>FY 2028</b>	\$56,472	\$60,795	(\$4,323)	(\$10,091)
All scenarios use CGFA revenue estimates, the Governor's FY 2026 State Budget Proposal for FY 2025 spending, and an estimated accounts payable of \$416 million at the end of FY 2024.				
Governor's Office of Management and Budget, Illinois State Comptroller, CGFA				

It must also be emphasized that the forecasted revenues after FY 2025 do not contain any one-time revenues. Over the past decade, the State has averaged over \$1.3 billion per year in one-time revenue sources. These large amounts are being skewed somewhat by the financial assistance from the federal government during the COVID-19 pandemic. Nonetheless, the State averaged a hefty \$875 million in one-time revenues between FY 2014 to FY 2019. However, some fiscal years may have little or no additional revenue, and therefore, should not be assumed moving forward.

## **Conclusion**

The State of Illinois' financial condition has improved considerably in the past few years. After the budget stalemate that occurred from 2015-2017, the State's financial position has been getting better each year. As the effects of the budget stalemate reached their apex, the accounts payable grew to \$16.7 billion at the beginning of November 2017. Since then, the State has ended each fiscal year with the backlog being smaller through increased revenue and the conversion of \$6 billion of the backlog of bills into long-term bond debt (of which \$2.9 billion is still outstanding). In fact, the accounts payable has been reduced so much and bills are being paid so promptly, that the accounts payable should not be considered a backlog of bills any longer. The State's fiscal condition and economic environment have improved enough that Illinois has received numerous upgrades from the credit ratings agencies.

Illinois has made progress in paying down its long-term pension costs, which will lead to future savings. The State has also built up its rainy-day fund to record levels and returned some revenue to taxpayers. However, the current economic and fiscal environment presents greater challenges than in recent years. Slower revenue growth and larger uncertainty surrounding ongoing federal policy changes will make crafting the State's budget more difficult moving forward. Maintaining the State's financial progress will require careful management and strategic planning.

**APPENDIX A. DETAILED GENERAL FUNDS REVENUE HISTORY FY 2015 - FY 2024**

(\$ millions)

Revenue Sources	Actual Receipts FY 2015	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
<b>State Taxes</b>										
Personal Income Tax	\$17,682	\$15,299	\$15,385	\$20,784	\$22,604	\$21,657	\$26,350	\$29,137	\$27,889	\$30,134
Corporate Income Tax (regular)	3,129	2,334	1,610	2,607	3,026	2,596	4,450	6,831	7,318	6,525
Sales Taxes	8,030	8,063	8,043	8,256	8,897	8,691	9,799	10,984	11,589	11,710
Public Utility Taxes (regular)	1,006	926	884	896	863	831	752	750	751	695
Cigarette Tax	353	353	353	344	361	267	281	254	235	204
Liquor Gallonage Taxes	167	170	171	172	172	177	177	183	181	179
Estate Tax	333	306	261	358	388	283	450	603	503	627
Insurance Taxes and Fees	353	398	391	432	396	361	480	455	492	486
Corporate Franchise Tax & Fees	211	207	207	207	247	210	322	216	225	202
Interest on State Funds & Investments	24	24	36	79	145	137	57	30	407	654
Cook County Intergovernmental Trans	244	244	244	244	244	244	244	244	244	244
Other Sources	735	574	725	679	710	761	339	443	590	677
<b>Total State Taxes</b>	<b>\$32,267</b>	<b>\$28,898</b>	<b>\$28,310</b>	<b>\$35,058</b>	<b>\$38,053</b>	<b>\$36,215</b>	<b>\$43,701</b>	<b>\$50,130</b>	<b>\$50,424</b>	<b>\$52,337</b>
<b>Transfers In</b>										
Lottery	679	677	720	719	731	630	777	820	726	877
Gaming	292	277	270	272	269	195	0	140	157	158
Cannabis	0	0	0	0	0	18	71	115	111	114
Refund Fund	63	77	4	1	327	617	282	282	1,481	555
Other	1,949	550	548	1,185	708	971	420	735	773	846
<b>Total Transfers In</b>	<b>\$2,983</b>	<b>\$1,581</b>	<b>\$1,542</b>	<b>\$2,177</b>	<b>\$2,035</b>	<b>\$2,431</b>	<b>\$1,550</b>	<b>\$2,092</b>	<b>\$3,248</b>	<b>\$2,550</b>
<b>Total State Sources</b>	<b>\$35,250</b>	<b>\$30,479</b>	<b>\$29,852</b>	<b>\$37,235</b>	<b>\$40,088</b>	<b>\$38,646</b>	<b>\$45,251</b>	<b>\$52,222</b>	<b>\$53,672</b>	<b>\$54,887</b>
<b>Federal Sources</b>										
	\$3,330	\$2,665	\$2,483	\$5,238	\$3,600	\$3,551	\$4,744	\$4,584	\$3,802	\$3,893
<b>Total Federal &amp; State Sources</b>	<b>\$38,580</b>	<b>\$33,144</b>	<b>\$32,335</b>	<b>\$42,473</b>	<b>\$43,688</b>	<b>\$42,197</b>	<b>\$49,995</b>	<b>\$56,806</b>	<b>\$57,474</b>	<b>\$58,780</b>
<b>Nongeneral Funds Distribution:</b>										
<b>Refund Fund</b>										
Personal Income Tax	(\$1,769)	(\$1,493)	(\$1,724)	(\$2,037)	(\$2,193)	(\$2,058)	(\$2,372)	(\$2,696)	(\$2,580)	(\$2,758)
Corporate Income Tax	(439)	(362)	(278)	(457)	(470)	(370)	(625)	(1,026)	(1,062)	(914)
<b>Direct Deposits</b>										
Fund for Advancement of Education	(242)	(458)	(464)	0	0	0	0	0	0	0
Commitment to Human Services Fund	(242)	(458)	(464)	0	0	0	0	0	0	0
<b>Local Government Distributive Fund</b>										
Personal Income Tax	0	0	0	(1,022)	(1,175)	(1,128)	(1,453)	(1,602)	(1,559)	(1,771)
Corporate Income Tax	0	0	0	(133)	(167)	(145)	(262)	(398)	(429)	(384)
<b>Sales Tax Distributions</b>										
Deposits into Road Fund	0	0	0	0	0	0	0	(132)	(484)	(570)
Distribution to the PTF and DPTF	0	0	0	(446)	(488)	(436)	(431)	(618)	(654)	(675)
<b>General Funds Subtotal [Base]</b>	<b>\$35,888</b>	<b>\$30,373</b>	<b>\$29,405</b>	<b>\$38,378</b>	<b>\$39,195</b>	<b>\$38,060</b>	<b>\$44,852</b>	<b>\$50,334</b>	<b>\$50,707</b>	<b>\$51,708</b>
Change from Prior Year	(\$830)	(\$5,515)	(\$968)	\$8,973	\$817	(\$1,135)	\$6,792	\$5,482	\$373	\$1,001
Percent Change	-2.3%	-15.4%	-3.2%	30.5%	2.1%	-2.9%	17.8%	12.2%	0.7%	2.0%
Transfer of Excess PA 102-700 Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$248
Prior Year Federal Matching Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633
SLFRF Allocation Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,363	\$0
ARPA Reimb. for Essential Gov't Ser	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$736	\$1,064	\$0
Short-Term Borrowing/MLF	\$0	\$0	\$0	\$0	\$0	\$1,198	\$1,998	\$0	\$0	\$0
Treasurer's Investments	\$0	\$0	\$0	\$0	\$750	\$400	\$400	\$0	\$0	\$0
Interfund Borrowing	\$454	\$0	\$0	\$533	\$250	\$462	\$0	\$0	\$0	\$0
Income Tax Bond Fund Transfer	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Fund Transfer	\$275	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total General Funds</b>	<b>\$36,617</b>	<b>\$30,498</b>	<b>\$29,405</b>	<b>\$41,451</b>	<b>\$40,195</b>	<b>\$40,120</b>	<b>\$47,250</b>	<b>\$51,070</b>	<b>\$53,134</b>	<b>\$52,589</b>
Change from Prior Year	(\$426)	(\$6,119)	(\$1,093)	\$12,046	(\$1,256)	(\$75)	\$7,130	\$3,820	\$2,064	(\$545)
Percent Change	-1.2%	-16.7%	-3.6%	41.0%	-3.0%	-0.2%	17.8%	8.1%	4.0%	-1.0%

Source: ILLINOIS STATE COMPTROLLER, CGFA

## APPENDIX B. GENERAL FUNDS EXPENDITURES HISTORY BY AGENCY FY 2015 - FY 2024

(\$ million)

<u>WARRANTS ISSUED</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
<b><i>BY AGENCY</i></b>										
State Board of Education	\$6,545	\$6,507	\$7,211	\$8,201	\$8,376	\$8,886	\$8,873	\$9,274	\$9,756	\$10,349
Healthcare and Family Services	\$6,525	\$6,090	\$5,972	\$7,601	\$7,633	\$6,743	\$7,548	\$7,810	\$8,476	\$9,959
Teachers' Retirement System	\$3,479	\$3,851	\$4,096	\$4,210	\$4,592	\$4,946	\$5,278	\$5,838	\$6,001	\$6,109
Human Services	\$3,363	\$3,153	\$3,283	\$3,640	\$3,740	\$4,001	\$4,228	\$4,456	\$5,407	\$6,547
Higher Education Agencies	\$3,291	\$2,039	\$3,359	\$3,141	\$3,226	\$3,578	\$3,747	\$4,174	\$4,169	\$4,432
Central Management Services	\$1,608	\$28	\$182	\$1,960	\$2,101	\$2,082	\$2,078	\$2,852	\$1,906	\$2,094
State Employees Retirement System	\$1,149	\$1,367	\$1,309	\$1,319	\$1,395	\$1,638	\$1,705	\$1,721	\$1,698	\$1,775
Corrections	\$1,310	\$888	\$1,076	\$1,890	\$1,519	\$1,490	\$1,502	\$1,523	\$1,725	\$1,837
Aging	\$880	\$646	\$590	\$893	\$919	\$984	\$1,055	\$1,132	\$1,289	\$1,437
Children and Family Services	\$672	\$619	\$684	\$746	\$780	\$839	\$999	\$1,122	\$1,289	\$1,393
All Other Agencies	\$1,952	\$1,574	\$1,662	\$1,808	\$2,106	\$2,193	\$2,364	\$3,012	\$4,980	\$3,500
Prior Year Adjustments	<u>-\$11</u>	<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>
<b><i>Total Warrants Issued</i></b>	<b>\$30,763</b>	<b>\$26,750</b>	<b>\$29,421</b>	<b>\$35,381</b>	<b>\$36,361</b>	<b>\$37,363</b>	<b>\$39,327</b>	<b>\$42,876</b>	<b>\$46,641</b>	<b>\$49,380</b>
<b><i>Transfers</i></b>										
Transfers Out	\$4,858	\$4,576	\$4,636	\$3,610	\$3,906	\$2,596	\$5,200	\$5,417	\$4,196	\$2,295
<b><i>Total Expenditures</i></b>	<b>\$35,621</b>	<b>\$31,326</b>	<b>\$34,057</b>	<b>\$38,991</b>	<b>\$40,267</b>	<b>\$39,959</b>	<b>\$44,527</b>	<b>\$48,293</b>	<b>\$50,837</b>	<b>\$51,675</b>
Change from Prior Year	(\$1,355)	(\$4,295)	\$2,731	\$4,934	\$1,276	(\$308)	\$4,568	\$3,766	\$6,310	\$3,382
Percent Change	-3.7%	-12.1%	8.7%	14.5%	3.3%	-0.8%	11.4%	8.5%	14.2%	7.0%
Repayment of Short-Term Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$1,209	\$0	\$0	\$0
Repayment of Interfund Borrowing	\$0	\$0	\$15	\$128	\$10	\$280	\$127	\$710	\$0	\$0
Budget Stabilization Fund Transfers	\$275	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Treasurer's Investments	\$0	\$0	\$0	\$0	\$700	\$0	\$800	\$0	\$0	\$0
Treasurer's Investments - Contingency Fund Exchange	\$0	\$0	\$0	\$0	\$50	\$0	\$0	\$0	\$0	\$0
<b>Total, Base Expenditures</b>	<b>\$35,346</b>	<b>\$31,201</b>	<b>\$34,042</b>	<b>\$38,863</b>	<b>\$39,507</b>	<b>\$39,679</b>	<b>\$42,391</b>	<b>\$47,583</b>	<b>\$50,837</b>	<b>\$51,675</b>
Change from Prior Year	(\$1,355)	(\$4,145)	\$2,841	\$4,821	\$644	\$172	\$2,712	\$5,192	\$3,254	\$838
Percent Change	-3.7%	-11.7%	9.1%	14.2%	1.7%	0.4%	6.8%	12.2%	6.8%	1.6%

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 and researchers 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 statutorily mandated 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. Additionally, the Unit publishes *First Reading*, a quarterly newsletter which includes abstracts of annual reports or special studies from other state agencies, the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, 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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