



ILLINOIS



STATE BUDGET
FISCAL YEAR 2020
GOVERNOR JB PRITZKER

This page intentionally left blank.

Illinois State Budget



Fiscal Year 2020

Governor JB Pritzker

July 1, 2019 – June 30, 2020

This page intentionally left blank.

NOTICE
For Release at 12:00 Noon, Wednesday,
February 20, 2019

There is a total embargo on the budget for fiscal year 2020 until 12:00 noon, Wednesday, February 20, 2019. This prohibition includes references to any and all material in the *Illinois State Budget, Fiscal Year 2020*. There must be no premature release of this document, nor should any of its contents be paraphrased, alluded to, or commented upon prior to 12:00 noon, February 20, 2019.

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

This page intentionally left blank.



Office of the Governor
207 State Capitol, Springfield, Illinois 62706

February 20, 2019

To the Honorable Members of the General Assembly and the People of the State of Illinois:

I respectfully submit the fiscal year 2020 operating budget.

The proposed fiscal year 2020 budget invests in the people of Illinois, the state's education system, its programs to assist the most vulnerable and its public safety. This budget is the first step in a multi-year plan to move Illinois forward and to bring back fiscal stability.

For years, Illinois government's fiscal instability and structural deficit have held us back from becoming the thriving state our residents deserve. Essential state services and public infrastructure have suffered from long-term underfunding. The full extent of the harm caused by the previous administration's budget impasse is hard to overstate.

The damage has been done over many years, and it will take many years to fix. The proposed fiscal year 2020 budget lays out a path that will restore Illinois to a place of fiscal and economic health.

This document represents a down payment on my priorities. It increases funding for education, including record funding for pre-k programs; invests in school districts in every part of the state; makes college more affordable for low-income students; begins to rebuild the state's social safety net; prioritizes public safety and moves us forward in the effort to meet the challenges we face as the state enters its third century.

Overall, this budget advances a responsible balance of disciplined spending, realistic new revenues and a more sustainable approach to the funding of the state's pension systems. My administration is committed to meeting our obligations to retirees while investing in areas that will make Illinois strong for generations to come.

As a key element of my plan to stabilize Illinois' finances in the coming years, my administration will seek a constitutional amendment to move the state toward a fair income tax system, which will replace the current flat income tax that overburdens the middle class and those striving to get there. A fair tax will allow us to eliminate the structural deficit and allow us to make worthy investments in the future of our people. Until then, this budget strikes the right balance between spending and saving and gives our state's residents a bridge to that day.

Sincerely,

A handwritten signature in black ink, appearing to read "JB Pritzker".

JB Pritzker
Governor, State of Illinois

This page intentionally left blank.

Table of Contents

	<u>Page</u>
The Governor's Letter of Transmittal	
READER'S GUIDE Chapter 1	13
Budget Operations	15
Budget Document Organization	15
State of Illinois Organization Chart.....	16
Basis of Budgeting	17
Guide to Understanding Agency Budget Submissions	18
Agency Budget Tables.....	19
Agency Budget Table Example.....	19
Budgeting for Results Table Example	20
Description of Funds.....	22
BUDGET SUMMARY Chapter 2	23
FINANCIAL SUMMARY Chapter 3	47
Fiscal Overview.....	49
General Funds: Budget Results & Budget Plans FY2017-FY2020 - Table V	57
Summary Tables	
I-A Operating Appropriations by Agency - All Funds	69
I-B Operating Appropriations by Program - All Funds	79
I-C Supplementals to Complete Fiscal Year 2019.....	106
I-D General Funds Transfers Out by Fund.....	107
II-A Revenues by Source - All Appropriated Funds.....	108
II-B Revenues by Source - General Funds.....	109
II-C Budgeted Funds Revenues - Generally Accepted Accounting Principles Basis	110
II-D Budgeted Funds Expenditures - Generally Accepted Accounting Principles Basis	110
III-A Road Fund.....	111
III-B Motor Fuel Tax - State Funds	112
IV-A Appropriated Operating Funds by Fund Category for Fiscal Year 2020.....	113
IV-B Appropriated Operating Funds by Fund for Fiscal Year 2020.....	114
ECONOMIC OUTLOOK AND REVENUE FORECAST Chapter 4	127
PUBLIC RETIREMENT SYSTEMS Chapter 5	153
AGENCY BUDGET DETAIL Chapter 6	159
Legislative Agencies	
General Assembly.....	161
Commission on Government Forecasting and Accountability.....	163
General Assembly Retirement System	164
Joint Committee on Administrative Rules	165
Legislative Audit Commission.....	166
Legislative Ethics Commission	167
Legislative Information System	168
Legislative Printing Unit.....	169
Legislative Reference Bureau	170
Office of the Architect of the Capitol	171
Office of the Auditor General.....	172
Executive Ethics Commission.....	174

Table of Contents

Judicial Agencies	
Supreme Court and Illinois Court System	176
Supreme Court Historic Preservation Commission	178
Judges Retirement System	180
Judicial Inquiry Board	181
Office of the State Appellate Defender	183
Office of the State's Attorneys Appellate Prosecutor	185
Court of Claims	188
Elected Officials and Agencies not under the Governor	
Office of the Governor	195
Office of the Lieutenant Governor	197
Office of the Attorney General	199
Office of the Secretary of State	202
Office of the State Comptroller	208
State Officers' Salaries	211
Office of the State Treasurer	216
Illinois Power Agency	219
Office of Executive Inspector General	221
State Board of Elections	223
Agencies under the Governor	
Department on Aging	225
Department of Agriculture	230
Department of Central Management Services	237
Department of Children and Family Services	242
Department of Commerce and Economic Opportunity	248
Department of Natural Resources	256
Department of Juvenile Justice	264
Department of Corrections	268
Department of Employment Security	273
Department of Financial and Professional Regulation	276
Department of Human Rights	280
Department of Human Services	283
Department of Insurance	296
Department of Innovation and Technology	300
Department of Labor	303
Department of Lottery	307
Department of Military Affairs	310
Department of Healthcare and Family Services	313
Department of Public Health	317
Department of Revenue	326
Illinois State Police	330
Department of Transportation	335
Department of Veterans' Affairs	343
Illinois Arts Council	348
Abraham Lincoln Presidential Library and Museum	351
Governor's Office of Management and Budget	353
Capital Development Board	356
Civil Service Commission	359
Illinois Coroner Training Board	361
Illinois Commerce Commission	363
Drycleaner Environmental Response Trust Fund Council	366
Illinois Deaf and Hard of Hearing Commission	368
Environmental Protection Agency	371
Illinois Guardianship and Advocacy Commission	377
Human Rights Commission	380
Illinois Criminal Justice Information Authority	382

Table of Contents

Illinois Educational Labor Relations Board	387
Illinois Sports Facilities Authority	389
Illinois State Toll Highway Authority	391
Illinois Council on Developmental Disabilities	393
Procurement Policy Board	395
Illinois Workers' Compensation Commission.....	397
Illinois Independent Tax Tribunal	400
Illinois Gaming Board	402
Illinois Liquor Control Commission	405
Law Enforcement Training Standards Board	408
Metropolitan Pier and Exposition Authority.....	411
Prisoner Review Board	413
Illinois Racing Board	416
Property Tax Appeal Board	419
Southwestern Illinois Development Authority.....	421
Illinois Emergency Management Agency.....	423
State Employees' Retirement System.....	428
Illinois Labor Relations Board.....	430
Illinois State Police Merit Board.....	432
Office of the State Fire Marshal.....	434
Elementary and Secondary Education	
Illinois State Board of Education.....	438
Teachers' Retirement System.....	445
Higher Education	
Illinois Board of Higher Education	447
Chicago State University	451
Eastern Illinois University.....	453
Governors State University.....	455
Illinois State University	457
Northeastern Illinois University.....	459
Northern Illinois University	461
Southern Illinois University	463
University of Illinois.....	465
Western Illinois University.....	468
Illinois Community College Board	470
Illinois Student Assistance Commission	473
Illinois Mathematics and Science Academy.....	477
State Universities Retirement System	479
State Universities Civil Service System.....	481
DEBT MANAGEMENT.....Chapter 7	483
GRANT ACCOUNTABILITY AND TRANSPARENCY ACT.....Chapter 8	509
DEMOGRAPHIC INFORMATION.....Chapter 9	515
GLOSSARY..... Chapter 10	525

This page intentionally left blank.



CHAPTER 1

Reader's Guide



Illinois State Budget Fiscal Year 2020

This page intentionally left blank.

Fiscal Year 2020 Illinois State Budget Reader's Guide

A Reader's Guide To The Fiscal Year 2020 Illinois State Budget

Introduction

The Illinois budget process is driven by state constitutional and statutory requirements, a wide array of general guidelines and technical considerations. This Reader's Guide is designed to help readers understand the structure and content of the operating budget. It includes the following sections:

- A description of the budget documents;
- An explanation of how the fiscal year 2020 budget document is organized;
- An organization chart of state government;
- An explanation of the basis of budgeting;
- A guide to reading and understanding agency budget submissions, including narratives and budget tables; and
- A description of the various fund types in the Illinois accounting system.

This document presents the Governor's operating budget recommendations for the period of July 1, 2019 through June 30, 2020.

The state's operating and capital budgets are subject to the same procedures. However, the *Fiscal Year 2020 State of Illinois Capital Budget* is presented in a separate document for the reader's convenience. Both documents are available at www.budget.illinois.gov.

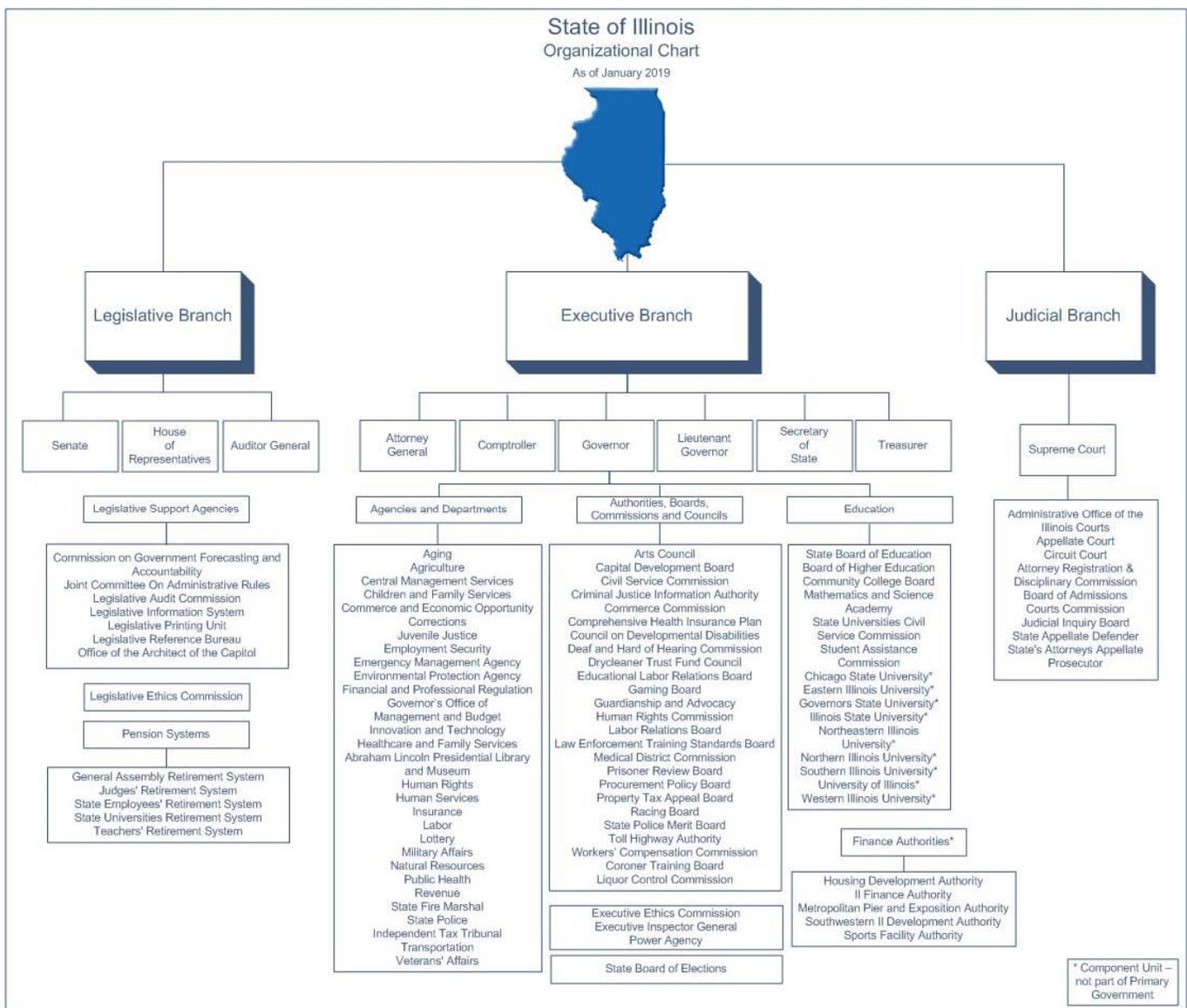
Budget Document Organization

The *Fiscal Year 2020 Illinois State Budget* is organized as follows:

- **The Governor's Letter of Transmittal** to the General Assembly and the residents of Illinois.
- **Table of Contents.**
- **Chapter 1:** The *Reader's Guide*.
- **Chapter 2:** The *Budget Summary* of the state's current fiscal plan. This chapter presents the Governor's budget priorities, recommendations and his budget initiatives.
- **Chapter 3:** The *Financial Summary* highlights key financial issues and includes several tables that summarize appropriations, expenditures, revenues and funds. It also presents the fiscal year 2020 budget categorized by statewide Result Area. Chapter 3 concludes with the following *Summary Tables*:
 - Table I-A: Appropriations by Agency.
 - Table I-B: Operating Appropriations by Programs - All Funds.
 - Table I-C: Supplemental Appropriations for Fiscal Year 2019.
 - Table I-D: General Funds Transfers Out by Fund.
 - Table II-A: All Appropriated Funds Revenues by Source.
 - Table II-B: General Funds Revenue by Source.
 - Table II-C: General Funds Revenue - Generally Accepted Accounting Principles.
 - Table II-D: General Funds Expenditures - Generally Accepted Accounting Principles.
 - Table III-A: Road Fund.
 - Table III-B: Motor Fuel Tax Fund - State Funds.
 - Table IV-A: Appropriated Operating Funds by Fund Group for Fiscal Year 2020. This is a presentation of the projected operating cash flow for each fund group.
 - Table IV-B: Appropriated Operating Funds by Fund for Fiscal Year 2020. This table presents the fund balance for each fund in the Illinois accounting system. The end of year cash balance is equal to the beginning of year cash balance, plus receipts, minus disbursements.
- **Chapter 4:** Illinois' *Economic Outlook and Revenue Forecast*. This chapter describes Illinois' economy within the context of the national economy. Details are also provided on revenue sources and revenue forecasting methodology used by the state.
- **Chapter 5:** *Public Retirement Systems*. A report on the state's public retirement systems.

Fiscal Year 2020 Illinois State Budget Reader's Guide

- **Chapter 6: Agency Budget Detail.** Covers the budget recommendations for each agency and other branches of government, including elected officials. The agencies are grouped by Table I-A order.
- **Chapter 7: The Debt Management report** describes the state's bonded indebtedness, borrowing activities and financing schedule.
- **Chapter 8: Grant Accountability and Transparency.** The purpose of the Grant Accountability and Transparency Act (GATA) is to increase accountability and transparency in the use of grant funds while reducing the administrative burden on both state agencies and grantees through adoption of the federal grant guidance and regulations, 2 CFR Part 200 (Uniform Requirements). This chapter discusses GATA implementation progress and opportunities for improvement.
- **Chapter 9: Demographic Information** on the Illinois population.
- **Chapter 10: Glossary** of special terms.



Fiscal Year 2020 Illinois State Budget Reader's Guide

Basis Of Budgeting

The Illinois Constitution requires the Governor to prepare and submit a state budget to the General Assembly for the upcoming fiscal year. The budget sets forth the estimated balance of funds available for appropriation at the beginning of the fiscal year, the estimated receipts and a plan for expenditures during the fiscal year. The Illinois Constitution requires the Governor to submit a balanced budget and imposes the duty to pass a balanced budget on the General Assembly.

The State Budget Law, 15 ILCS 20/50, establishes requirements for the Governor regarding the proposed balanced budget and requirements for the General Assembly's appropriations. The State Budget Law applies to six funds, defined as budgeted funds: General Revenue, Common School, Education Assistance, Road, Motor Fuel Tax and Agricultural Premium.

For the budgeted funds, revenue estimates include the beginning fund balance, revenues to be received during the budgeted year and revenues due to the state as of June 30, to be collected in the two-month lapse period following the budgeted year.

Following the Illinois Comptroller's policy, per the Statewide Accounting Management System (SAMS) manual, the state uses the "modified accrual" basis of budgeting. Revenues are accounted for in the year they are due, not when they are received. Amounts due to the state in one fiscal year, but actually received in the following fiscal year, are typically small and consistent over time, and are due to the normal payment cycles set forth in law. For instance, final monthly sales tax payments are due to the state on the 20th day of the month following the sale. Consequently, final sales tax payments for June sales are received in July, the first month of the ensuing fiscal year.

Expenditure estimates for budgeted funds take into account the costs to be incurred in the budgeted fiscal year, including those to be paid from future fiscal year appropriations. Expenditure estimates in Table II-D do not include costs paid in the budgeted fiscal year that were incurred in the prior fiscal year.

Revenue and expenditure estimates also include transfers between funds that are based on revenues received or costs incurred during the budgeted year.

All other funds must be balanced so that proposed expenditures and appropriations do not exceed funds estimated to be available.

In addition, the State Budget Law requires that all revenue estimates for the coming fiscal year be based on revenues established in current law or passed by the legislature and signed by the Governor at the time the budget is presented. Furthermore, the Act requires that "amounts recommended by the Governor for appropriation shall take into account each state agency's effectiveness in achieving its prioritized goals for the previous fiscal year." This provides the statutory basis for the Governor's Budgeting for Results initiative.

Fiscal Year 2020 Illinois State Budget Reader's Guide

A Guide To Understanding Agency Budget Submissions

The budget recommendations of the *Fiscal Year 2020 Illinois State Budget* include a narrative on agencies' major responsibilities, budget highlights and summary tables of their budgets.

Agency Budget Detail

The narrative for each agency includes the following sections:

- Agency address, phone number and website address.
- **Major Responsibilities** - Outlines the key responsibilities of the agency.
- **Budget Highlights** - Summarizes the agency's recommended budget for fiscal year 2020 budget.
- **Resources by Fund** - A table summarizing funding sources, recommended appropriations and two-year history of actual appropriations. Also included is a two-year headcount history and target headcount for the upcoming fiscal year.
- **Resources by Result/Outcome/Program** - A table showing the programs through which the agency contributes to statewide outcomes and results. A complete presentation of appropriations by agency program, outcome and result is found in Chapter 3, Summary Tables.
- **Performance Measures by Program** - A table that captures the contribution of agency programs in key areas related to statewide outcome(s). Instances where data is not available for a particular fiscal year are denoted by "N/A."

Agency Budget Tables

The budget tables provide summary detail on each agency's budget. The budget tables list each agency's appropriations and expenditures by major fund group, by fund and by division, as well as the agency's headcount by division. Personnel detail forms, which list the agency's staff by division and position title, are available in a separate reference document. Note that tables may not add due to rounding.

Appropriations by Fund Category/Major Object

- The appropriations recommendations requiring General Assembly action are shown by type of expenditure for each of three major fund groups: general funds, other state funds and federal funds.
- Within each fund group, the appropriations and expenditures are further subdivided into major categories such as personal services and fringe benefits, contractual services, other operations and refunds, designated purposes, and grants. Each appropriation for designated purposes and grants is listed individually.

Appropriations by Fund

- The agency's resources are shown in total for each fund requiring appropriations by the General Assembly.

Appropriations by Division

- The agency's new appropriations and reappropriations requiring General Assembly action are shown by division, as classified by the Comptroller.

Fiscal Year 2020 Illinois State Budget Reader's Guide

Headcount by Division

- The agency's headcount, by division, is presented showing actual headcount at the end of fiscal year 2018, estimated headcount for fiscal year 2019 and target headcount for fiscal year 2020.

Column Descriptions

- The fiscal year 2018 enacted appropriations column reports all original and supplemental appropriations and reappropriations enacted by the General Assembly and signed into law by the Governor for fiscal year 2018. It also includes appropriations established through a statutory continuing appropriation authority, court order or consent decree. The amounts also reflect approved 4 percent transfers and executive orders issued by the Governor.
- Fiscal year 2018 actual expenditures include those incurred from July 1, 2017 through June 30, 2018 and processed by the end of the lapse period ending October 31, 2018. This reflects total spending by the agency and may reflect spending authorization established via court order or consent decree or continuing appropriation.
- Fiscal year 2019 enacted appropriations reflect all original and supplemental appropriations for fiscal year 2019, through January 31, 2019, enacted by the General Assembly and signed by the Governor. It also includes any appropriations established through a statutory continuing appropriation. This column also reports changes due to approved 4 percent transfers and executive orders issued by the Governor.
- Fiscal year 2019 estimated expenditures reflect the expenditures projected to be incurred through the fiscal year, including the lapse period.
- Fiscal year 2020 recommended appropriations show the Governor's proposed budget.
- Fiscal year 2020 requested appropriation displays the budget year request for legislative, judicial and constitutional officers not under the authority of the Governor, as submitted by the relevant entity; the Governor's proposed budget year appropriations for these entities are reflected in Table I-A.

An example of the Budget Table is shown below.

APPROPRIATIONS BY FUND CATEGORY / MAJOR OBJECT

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Recommended Appropriation
GENERAL FUNDS					
Total Personal Services and Fringe Benefits	11,424.2	10,768.4	11,216.6	10,807.1	11,389.1
Total Contractual Services	3,814.4	2,808.7	2,364.5	1,864.5	2,142.5
Total Other Operations and Refunds	838.5	771.1	1,666.1	1,661.9	1,806.1
Designated Purposes					
Administration of the Livestock Management Act	261.7	261.7	300.0	300.0	302.5
Administrative Operational Expenses	0.0	37.1	800.0	800.0	833.7
County Fairs and Agricultural Societies	0.0	0.0	0.0	0.0	0.0
Exotic Pest Eradication	433.2	433.2	450.0	450.0	453.2
FY12/13 Prior Year Wages	5.2	0.0	0.0	0.0	0.0
Ordinary and Contingent Expenses - Supplemental for Prior Years Costs	1,389.9	545.0	0.0	0.0	0.0
University of Illinois Cooperative Extension Service	5,000.0	5,000.0	0.0	0.0	0.0
Total Designated Purposes	12,890.0	11,875.3	1,550.0	1,550.0	1,589.4
Grants					
Grants to Soil and Water Conservation Districts	6,000.0	6,000.0	0.0	0.0	0.0
Total Grants	6,000.0	6,000.0	0.0	0.0	0.0
TOTAL GENERAL FUNDS	34,967.1	32,223.6	16,797.2	15,883.5	16,927.1

Fiscal Year 2020 Illinois State Budget Reader's Guide

Budgeting For Results Table

The fiscal year 2020 budget continues the practice established in 2013 of presenting a Budgeting for Results (BFR) summary table, Table I-B, in the front of the budget book displaying prior year and proposed appropriations by agency programs and statewide Result and Outcome areas.

Following precedent set in 2014, immediately following the Governor's budget address GOMB will electronically publish a data file at www.budget.illinois.gov for the fiscal year 2020 budget including all the information contained in the budget. For the first time, the fiscal year 2020 budget will be accompanied by the "Illinois Interactive State Budget," a visualization tool utilizing tree maps functionality to enable users to view budget information in various levels of detail. The Interactive Budget for fiscal year 2020 is publicly available via www.budget.illinois.gov following the Governor's budget address.

Statewide result heading Statewide outcome heading Agency program resources that contribute to the outcome and result allocated by fund category

Appropriations Requiring General Assembly Action (\$ thousands)	Fiscal Year 2018		Fiscal Year 2019		Fiscal Year 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Governor's Proposed
Education					
Improve School Readiness and Student Success for All					
Department Of Human Services					
Early Childhood Programs	331,029.9	296,390.5	324,933.4	324,933.4	336,562.3
General Funds	130,742.2	129,187.5	124,023.0	124,023.0	135,641.0
Other State Funds	182,932.4	166,301.4	183,505.5	183,505.5	183,505.5
Federal Funds	17,355.3	10,901.6	17,405.0	17,405.0	17,415.9
Department Of Military Affairs					
Lincoln's Challenge Academy	1,065.2	1,065.2	12,565.2	7,615.2	12,565.2
General Funds	1,065.2	1,065.2	2,765.2	2,765.2	2,765.2
Federal Funds	9,800.0	4,300.9	9,800.0	4,850.0	9,800.0
Department Of Veterans' Affairs					
State Approving Agency for GI Bill Education Benefits	1,805.4	1,092.0	1,375.5	1,287.4	1,465.5
General Funds	102.1	97.1	86.7	85.5	88.9
Federal Funds	1,703.3	994.9	1,288.8	1,201.9	1,376.6
State Board Of Education					
Advanced Placement	3,901.3	549.5	3,904.2	800.4	5,905.2
General Funds	521.5	521.5	523.2	523.2	2,523.2

Outcome subtotal Statewide result area total, and resources allocated by fund category

Total Improve School Readiness and Student Success for All					
General Funds	15,721,100.2	15,694,204.6	16,574,278.6	16,542,632.8	17,005,981.0
Other State Funds	612,553.0	543,293.0	614,295.1	584,289.3	598,871.2
Federal Funds	4,039,699.2	2,413,317.8	4,008,200.8	2,616,180.8	3,964,149.5
Total All Funds	20,373,352.4	18,650,815.4	21,196,774.4	19,743,102.8	21,569,001.6
Total Education					
General Funds	15,721,100.2	15,694,204.6	16,574,278.6	16,542,632.8	17,005,981.0
Other State Funds	612,553.0	543,293.0	614,295.1	584,289.3	598,871.2
Federal Funds	4,039,699.2	2,413,317.8	4,008,200.8	2,616,180.8	3,964,149.5
Total All Funds	20,373,352.4	18,650,815.4	21,196,774.4	19,743,102.8	21,569,001.6

Fiscal Year 2020 Illinois State Budget Reader's Guide

Additional detailed information about each agency program and performance measure can be found in the agency performance metric quarterly reports. Each report provides summary information about the program, including its description, target population, activities and goals. In addition, a methodology and other relevant information are provided for each performance measure. The reports are publicly available under the Budgeting for Results tab at the GOMB public website: www.budget.illinois.gov.

Program / Measure	Actual			Estimated	Projected
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Agricultural Products Inspection					
Percentage of feed, seed and fertilizer facilities and products found compliant with regulations	85.0	93.0	95.0	96.0	96.0
Animal Health and Welfare					
Number of animal welfare, rendering, brand, horsemeat, auction market, livestock dealer and branch location business licenses issued	3,041	2,751	2,300	2,410	2,500
County Fairs					
Number of attendees at the 103 county fairs	2,302,437	2,500,000	2,282,774	2,283,000	2,300,000
Du Quoin Buildings and Grounds Non-Fair Activities					
Number of non-fair events at the Illinois State Fairgrounds in Du Quoin	325	162 ⁴	165	185	185

Fiscal Year 2020 Illinois State Budget Reader's Guide

Description Of Funds

- The funds in the Illinois accounting system are classified into two broad categories: appropriated and non-appropriated funds.
- Appropriated funds are further classified into eight fund groups: general, highway, special state, bond financed, debt service, federal trust, state trust and revolving funds.
- Non-appropriated funds are composed primarily of federal and state trust funds and include a few special state funds.

The following chart describes the major appropriated fund types, as well as the sources and uses of those funds.

STATE OF ILLINOIS MAJOR FUND TYPES

Fund Group	Sources	Purposes/Uses
General Funds ¹	State income taxes, sales taxes, other taxes and fees	Support the regular operating and administrative expenses of most state agencies. Include General Revenue Fund, Education Assistance Fund, Common School Fund, General Revenue-Common School Special Account Fund, Fund for the Advancement of Education, Commitment to Human Services Fund and the Budget Stabilization Fund.
Highway Funds	Motor fuel taxes, vehicle registrations, licenses and fees	Receive and distribute special assessments related to transportation. Support transportation-related activities at the state and local levels.
Special State Funds	Taxes and fees	Represent accounts restricted to the revenues and expenditures of a specific source. Support diverse activities such as medical assistance, children's services, environmental cleanup, financial regulation and health insurance. They are designated in Section 5 of the State Finance Act (30 ILCS 105/5) as special funds in the State Treasury and not elsewhere classified.
Bond Financed Funds	Build Illinois and General Obligation (GO) bond sales	Receive and administer the proceeds of various state bond issues. Pay for capital improvements to local schools, state facilities, higher education facilities; and for local water and wastewater treatment facilities, public transportation, airports, environmental programs and economic development projects.
Debt Service Funds	Transfers in from other funds	Account for the resources obtained and accumulated to pay interest and principal on debt obligations. Provide for debt service payments on state bonds.
Federal Trust Funds	Federal grants	Support grants and contracts between state agencies and the federal government. Administered for specific purposes established by terms of grants and contracts. Support a variety of programs including education, healthcare, human services, community development, transportation and energy.
Revolving Funds	Repayments on project loans	Finance the operations of state agencies that render services to other state agencies on a cost reimbursement basis; support local capital projects. Appropriation of these funds depends upon intra-governmental service requirements and appropriation of other state agencies.
State Trust Funds	Various	Hold funds on behalf of other entities or individuals (such as pensions). Established by statute, or under statutory authority, for specific purposes.

¹Effective July 6, 2017, PA 100-0023 redefined general funds to include three additional funds in its base - the Budget Stabilization Fund, the Fund for the Advancement of Education and the Commitment to Human Services Fund.

Fiscal Year 2020: Budget Summary

Illinois' pension contributions have grown to absorb nearly 21 percent of the state's available general funds revenues; this crowds out other critical investments in education, social services and infrastructure, investments vital to the state's growth.

THE PLAN TO ACHIEVE FISCAL STABILITY

The structural deficit cannot be addressed by spending cuts alone. Dramatic cuts in state services would stifle long-term economic growth for Illinois. Investments in early childhood education, K-12 education, higher education, our social safety net, economic development and infrastructure will reap dividends long into the future. Draconian cuts to services is not the answer to balancing the budget. As we would not expect a working family to forgo basic living needs, the state should not starve critical programs and services.

Bringing Down the Bill Backlog

Illinois must get its bill backlog under control and keep it manageable. To that end, the Governor proposes the issuance of \$1.5 billion in general obligation bonds in the summer of 2019 to pay off most of the interest-accruing bill backlog in the state employee health insurance program, the Medicaid program, and other overdue payments to vendors. Many of these bills are accruing interest at a rate nearing 12 percent annually; the issuance of the bonds could reduce the state's interest costs by millions of dollars. Furthermore, the Governor is proposing the reduction of the interest rate under the Prompt Payment Act to a market based rate, perhaps tied to five-year U.S. Treasury rates. Additionally, the fiscal year 2020 budget proposal dedicates another \$155 million in surplus towards backlog paydown.

Providing New Revenues

In order to achieve fairness in the tax system, Illinois must move toward a fair income tax where individuals with a greater ability to pay bear a greater share of the tax burden.

Amending the Illinois Constitution to allow for a revised income tax structure cannot be achieved sooner than fiscal year 2021. Given the significant financial pressures faced by the state, a revenue bridge must be built between today and future tax reforms.

To that end, Governor Pritzker is proposing several changes to the state's current revenue structure to fund essential services now. The proposed fiscal year 2020 budget must lay the groundwork to raise the additional revenue Illinois requires. Raising revenue alone won't fix the challenges the state is facing, but raising revenues does give Illinois the resources to begin fixing the state's structural problems.

The estimated new or enhanced revenues outlined below total \$1,121 million. In the absence of these revenues, an equal amount of spending would have to be eliminated. While the Governor does not recommend such actions, each agency in the general funds budget, aside from debt service, pensions and employee healthcare costs, would be cut by 4.0 percent to ensure a balanced budget. This would eliminate much needed investments in education, higher education, social services and criminal justice programs.

Sports Wagering

A May 2018 U.S. Supreme Court decision struck down a 1992 law that limited legal sports betting. As a result, many states are taking steps to legalize gambling on sports. There is an estimated \$150 billion in illegal sports bets placed every year and states are planning to increase revenues and spur economic activity by allowing a portion of those bets to occur legally within the state. Several states already have taken steps towards legalization, including New Jersey, Pennsylvania, West Virginia, Mississippi, Rhode

Fiscal Year 2020: Budget Summary

Island and Delaware. Illinois should become the first state in the Midwest to take advantage of this opportunity.

The Governor proposes to authorize sports wagering at various facilities in Illinois. This wagering could be done in-person or via the internet by persons physically located in Illinois or in a jurisdiction that has entered into a reciprocal agreement with Illinois. The proposal would make 20 total licenses available. Sports wagering operators would pay a tax equivalent to 20 percent of their gross sports wagering revenue and this money would be deposited into the State Gaming Fund.

Based on estimates from Oxford Economics, Illinois could generate between \$384 million and \$680 million in gross sports wagering revenues per year under full implementation. At the proposed 20 percent tax rate, this would generate tax revenues of between \$77 million and \$136 million per year. Approximately \$17 million is included in the budget forecast for fiscal year 2020, of which ***\$12 million would be transferred into the general funds***, after estimated potential expenses to administer sports wagering were deducted.

An applicant for an interactive sports wagering platform license would pay an initial fee of \$10 million and an annual license renewal fee of \$5,000. For the first five years of operation, sports wagering operators would be able to deduct a maximum of 90 percent of one-fifth of the initial license fee each year from the sports wagering tax. This license fee and tax credit proposal will allow the state to accelerate an estimated ***\$200 million in future tax revenue into fiscal year 2020***.

Recreational Cannabis

Illinois is one of thirteen states that has decriminalized possession of small quantities of cannabis. In 2013, Illinois passed the Compassionate Use of Medical Cannabis Pilot Program Act which currently has more than 34,000 qualifying patients. At the present time, eight states have either enacted recreational cannabis statutes or passed public referendums.

Illinois has the potential to license new cannabis cultivators and accelerate future cannabis tax revenue through a license fee and tax credit arrangement similar to the sports wagering tax to reduce the economic cost of the license. It is ***estimated that \$170 million will be realized in fiscal year 2020***, with actual amounts dependent on the final initial license fee structure.

Managed Care Organization Assessment

The Governor proposes that Illinois enact a managed care organization assessment to help cover the costs of the state's Medicaid program. A program similar to the per-member per-month assessment charged to organizations in California or Ohio could help generate significant revenues to support the costs of healthcare. Alternatively, the General Assembly currently has a proposal containing a health insurer claims assessment which could be looked at as well. The program would be structured to generate ***approximately \$390 million in new revenues for deposit into the Healthcare Provider Relief Fund*** to cover a portion of the state's Medicaid costs, while also generating millions more in matching federal revenues to provide additional funds for the overall program.

E-Cigarettes

According to the Centers for Disease Control, 10.3 percent of adults between the ages of 18 and 24 years old have used e-cigarettes, while the overall use rate among adults is just 4.4 percent.¹³ The long-term health consequences of e-cigarettes are not yet understood; however, the potential for long-term negative impacts cannot go unacknowledged. The aggressive and effective marketing to younger consumers is troubling. As a result, the City of Chicago, Cook County and many other states have

¹³ <https://www.cdc.gov/brfss/index.html>

Fiscal Year 2020: Budget Summary

started taxing e-cigarettes. The Governor is proposing to tax e-cigarettes at 36 percent of the wholesale price, the same rate at which other tobacco products are taxed. ***An additional \$10 million per year is estimated to be generated for the Healthcare Provider Relief Fund.*** The Governor is also proposing to increase the cigarette tax rate by 32 cents per pack of 20 cigarettes. This will generate an ***additional \$55 million to be deposited into the Healthcare Provider Relief Fund*** to further assist the state with costs associated with the Medicaid program. For details on a proposed change to the cigarette tax deposit structure, see Chapter 4 of this Budget Book.

Video Gaming

More than 30,000 video gaming terminals (VGTs) operate in almost 6,800 locations around the State of Illinois. Many of the video gaming operations are single site operations while others may be numerous separate LLCs underneath a larger parent entity. These larger entities may be operating hundreds of video gaming machines at scores of locations around the state, yet they pay the same tax rates as the smaller single-site operations. In riverboat gambling, the state accounts for differing market sizes through a progressive wagering tax. Video gaming should do the same. The new structure will require combined reporting of net terminal income at the parent entity level. The Governor proposes that marginal net terminal income that exceeds \$2.5 million per year be taxable at a 50 percent rate rather than the current 30 percent rate. The current revenue sharing arrangement with local units of government would still apply. ***The Capital Projects Fund is projected to receive an additional \$89 million per year*** and local governments approximately \$18 million under this alternative tax structure.

Plastic Bag Tax

Waste plastic in our environment is a serious concern posing a grave risk to fish and other wildlife in our water and other natural habitats. An excise tax on plastic bags, as suggested by the Governor's budget transition committee, is one way Illinois can help to reduce the risk to wildlife. The state can reduce the use of plastic bags in check-out lanes and generate ***\$19 million to \$23 million in new revenue*** with a five-cent-per-bag tax depending on whether or not the City of Chicago, which already has a plastic bag tax, is exempted.

Retailers Discount

Currently Illinois retailers receive a discount of 1.75 percent of the sales tax due. The discount is intended to reimburse some of the cost of collecting taxes on behalf of the state. The discount costs state and local governments approximately \$252 million per year. The Governor is proposing a \$1,000-per-month cap on the Retailers Discount, which would increase revenue deposits by ***\$75 million for state general funds and \$58 million for local governments.*** Under this \$1,000-per-month cap, nearly 99 percent of retailers will see no change in their discount, as taxable retail sales are highly concentrated among a small percentage of high-volume retailers.

Private School Scholarships

In 2017, Illinois added a tax credit program granting a 75 percent income tax credit to individuals and businesses that contribute to scholarship funds for private schools. The Governor is proposing to phase out the program over the next three years so that the state can direct its limited revenues to funding its commitments to public schools first. Capping the amount of eligible contributions at \$50 million, approximately 17 percent below the estimated contributions in 2018, will provide an ***additional \$6 million in general funds revenues*** while protecting scholarship funding for current students so their studies are not disrupted.

Economic Outlook And Revenue Forecast

Cigarette and Other Tobacco Products Taxes

(\$ millions)					
<p>Overview: The state currently taxes cigarettes at a rate of \$1.98 per pack and deposits receipts into the Healthcare Provider Relief Fund, General Funds, the School Infrastructure Fund and the Long- Term Care Provider Fund according to a formula set by statute. Beginning in fiscal year 2020, the cigarette tax is proposed to increase to \$2.30 per pack and all receipts are to be deposited into the Healthcare Provider Relief Fund and the Common School Fund.</p> <p>Other tobacco products are taxed at a rate of 36 percent of the wholesale price. Moist snuff is taxed at a rate of 30 cents per ounce. The state deposits receipts from the Other Tobacco Products Tax into the Healthcare Provider Relief Fund and the Long- Term Care Provider Fund. Beginning in fiscal year 2020, a proposed tax on electronic cigarettes would be deposited into the Healthcare Provider Relief Fund.</p>					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Cigarette Tax Receipts	\$807	\$743	\$725	\$700	\$740
Other Tobacco Products Tax Receipts	\$38	\$38	\$39	\$39	\$39
E- Cigarette Tax Receipts	-	-	-	-	\$10
<p>Key Assumptions: The forecast period for the Cigarette Tax assumes consumption of cigarettes declines by 2.5 percent annually. The forecast period for the Other Tobacco Products Tax assumes that there is less than three percent growth in tobacco products consumption.</p>					

Revenue from the Cigarette and Other Tobacco Products Taxes is a function of state-level sales of taxable products. Sales of products in Illinois reflect a number of variables. Among these are the size of the smoking population, average consumption of cigarette and tobacco products, rates of cessation, public smoking bans, federal excise taxes and the difference between the tax rate in Illinois and in neighboring states.

Trends in smoking population and product consumption are used to arrive at revenue forecasts. These forecasts account for the impact of substitution of tobacco products, the increasing use of electronic nicotine delivery systems and the smuggling of contraband product. Given available data from public health research on smoking habits in Illinois, cigarette consumption is likely to continue decreasing over the next few years. As such, the estimate for fiscal year 2019 is \$700 million, a decrease of \$25 million from fiscal year 2018. Other Tobacco Products Tax revenue for fiscal year 2019 is projected to be flat from fiscal year 2018.

Fiscal year 2020 projections take into account several different proposals that would affect the collection and distribution of cigarette and tobacco taxes. First, the cigarette tax is proposed to increase from \$1.98 per pack to \$2.30 per pack. The receipts from this tax, previously split between several funds, would now be deposited into the Common School Fund at a rate of \$6 million per month and the remainder deposited into the Healthcare Provider Relief Fund. Additionally, a new tax on electronic cigarettes is proposed. All receipts from this new tax would be deposited into the Healthcare Provider Relief Fund. Below is a figure showing the estimated distribution by fund of all the cigarette and tobacco tax revenue.

Cigarette, Other Tobacco and Electronic Cigarette Receipts by Fund (\$ millions)					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
General Funds Receipts	\$353	\$353	\$344	\$347	\$72
Healthcare Provider Relief Fund Receipts	\$426	\$394	\$385	\$373	\$697
Long- Term Care Provider Fund Receipts	\$19	\$19	\$19	\$19	\$19
School Infrastructure Fund Receipts	\$46	\$15	\$15	-	-

Economic Outlook And Revenue Forecast

Recreational Cannabis License Fees

(\$ millions)					
Overview: License revenue from the proposed legalization of recreational cannabis would be deposited into the General Revenue Fund.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
General Funds Receipts	-	-	-	-	\$170

The Governor is proposing the legalization of recreational cannabis. Illinois has the potential to license more than 2,000 new cannabis cultivators and accelerate more than \$200 million in future cannabis tax revenue, through a license fee and tax credit arrangement similar to the sports wagering tax. It is estimated that \$170 million will be realized in fiscal year 2020. Initial license fees would be the same price as the current medical cannabis renewal fee of \$100,000. Credits against future cannabis taxes would be equal to 1/5th of 90 percent of the license fee, reducing the economic cost of the licenses to a value closer to the fees in other states.

Estate Tax

(\$ millions)					
Overview: The Estate Tax is a tax on the value of an estate at a rate ranging from 0.8 percent to 16 percent. Since July 1, 2012, the state deposits 94 percent of the tax receipts into the General Revenue Fund, and six percent into the Estate Tax Refund Fund to refund overpayments.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
General Funds Receipts	\$306	\$261	\$358	\$315	\$305
All Funds Receipts	\$325	\$278	\$381	\$335	\$324
Key Assumptions: The forecast assumes that the estate tax will be collected primarily from taxable estates in excess of \$4 million in fiscal year 2020 and that the estates are comparable in number and average size to those in fiscal year 2019 and fiscal year 2018.					

Illinois imposes the estate tax on the taxable estate of a deceased person before the distribution to heirs. If an asset is left to a spouse or a federally recognized charity, the tax usually does not apply; only the amount of an estate that passes to persons other than the surviving spouse is taxed.

The starting point in the calculation is the gross estate, which includes not only all property interests of the decedent but also the value of certain items or property that the decedent jointly owned or transferred during the three years preceding the date of death.

To calculate the taxable estate, the law allows various deductions from the gross estate such as funeral expenses, claims against the estate and charitable contributions. The exemption applies after these deductions are taken from the gross estate. The current exemption is \$4 million, and the taxable estate in excess of \$4 million is the basis for the calculation of the estate tax payment.

Estimates for fiscal year 2019 and fiscal year 2020 are based on three factors: the number of taxable estates worth over four million dollars that do not pass to spouses or charity, the average tax payment by estates, and the year and date of death. When the taxable estate is larger, the estate tax rate and the resulting payments will be higher. The year of death determines the exclusion amount, and the date determines the payment due date. Although the estate tax is due nine months after death, in many instances, final estate tax payments often are made more than nine months after death.

The fiscal year 2019 estimate is \$315 million. This revised estimate accounts for year-to-date receipts. Fiscal year 2020 receipts are forecasted to be \$305 million. The forecasted rate of growth for fiscal year 2020 is approximately 1 percent. The estate tax can fluctuate irregularly without warning, so this growth assumption is built into the fiscal year 2020 forecast prior to the revision of the fiscal year 2019 estimate.

Economic Outlook And Revenue Forecast

Insurance Taxes and Fees

(\$ millions)					
Overview: The privilege tax and the retaliatory tax are the most significant components of Illinois' insurance taxes. Both foreign and domestic insurance companies are liable for the retaliatory tax. If another state charges Illinois insurance companies fees in excess of taxes and fees paid to Illinois, then Illinois imposes a retaliatory tax on non-Illinois insurance companies from those states. The General Revenue Fund receipts include a small amount of revenue from fines and penalties.					
	FY 16	FY 17	FY 18	FY19 Estimate	FY20 Forecast
General Funds Receipts	\$398	\$391	\$432	\$428	\$419
All Funds Receipts	\$524	\$532	\$564	\$561	\$552
Key Assumptions: Privilege, retaliatory and fire marshal tax receipts are expected to be remitted at the historical average. Surplus line taxes are expected to drop slightly relative to recent years because of the reduced tax on industrial insured contracts effective January 1, 2018.					

Receipts to the General Revenue Fund (GRF) are composed largely of privilege, retaliatory and surplus line taxes. Various fines, penalties and interest payments are also deposited into GRF. The increase in total revenue, first observed in fiscal year 2015, was the result of a tax on industrial insureds that independently procure contracts of insurance directly from an unauthorized insurer. Beginning January 1, 2015, the industrial insureds were required to pay the surplus line tax and the fire marshal tax. As a result of PA 100-1118, however, beginning January 1, 2018, the surplus line tax rate for industrial insureds was reduced from 3.5 percent to 0.5 percent of gross premiums. Accordingly, deposits into GRF are expected to decrease slightly.

Corporate Franchise Tax and Fees

(\$ millions)					
Overview: Illinois collects franchise taxes from corporations in the amount of 0.15 percent of paid-in capital when beginning business in the state, an additional 0.15 percent of any increase in paid-in capital during the year and an annual tax of 0.10 percent of paid-in capital. The state levies fees for filing an annual report, articles of incorporation, amendment, merger, consolidation or dissolution. Two percent of the revenues collected from these sources are deposited into the Corporate Franchise Tax Refund Fund.					
	FY 16	FY 17	FY 18	FY19 Estimate	FY20 Forecast
General Funds Receipts	\$207	\$207	\$207	\$206	\$205
Key Assumptions: Corporate franchise tax and fees revenue is expected to continue to decline through fiscal year 2020 and beyond.					

Each year a very small decline is expected in the corporate franchise tax and associated revenue. This trend is being driven by relatively fewer firms registering as C corporations with the Secretary of State. In fact, the Internal Revenue Service (IRS) projects an average annual decrease of 1.1 percent in the number of federal Form 1120 returns through fiscal year 2025. Conversely, the IRS projects an average annual increase of 1.9 percent in the number of federal Form 1120S returns for the same time period.³⁰ This suggests that firms are continuing the trend of opting for treatment as pass-through entities for tax purposes. It remains unclear whether federal tax reform will have an impact on this trend.

³⁰ IRS Office of Research. *Fiscal Year Return Projections for the United States: 2018 – 2025*. Publication 6292 (Rev. 8-2018). Washington, DC, 2018. <https://www.irs.gov/pub/irs-pdf/p6292.pdf>.

Economic Outlook And Revenue Forecast

Investment Income

(\$ millions)					
Overview: Many state funds invested by the state treasurer earn income on their cash balances from investments, such as repurchase agreements, commercial paper, time deposits and certificates of deposit. This income is deposited into general funds and other specified funds based on each fund's pro-rated share of the total balance of all invested funds, or by specific statutory direction. The general funds receive the largest share of investment income.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
General Funds Receipts	\$24	\$36	\$79	\$100	\$100

Cook County Intergovernmental Transfer (IGT)

(\$ millions)					
Overview: The state receives a portion of federal Medicaid reimbursements paid to Cook County Hospital through an intergovernmental agreement. The agreement is designed to capture additional federal reimbursement by allowing the state to claim the maximum rates for Medicaid patients at the hospital.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
General Funds Receipts	\$244	\$244	\$244	\$244	\$244
Key Assumptions: The reimbursements the state receives from the intergovernmental agreement will remain the same through fiscal year 2020 as a result of federal rules governing the maximum payments that hospitals can receive.					

Other Sources

(\$ millions)					
Overview: Other general fund sources are comprised of miscellaneous taxes and fees, proceeds from the sale of assets, and deposits from the Build Illinois escrow account to the state.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Vehicle Use Tax	\$30	\$30	\$28	\$30	\$30
Hotel Tax	\$46	\$47	-	-	-
Certificate of Title	\$28	\$28	\$27	\$28	\$28
Riverboat Owner's License Fees	\$10	\$10	\$10	\$10	\$10
Build Illinois Escrow	\$109	\$138	\$160	\$210	\$242
Real Estate Transfer Tax	-	-	-	-	\$51
Plastic Bag Tax	-	-	-	-	\$20
Delinquent Tax Payment Incentive Program	-	-	-	-	\$175
All Other	\$351	\$471	\$494	\$489	\$514
Total General Funds Receipts	\$574	\$724	\$719	\$767	\$1,070
Note: A portion of the Real Estate Transfer Tax is proposed to be reallocated to general funds in fiscal year 2020. See Chapter 2: Budget Summary for details on the Plastic Bag Tax and Delinquent Tax Payment Incentive Program proposals.					

Economic Outlook And Revenue Forecast

Hotel Tax

(\$ millions)					
Overview: Businesses that rent, lease or let hotel rooms to people for living quarters within Illinois pay tax at a rate of 6 percent of 94 percent of gross receipts. According to a formula set by statute, hotel taxes are deposited into the Build Illinois Fund, International Tourism Fund, Local Tourism Fund, Chicago Travel Industry Promotional Fund and Illinois Sports Facilities Fund. The remaining receipts are deposited into the Tourism Promotion Fund.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Total Receipts	\$264	\$273	\$281	\$290	\$300
General Funds Receipts	\$46	\$47	-	-	-
Key Assumptions: Over the forecast period, the average daily room rate and occupancy rate are expected to remain flat. Available supply of rooms in the Chicago market is expected to grow two and a half percent. Demand for available rooms in the Chicago market is expected to grow three and a half percent.					

Hotel tax receipts are a function of the volume of hotel rooms in the state, the occupancy rate and the average daily room rate. Using available industry forecasts and year-to-date tax receipt data, fiscal year 2019 is estimated to see \$290 million in revenue. Fiscal year 2020 is forecast to see \$300 million in revenue.

PA 100-0023 changed the distribution of Hotel Tax receipts beginning in fiscal year 2018. Previously any receipts remaining after all required deposits were made to the Build Illinois, International Tourism Promotion, Local Tourism, Chicago Travel Industry Promotional and Illinois Sports Facility Funds were deposited into the General Revenue Fund. Beginning fiscal year 2018, that remaining money is deposited instead into the Tourism Promotion Fund.

Lottery

(\$ millions)					
Overview: The state receives approximately 27.6 percent of total lottery sales. The remaining 72.4 percent goes toward prizes, vendor fees and lottery administration. The share of lottery revenue transferred to the Common School Fund (CSF) is to be no less than the fiscal year 2009 level (\$625 million), indexed to inflation using Consumer Price Index for urban consumers less energy prices. Any amount in excess of the fiscal year 2009 level indexed to inflation is used to fund capital projects.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Transfer to Common School Fund	\$677	\$720	\$719	\$731	\$745
Transfer to Capital Projects Fund	-	\$15	\$9	-	\$30
Key Assumptions: \$15 million of the required fiscal year 2016 transfer was credited to fiscal year 2017 revenues.					

The Illinois Lottery Law mandates a transfer from the State Lottery Fund to the Common School Fund of an amount equal to the proceeds transferred in the corresponding month of fiscal year 2009, as adjusted for CPI-U less energy. The annual forecast inflation rate is 2.0 percent. Fiscal year 2019 lottery transfers to the Common School Fund are estimated at \$731 million and are projected to increase to \$745 million in fiscal year 2020.

After the Common School Fund and other special cause transfers are completed, all remaining lottery proceeds will be transferred to the Capital Projects Fund. There are no anticipated fiscal year 2019 transfers to the Capital Projects Fund due to costs from the prior private management agreement.

The contract with the new lottery private manager, Camelot Illinois, began on January 2, 2018. Camelot Illinois expects to increase annual lottery sales by \$1.8 billion to \$4 billion. Based on the assumption of increased sales and Department of The Lottery's commitment to increasing their online sales and marketing presence, fiscal year 2020 transfers to the Capital Projects Fund are projected at \$30 million.

Economic Outlook And Revenue Forecast

Riverboat Casino Gaming

(\$ millions)					
Overview: The state imposes a graduated wagering tax on gross gaming revenues at the casinos, and a patron admission tax, which is individualized for each casino based on its previous calendar year admissions. Occupational, owner and supplier license fees are also imposed.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Transfer to Education Assistance Fund	\$277	\$270	\$272	\$263	\$258
Key Assumptions: On July 1, 2013 and each July 1 thereafter, \$1.6 million shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund. Beginning on July 1, 2013, in addition to any amount transferred, \$5.53 million shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.					

Casino wagering taxes experienced a decline in fiscal year 2018, primarily from further cannibalization and competitive pressures from video gaming. According to the Illinois Gaming Board Riverboat Revenue Report for December 2018, calendar year 2018 admissions and adjusted gross receipts are 6.7 percent and 2.4 percent lower, respectively, than calendar year 2017. The State Gaming Fund is projected to collect admission and wagering taxes totaling \$460 million in fiscal year 2019 and \$455 million in fiscal year 2020. Education Assistance Fund base transfers are expected to decline to \$263 million in fiscal year 2019 and further decrease to \$258 million in fiscal year 2020.

Video Gaming

(\$ millions)					
Overview: The state receives 30 percent of the net terminal income (NTI) from each licensed video gaming terminal (VGT). Of this portion, five-sixths is deposited into the Capital Projects Fund, and the remaining one-sixth goes to the municipalities where the VGTs are located. Beginning in FY20, a progressive tax on NTI is proposed. Any additional receipts resulting from the progressive tax would be split as the initial 30 percent is split.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Capital Project Fund Receipts	\$252	\$296	\$330	\$375	\$490
Disbursements to Local Governments	\$50	\$58	\$66	\$75	\$98
Key Assumptions: NTI is defined as the money put into a VGT net of credits paid to the player. See Chapter 2: Budget Summary for details on the proposed progressive tax.					

Currently, more than 30,000 video gaming terminals (VGTs) operate in 6,800 locations around the state compared with only 9,723 electronic gaming devices at all ten Illinois casinos combined. The December 2018 report from the Illinois Gaming Board recorded \$1.5 billion net terminal income (NTI) from all VGTs during the calendar year. Video gaming is one of the major revenue sources for the Capital Projects Fund (CPF). The three year average growth rate in state share tax revenue is more than 14 percent. Revenue growth is expected to decelerate as the market saturates. Fiscal year 2019 estimated revenue to CPF is \$375 million, a 13.6 percent increase over fiscal year 2018.

The fiscal year 2020 forecast reflects a proposal to pursue a progressive NTI tax. Receipts to CPF under this new proposal are projected to total \$490 million, a 30.7 percent increase over fiscal year 2019, with \$89 million attributable to the proposed progressive structure.

Economic Outlook And Revenue Forecast

Sports Wagering

(\$ millions)					
Overview: Under the proposed sports wagering structure, the state would receive 20 percent of gross sports wagering revenue to be deposited into the State Gaming Fund. After expenses to administer Sports Wagering are deducted from the tax receipts, the remainder of the proceeds would be transferred to the Education Assistance Fund. All license revenue would be deposited into the General Revenue Fund.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
State Gaming Fund Receipts	-	-	-	-	\$17
General Funds Receipts	-	-	-	-	\$200
Key Assumptions: See Chapter 2: Budget Summary for details on this proposal.					

Transfers In

(\$ millions)					
Overview: Non-general funds transfer amounts into the general funds pursuant to statutory provisions.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Lottery	\$677	\$720	\$719	\$731	\$745
Riverboat Gaming	\$277	\$270	\$272	\$263	\$258
Build Illinois	\$316	\$320	\$328	\$343	\$354
Capital Projects	\$60	\$35	\$440	\$245	\$245
Income Tax Refund	\$77	\$4	\$1	\$327	\$25
MEAOB	\$17	\$13	\$12	\$15	\$29
Warrants Escheated	\$10	\$9	\$9	\$14	\$13
Fund Reallocations	-	-	\$269	-	-
Interfund Borrowing	-	-	\$533	\$250	-
Section 7.6 Bond Proceeds	-	-	\$2,500	\$600	-
Treasurer's Investment Borrowing	-	-	-	\$700	-
All Others	\$147	\$169	\$127	\$117	\$153
Total General Funds Transfers In	\$1,581	\$1,542	\$5,210	\$3,605	\$1,823
Note: See above for discussion of Lottery and Riverboat Gaming revenues. MEAOB stands for receipts from Metropolitan Exposition Auditorium and Office Building Fund's share of taxes.					

Federal Sources

(\$ millions)					
Overview: The federal government provides grants and reimbursements to the Illinois general funds for Medicaid public assistance, social services and other programs.					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Medical Assistance	\$2,274	\$1,992	\$4,592	\$2,806	\$3,022
Social Services Block Grant	\$40	\$32	\$1	\$52	\$28
Temporary Assistance to Needy Families	-	\$60	\$156	\$91	\$60
All Other	\$352	\$398	\$489	\$437	\$437
Total General Funds Receipts	\$2,665	\$2,483	\$5,238	\$3,386	\$3,547

Economic Outlook And Revenue Forecast

Real Estate Transfer Tax

(\$ millions)					
<p>Overview: The Real Estate Transfer Tax (RETT) is imposed on the privilege of transferring title to real estate or a beneficial interest in a land trust in Illinois. The state rate is 50 cents for each \$500 of value. Collections are deposited as follows: 50 percent into the Illinois Affordable Housing Trust Fund, 35 percent into the Open Space Lands Acquisition and Development Fund (OSLAD), and 15 percent into the National Areas Acquisition Fund. For fiscal year 2020 only, it is proposed that the 35 percent that is typically deposited into OSLAD and half of the 50 percent that is typically deposited into the Illinois Affordable Housing Trust Fund will instead be deposited into the General Revenue Fund.</p>					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Total Receipts	\$77	\$77	\$80	\$85	\$85
<p>Key Assumptions: Median sales price of residential property in Illinois is forecast to increase by between 1.2 and 4.4 percent over the forecast period.</p>					

Receipts from the Real Estate Transfer Tax are driven by the volume and dollar value of real estate transactions in the state. These factors are in turn influenced by the overall Illinois real estate market. Data on median sale price, home equity and foreclosed property are used to approximate the overall market and inform the forecast of this tax source.

While the Illinois real estate market continues to grow, industry expectations for the next calendar year cast uncertainty around how robust that growth will be. The 2019 Housing Price Forecasts produced by the Regional Economics Applications Laboratory for the Illinois Realtors Association estimates that Illinois median sale prices will grow between 1.2 and 4.4 percent.³¹ While slightly more optimistic than last year, the Regional Economics Applications Laboratory forecast continues to stress renewed uncertainty regarding the sustainability of continued growth of the market.

Based on available data and receipts year-to-date for the source, the current fiscal year 2019 estimate is \$85 million. The forecast for fiscal year 2020 is also \$85 million. Continued growth in the tax base is reasonable to expect. However, the fiscal year 2020 forecast reflects a cautious assumption of unit sale and price growth given the mixed outlook for the Illinois market.

Motor Fuel Taxes

(\$ millions)					
<p>Overview: Illinois collects motor fuel taxes and motor fuel use taxes for the privilege of operating a motor vehicle on public highways or a recreational watercraft on waterways in Illinois in the amounts of 19 cents per gallon of gas and 21.5 cents per gallon of diesel (natural gas used as a motor fuel is also taxed at modified rates). Tax receipts are deposited into the Motor Fuel Tax Fund and then transferred to the State Construction Account Fund, State Boating Act Fund, Grade Crossing Protection Fund, State Road Fund and various local governments. Illinois also collects underground storage tank taxes for underground storage tank cleanup, including a 0.3 cent per gallon of fuel underground storage tank tax and a 0.8 cent per gallon of fuel environmental impact fee. These underground storage tank taxes are deposited into the Underground Storage Tank Fund. The amounts below are the combined receipts for the Motor Fuel Tax Fund and the Underground Storage Tank Fund.</p>					
	FY 16	FY 17	FY 18	FY 19 Estimate	FY 20 Forecast
Total Receipts	\$1,354	\$1,348	\$1,368	\$1,372	\$1,375

The two main drivers of motor fuel tax receipts are the total miles traveled by motorists and the fuel economy of the vehicles they are driving. The overall average fuel economy of vehicles on the road increases each year as older vehicles are replaced by new, more fuel-efficient ones. This reflects the fact that the federal government, through its Corporate Average Fuel Economy standards, generally requires greater fuel economy for each new model year of passenger car and light truck. Increasing average fuel economy has a negative impact on fuel tax receipts because it results in less fuel consumed per mile traveled.

³¹ Regional Economics Applications Laboratory, "Housing Price Forecasts, 2019". Retrieved 1-15-19: https://www.illinoisrealtors.org/wp-content/uploads/2018/12/Annual_Forecast_2019.pdf

Economic Outlook And Revenue Forecast

Total vehicle miles traveled can offset some or all of this negative impact by increasing, or the miles traveled can reinforce the negative impact by decreasing. Total vehicle miles traveled in the United States started to decline in 2007 in response to rising fuel prices and then kept declining as the economy contracted during the last recession. The combination of less driving and greater fuel economy led to declining receipts from motor fuel taxes during this period. In 2014, however, total miles traveled began to increase as fuel prices decreased and as the post-recession recovery gained momentum. The additional volume of miles traveled was enough to offset the negative impact of fuel efficiency gains. Receipts from Illinois' fuel taxes increased 2.7 percent in fiscal year 2014—the first genuine increase since fiscal year 2007. Taxable fuel consumption has continued to increase every year as the growth in total miles traveled by motorists has offset fuel efficiency gains.³² This trend will continue over the budget period, leading to small increases in the associated fuel tax receipts.

The fiscal year 2019 estimate is \$1,372 million, an increase of 0.3 percent. The forecast for fiscal year 2020 is \$1,375 million, 0.2 percent above fiscal year 2019.

³² The receipts decline for fiscal year 2017 was caused by the timing of tax payments rather than a decline in taxable consumption.

This page intentionally left blank.

Illinois Independent Tax Tribunal

PERFORMANCE MEASURES BY PROGRAM

Program / Measure	Actual			Estimated	Projected
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Administration of Tax Hearings					
Percentage of cases closed within 24 months	76	75	75	75	75
Percentage of new petitions processed within two business days of filing	100	100	100	100	100

APPROPRIATIONS BY FUND CATEGORY / MAJOR OBJECT

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Recommended Appropriation
GENERAL FUNDS					
Designated Purposes					
Operational Expenses	607.0	351.4	607.0	528.8	607.0
Total Designated Purposes	607.0	351.4	607.0	528.8	607.0
TOTAL GENERAL FUNDS	607.0	351.4	607.0	528.8	607.0
OTHER STATE FUNDS					
Designated Purposes					
Operational Expenses	168.7	143.5	180.3	155.8	176.1
Total Designated Purposes	168.7	143.5	180.3	155.8	176.1
TOTAL OTHER STATE FUNDS	168.7	143.5	180.3	155.8	176.1

APPROPRIATIONS BY FUND

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Governor's Proposed
General Revenue Fund	607.0	351.4	607.0	528.8	607.0
Illinois Independent Tax Tribunal Fund	168.7	143.5	180.3	155.8	176.1
TOTAL ALL FUNDS	775.7	494.8	787.3	684.6	783.1

APPROPRIATIONS BY DIVISION

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Governor's Proposed
General Office	775.7	494.8	787.3	684.6	783.1
TOTAL ALL DIVISIONS	775.7	494.8	787.3	684.6	783.1

HEADCOUNT BY DIVISION

Agency Submitted Headcount by Division	FY 2018 Actual	FY 2019 Estimated	FY 2020 Target
General Office	3.0	5.0	5.0
TOTAL HEADCOUNT	3.0	5.0	5.0

Illinois Gaming Board

160 North LaSalle Street
 Michael A. Bilandic Building
 Suite 300
 Chicago, IL 60601
 312.814.4700
www.igb.illinois.gov

MAJOR RESPONSIBILITIES

- The Illinois Gaming Board (IGB) administers a regulatory and tax collection system for riverboat casino gambling and video gaming in Illinois.
- IGB is responsible for licensing casino suppliers and employees; and licensing video gaming manufacturers, distributors, suppliers, terminal operators, locations and individuals who service video gaming terminals.
- IGB conducts audits, legal enforcement activities, and operational and financial analysis activities to ensure compliance with the Riverboat Gambling Act and the Video Gaming Act.

BUDGET HIGHLIGHTS

- The State Gaming Fund is projected to collect \$460.0 million in fiscal year 2019 and \$455.0 million in fiscal year 2020 from casino admissions and wagering taxes. IGB transferred \$271.9 million to the Education Assistance Fund and \$66.4 million to the School Infrastructure Fund in fiscal year 2018.
- The recommended fiscal year 2020 budget will continue to fund fiscal year 2019 initiatives with an emphasis on gaming oversight and the evolution of the gaming industry. Illinois experienced a 6.3 percent increase in video gaming locations and a 9 percent increase in active video gaming terminals in fiscal year 2019.
- The recommended fiscal year 2020 budget includes funding for the proposed Illinois Sports Wagering Act.

RESOURCES BY FUND

Fund Category	Appropriations (\$ thousands)			Agency Submitted Headcount		
	FY 2018 Actual	FY 2019 Enacted	FY 2020 Recommended	FY 2018 Actual	FY 2019 Estimated	FY 2020 Target
General Funds	14.1	0.0	0.0	0.0	0.0	0.0
Other State Funds	157,037.2	154,288.9	162,071.3	150.0	173.0	185.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0
Total All Funds	157,051.3	154,288.9	162,071.3	150.0	173.0	185.0

RESOURCES BY RESULT / OUTCOME / PROGRAM

Result / Outcome / Program	Appropriations (\$ thousands)			Agency Submitted Headcount		
	FY 2018 Actual	FY 2019 Enacted	FY 2020 Recommended	FY 2018 Actual	FY 2019 Estimated	FY 2020 Target
Government Services						
Support Basic Functions of Government						
Administer and Regulate Gaming in Illinois	157,051.3	154,288.9	162,071.3	150.0	173.0	185.0

Illinois Gaming Board

PERFORMANCE MEASURES BY PROGRAM

Program / Measure	Actual			Estimated	Projected
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Administer and Regulate Gaming in Illinois					
Admissions and wagering tax received (\$ thousands)	479,524.0	474,437.0	466,198.0	460,000.0	455,000.0
Amount transferred to Education Assistance Fund (\$ thousands)	276,727.0	270,410.0	271,964.0	263,000.0	258,000.0
Arrests made	829	786	703	741	750
Disciplinary complaints assessed	117	212	218	230	240
Distributions to local governments (\$ thousands)	97,130.3	90,448.7	89,807.0	87,000.0	85,000.0
Fines, penalties and violations collected (\$ thousands)	2,325.0 ^A	381.5	1,675.7	2,000.0	500.0
Gaming applications received	3,354	3,423	3,029	2,800	2,500
Gaming licenses issued	38,988	43,081	47,785	50,000	50,000
Incident reports ^B	4,089	3,801	3,695	3,402	3,400.0
Licensing revenue received (\$ thousands) ^C	4,659.5	5,014.9	5,440.9	5,400.0	5,600.0
Video gaming terminals in operation	23,891	26,873	29,283	30,800	30,900

^A The increase in penalties and fines in FY2016 was due to three fines that were settled for larger amounts.

^B Represents only casino incident reports and not video gaming incident reports.

^C This excludes the \$10 million revenue from the 10th owner licensee that goes to the General Revenue Fund each year, not the State Gaming Fund.

APPROPRIATIONS BY FUND CATEGORY / MAJOR OBJECT

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Recommended Appropriation
GENERAL FUNDS					
Designated Purposes					
FY12/13 Prior Year Wages	14.1	0.0	0.0	0.0	0.0
Total Designated Purposes	14.1	0.0	0.0	0.0	0.0
TOTAL GENERAL FUNDS	14.1	0.0	0.0	0.0	0.0
OTHER STATE FUNDS					
Total Personal Services and Fringe Benefits	18,287.9	15,517.8	18,313.0	17,344.0	19,896.9
Total Contractual Services	702.0	441.3	702.0	650.0	700.0
Total Other Operations and Refunds	2,367.2	1,289.7	2,218.3	1,664.5	2,396.9
Designated Purposes					
Expenses Related to the Illinois State Police	14,461.5	11,357.4	13,396.4	12,336.0	14,960.7
Implementation and Administration of the Sports Wagering Act	0.0	0.0	0.0	0.0	3,000.0
Implementation and Administration of the Video Gaming Act	21,218.6	16,054.0	19,659.2	16,665.0	21,116.8
Total Designated Purposes	35,680.1	27,411.4	33,055.6	29,001.0	39,077.5
Grants					
Distribution to Local Governments for Admissions and Wagering Tax, Including any Prior Year Costs	100,000.0	89,319.2	100,000.0	90,000.0	100,000.0
Total Grants	100,000.0	89,319.2	100,000.0	90,000.0	100,000.0
TOTAL OTHER STATE FUNDS	157,037.2	133,979.4	154,288.9	138,659.5	162,071.3

Illinois Gaming Board

APPROPRIATIONS BY FUND

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Governor's Proposed
General Revenue Fund	14.1	0.0	0.0	0.0	0.0
State Gaming Fund	157,037.2	133,979.4	154,288.9	138,659.5	162,071.3
TOTAL ALL FUNDS	157,051.3	133,979.4	154,288.9	138,659.5	162,071.3

APPROPRIATIONS BY DIVISION

Appropriations Requiring General Assembly Action (\$ thousands)	FY 2018		FY 2019		FY 2020
	Enacted Appropriation	Actual Expenditure	Enacted Appropriation	Estimated Expenditure	Governor's Proposed
General Office	157,051.3	133,979.4	154,288.9	138,659.5	162,071.3
TOTAL ALL DIVISIONS	157,051.3	133,979.4	154,288.9	138,659.5	162,071.3

HEADCOUNT BY DIVISION

Agency Submitted Headcount by Division	FY 2018 Actual	FY 2019 Estimated	FY 2020 Target
General Office	150.0	173.0	185.0
TOTAL HEADCOUNT	150.0	173.0	185.0



CHAPTER 9

Demographic Information



Illinois State Budget Fiscal Year 2020

This page intentionally left blank.

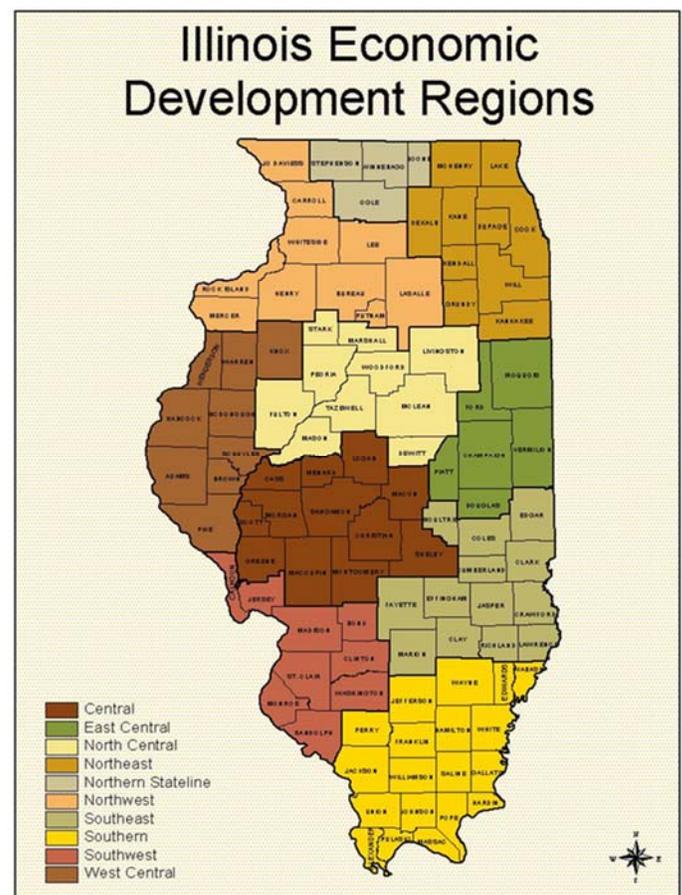
Demographic Information

ILLINOIS OVERVIEW

Illinois has many positive attributes that affect its demographics. It spans more than 56,000 square miles and is nearly 400 miles long from Rockford in the north to Cairo in the south and 281 miles wide. The mean height above sea level in Illinois is 600 feet. This low level of topography along with its location midway between America's two major mountain ranges, the Rockies and the Appalachians, positions Illinois as the confluence of the nation's three largest river systems: the Mississippi, the Missouri and the Ohio. These rivers and their tributaries, along with the Illinois River, provide much of the rich Drummer silty clay loam soil vital to the state's thriving agricultural production.

Illinois' unique geography has created an unparalleled transportation infrastructure. Together with Lake Michigan at the northeast coast of Illinois, our three river systems served as the state's first major transportation conduit, linking Illinois with national and global markets. Illinois' water transportation network is complemented by the third largest interstate highway system in the country, five international airports including the second-busiest in the country and a railway system unique in that it includes all seven Class I freight railroads.

The state is composed of distinct regions, each with its own unique demographic, geologic and topographic characteristics. The Northern Stateline Region bordering Wisconsin stands out in the "Prairie State" for its rolling hills and cooler climate. The Southern Region, known as "Little Egypt" for its dry sandy soil not normally found in the American Midwest, overlooks the confluence of the Mississippi and Ohio rivers. Two regions encompass the largest metropolitan areas of Illinois. The Northeast Region covers the Chicago metropolitan area and the Southwest Region is part of the St. Louis metro area. The remaining regions of the state (East Central, Central, Southeast, North Central, West Central and Northwest) occupy mostly the central latitudes encompassing some of the richest farmland in North America and many of Illinois' mid-sized metro areas including Champaign-Urbana, Bloomington-Normal, Springfield, Peoria and the Illinois share of the Quad Cities.



Demographic Information

ILLINOIS POPULATION

Illinois was the sixth most populous state in the country in 2018 with a population of 12.7 million, having been surpassed by Pennsylvania in 2017. Illinois has lost nearly 100,000 residents (-0.8 percent) between 2010 and 2018. This compares to total growth of 5.8 percent for the entire country.

Population Estimates by State							
Midwestern States	2010	2012	2014	2016	2018	% Change 2010-2018	% Change Rank (Out of 51)
Illinois	12,840,762	12,884,119	12,888,962	12,826,895	12,741,080	-0.8%	50
Indiana	6,490,436	6,537,640	6,593,533	6,633,344	6,691,878	3.1%	30
Iowa	3,050,767	3,076,097	3,109,504	3,131,785	3,156,145	3.5%	27
Kansas	2,858,213	2,885,361	2,900,896	2,911,263	2,911,505	1.9%	38
Kentucky	4,348,200	4,386,381	4,414,483	4,438,229	4,468,402	2.8%	32
Michigan	9,877,535	9,896,930	9,930,589	9,951,890	9,995,915	1.2%	42
Minnesota	5,310,843	5,376,550	5,451,522	5,523,409	5,611,179	5.7%	21
Ohio	11,539,327	11,548,369	11,602,973	11,635,003	11,689,442	1.3%	40
Wisconsin	5,690,479	5,719,855	5,751,974	5,772,958	5,813,568	2.2%	36
Most Populous States	2010	2012	2014	2016	2018	% Change 2010-2018	% Change Rank (Out of 51)
California	37,320,903	37,960,782	38,625,139	39,209,127	39,557,045	6.0%	20
Texas	25,242,679	26,089,620	26,977,142	27,937,492	28,701,845	13.7%	3
Florida	18,845,785	19,326,230	19,860,330	20,629,982	21,299,325	13.0%	4
New York	19,400,080	19,574,549	19,656,330	19,641,589	19,542,209	0.7%	45
Pennsylvania	12,711,158	12,766,827	12,789,101	12,783,538	12,807,060	0.8%	44

Source: U.S. Census Bureau Population Estimates

As shown in the *Population Estimates by Region* table below, population loss has occurred across much of the state. Between 2011 and 2017, 8 of Illinois' 10 Economic Development Regions experienced population losses. Total losses exceeded 3.0 percent in the West Central, Central and Northern Stateline regions. The East Central and Northeast regions did experience modest population gains of 0.1 percent and 0.4 percent, respectively. Because the Northeast region accounts for more than two-thirds of the overall population, the slight increase notably limited the overall statewide loss.

Population Estimates by Region (number of Persons)					
Region	2011	2013	2015	2017	% change 2011-2017
Illinois	12,862,298	12,890,403	12,862,051	12,802,023	-0.5%
Central	555,329	550,217	544,028	537,279	-3.3%
East Central	364,154	365,107	365,801	364,657	0.1%
North Central	657,162	660,522	652,453	646,002	-1.7%
Northeast	8,735,891	8,787,583	8,797,166	8,772,503	0.4%
Northern Stateline	448,082	443,637	437,993	434,408	-3.1%
Northwest	499,798	495,839	490,111	485,427	-2.9%
Southeast	286,208	283,097	280,927	278,365	-2.7%
Southern	385,158	382,005	378,463	374,340	-2.8%
Southwest	703,406	697,632	692,653	689,793	-1.9%
West Central	227,110	224,764	222,456	219,249	-3.5%

Source: U.S. Census Bureau Factfinder

Demographic Information

While most of the Economic Development regions lost population, 5 of Illinois' 12 Metropolitan Areas (including several that cross state lines) gained population between 2011 and 2017. Champaign-Urbana experienced the greatest gain at 2.5 percent, while the St. Louis, Bloomington, Quad Cities and Chicago metro area grew by roughly half a percent. Among those metro areas losing population, Decatur (-4.4 percent) and Danville (-4.3 percent) were hardest hit.

Population Estimates by Selected Metropolitan Statistical Areas (number of persons)					
Region	2011	2013	2015	2017	% change 2011-2017
Champaign-Urbana, IL Metro Area	233,391	235,731	238,228	239,124	2.5%
St. Louis, MO-IL Metro Area	2,793,774	2,799,644	2,807,321	2,807,338	0.5%
Bloomington, IL Metro Area	187,325	191,110	188,905	188,232	0.5%
Davenport-Moline-Rock Island, IA-IL Metro Area	380,509	383,597	383,365	382,263	0.5%
Chicago-Naperville-Elgin, IL-IN-WI Metro Area	9,497,177	9,548,402	9,557,503	9,533,040	0.4%
Carbondale-Marion, IL Metro Area	127,041	127,067	126,896	125,612	-1.1%
Springfield, IL Metro Area	211,666	211,585	210,990	208,697	-1.4%
Peoria, IL Metro Area	379,665	381,557	377,300	372,427	-1.9%
Rockford, IL Metro Area	347,701	344,671	340,725	338,291	-2.7%
Kankakee, IL Metro Area	113,477	112,207	110,756	109,605	-3.4%
Danville, IL Metro Area	81,399	80,578	79,187	77,909	-4.3%
Decatur, IL Metro Area	110,649	109,533	107,419	105,801	-4.4%

Source: U.S. Census Bureau Factfinder

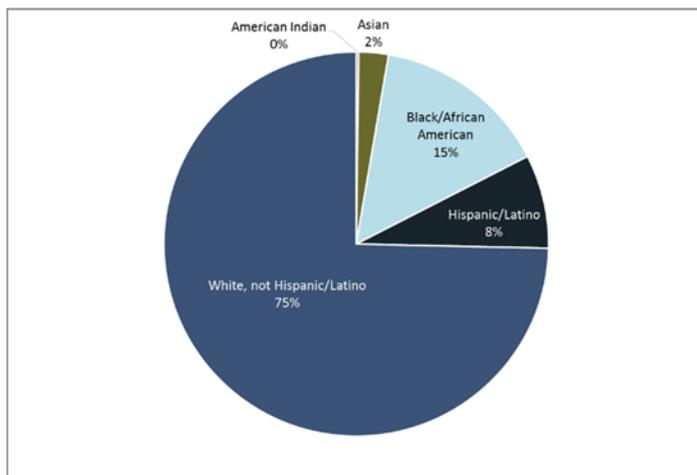
Demographic Information

ILLINOIS' ETHNIC DIVERSITY

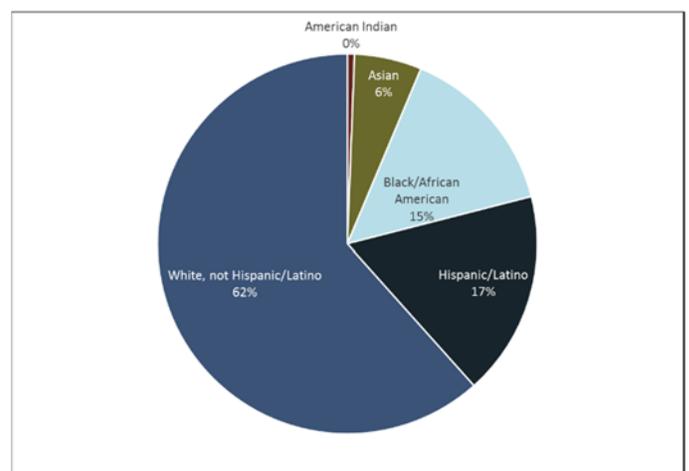
The ethnic representation of Illinois has been changing over the past three decades. In 1990, the white, not Hispanic or Latino residents of the state accounted for 74.8 percent of the overall population. Black or African Americans represented the next largest group at 14.8 percent of the population. Hispanic and Latino residents constituted 7.9 percent and Asians made up only 2.5 percent of the population.

The population has transformed over time. In 2018, white, not Hispanic or Latino residents accounted for only 61.3 percent of Illinois' population. The black or African American population has remained fairly steady as a percentage of the total, with a slight decline to 14.6 percent. However, the Hispanic and Latino community has more than doubled as a percentage of total population, reaching 17.3 percent in 2018, and becoming the second largest ethnic community in Illinois. The Asian community's percentage of total population has grown the most, also more than doubling to 5.7 percent.

Illinois Population by Race/Ethnicity
1990



Illinois Population by Race/Ethnicity
2017



Source: U.S. Census Bureau, American Community Survey 2017

The U.S. Census Bureau also notes that approximately 14 percent of Illinois' population is foreign born, and that nearly 23 percent of Illinois households speak a language other than English in their homes.

ILLINOIS AGING

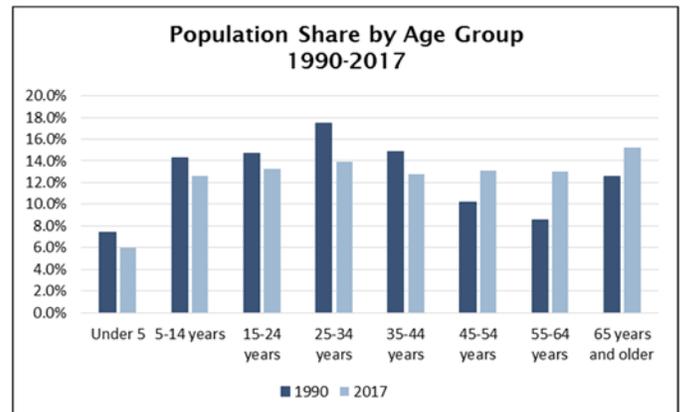
The average age of the Illinois population is also evolving. Since 1990, the 55 and older age group has grown from 21.1 percent of Illinois' population to 28.3 percent. With a more expansive view, the 45 and older age group has grown from 31.3 percent of the population in 1990 to 41.4 percent today. The age group showing the highest growth is the 55 to 64 year olds. This group has grown from 8.5 percent of the population in 1990 to 13.1 percent today—a 54 percent increase in their representation.

On the other hand, the under-45 group has declined from 68.7 to 58.7 percent and every sub-group of the under-45 group has declined as a percentage of total population. Those under age five represented 7.4 percent in 1990, but now make up just 6.0 percent of the total. The 25 to 44 age group declined from 32.3 percent to 26.7 percent.

Since 2010, even the 45 to 54 age group has been losing ground as a percentage of total population, so that only the 55 and older age group has been growing as a percentage of total population.

Demographic Information

Illinois Population by Age Group (thousands)					
Age	1990	2000	2010	2017	1990-2017 % change
Under 5	7.4%	7.1%	6.5%	6.0%	-18.9%
5-14 years	14.3%	14.8%	13.6%	12.6%	-11.9%
15-24 years	14.7%	14.1%	14.0%	13.3%	-9.5%
25-34 years	17.4%	14.6%	13.8%	13.9%	-20.1%
35-44 years	14.9%	16.0%	13.5%	12.8%	-14.1%
45-54 years	10.2%	13.1%	14.6%	13.1%	28.4%
55-64 years	8.5%	8.4%	11.5%	13.0%	52.9%
65 years and older	12.6%	12.1%	12.5%	15.2%	20.6%
Total	100.0%	100.0%	100.0%	100.0%	



Source: U.S. Bureau of the Census, 1990, 2000 and 2010 Census of Population, 2017 Population Estimates
Percentage calculations by GOMB

Illinois Income by Economic Development Regions

Per capita personal income, including wages and salaries, transfer payments, dividends, interest and rental income, is a broad indicator of the economic well-being of an economy. Rising income levels allow individuals to provide for their families, buy homes and improve the quality of their lives. Illinois is a relatively high-income state with 2017 median per capita personal income (PCPI) of \$54,203. This PCPI ranked 14th among the states and reflected an increase of 3.3 percent from 2016, compared to a national increase of 3.6 percent.

Real PCPI increased across all ten Economic Development Regions from 2011 to 2017. The Northeast region experienced the largest increase at 16.0 percent. The Northern Stateline and Southwest regions followed with gains of 8.5 percent and 5.5 percent, respectively. At the other end of the spectrum, the East Central and North Central regions experienced increases of less than 1.0 percent.

Real Personal Income by Economic Development Region (2017 dollars)					
Region	2011	2013	2015	2017	% change 2011-2017
Illinois	48,139	49,609	53,413	54,203	12.6%
Central	41,906	42,336	42,096	42,610	1.7%
East Central	42,416	43,450	43,820	42,812	0.9%
North Central	45,915	45,521	46,496	46,015	0.2%
Northeast	51,267	53,208	58,455	59,451	16.0%
Northern Stateline	39,011	39,798	41,653	42,323	8.5%
Northwest	42,058	42,532	42,332	43,394	3.2%
Southeast	40,036	41,244	39,975	40,568	1.3%
Southern	37,356	38,042	38,229	38,460	3.0%
Southwest	41,423	40,989	43,217	43,715	5.5%
West Central	39,362	40,662	39,851	40,394	2.6%

Sources: U.S. Bureau of Economic Analysis, US Bureau of Labor Statistics

This page intentionally left blank.