CAPITAL PLAN ANALYSIS FY 2018

April 2017

Commission on Government Forecasting and Accountability

Commission on Government Forecasting and Accountability

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INTRODUCTION

State statute requires the Office of Management and Budget to prepare an assessment of the State's capital needs both current and five years forward and submit it to: the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate and the Commission on Government Forecasting and Accountability (20 ILCS 3010/1). This is presented as part of the Governor's Budget. The Commission on Government Forecasting and Accountability, in turn, is statutorily required each year to submit a capital plan analysis based on this information and to prepare a consolidated review of the debt of State bonding authorities, and a review of the State's debt and ability to further market bonds (25 ILCS 155/3).

The Capital Plan Analysis is divided into four sections. The first section of the report uses the Governor's capital expenditure plan, which lists projects to be funded from the FY 2018 appropriation request. It is used as a basis for identifying the Governor's project priorities and provides insight into what can be expected to occur if the Governor's budget recommendation is approved. Bond-funded capital projects fall under the following categories: capital facilities (including public museums, library grants, higher education facilities, etc.) school construction, anti-pollution, coal and energy development, Transportation A (roads and bridges), Transportation B (mass transit, rail and aeronautics), Transportation D (Illinois Jobs Now roads and bridges), and economic development (Build Illinois bonds).

The second section looks at how the Governor's FY 2018 recommended capital plan would affect the State's bonded indebtedness. Illinois issues several forms of formal long-term debt. State Supported bonds include the State's general obligation bonds, State-issued revenue bonds, and locally-issued revenue bonds that are repaid or secured by the State. This section includes available authorization, the level of outstanding debt, future debt issuance, and annual debt service. Although Pension Obligation Bonds and Notes are not a part of the Capital Budget, they will be noted throughout the report due to their impact on the State's debt.

The third section discusses current bond-related topics and legislation that affect either the State's debt or the debt of one of the bonding authorities. It also includes information related to programs and borrowing that the Commission monitors: the State's budget issues as they affect debt, the School Construction Program, and the State's debt responsibility and transparency guidelines set by the Legislature.

The fourth and final section of the report concerns Non-State Supported debt, which consists of those bonds and Certificates of Participation which are issued by State universities and authorities created by the State, but for which the State is said to have only a moral obligation or no obligation to repay.

Information for this report is provided by the Governor's Office of Management and Budget, the Office of the Comptroller, bonding authorities and State universities.

EXECUTIVE SUMMARY

- The 2009 Illinois Jobs Now $31 billion multi-year capital program is nearing completion. The State has sold $12.7 billion in bonds out of $16.3 billion authorized. A FY 2015 capital program was passed with $1.1 billion of bond-funded new Transportation D projects for roads and bridges, of which over $700 million has been funded. The Governor's FY 2018 new capital projects proposal totals approximately $4.847 billion in new appropriations and $12.832 billion in reappropriations. These new projects would use $134 million in Federal funds and $3.450 billion in State funds as pay-as-you go funding, and approximately $1.263 billion in bond funds

- As shown throughout this report, the most recently passed major capital program, Illinois Jobs Now, has run its course. To create a new multi-year capital program would require additional revenues. As the report points out, there are funding deficiencies in key areas of the current program, i.e. Capital Projects Fund and School Infrastructure Fund. Until new revenues are identified, the State's ability to issue substantial new debt is constrained.

- Even with multiple funding mechanisms in place to cover the debt service, the Capital Projects Fund cannot make all of its transfers. The demands on the Fund are making it difficult to satisfy all of the statutory requirements. As a result, the Comptroller is behind on transfers out by $620 million for FY 2016 and $516 million year-to-date for FY 2017.

- Moneys in the School Infrastructure Fund and the Capital Projects Fund are transferred to the General Obligation Bond Retirement and Interest Fund to pay for school construction bond debt service. Due to an oversight in the statutory language related to the School Infrastructure Fund, the calculation for the amount to transfer from the School Infrastructure Fund to GOBRI includes the debt service required on the Illinois Jobs Now bonds even though they are paid for by transfers from the Capital Projects Fund. As a result, there is too much money being taken out of the School Infrastructure Fund, depleting it. Those extra funds sit in GOBRI and cannot be utilized. As a result of too much being transferred out, "required" transfers out of SIF are behind by $121 million for FY 2015, $324 million for FY 2016 and $204 million for FY 2017.

Table 1 ILLINOIS BONDS AT A GLANCE

(in millions)

Bond Sales	FY 2016	FY 2017 estimated	$ Change	% Change	FY 2018 estimated	$ Change	% Change
General Obligation	$1,030.0	$680.0	-$350.0	-34.0%	$825.0	$145.0	21.3%
Revenue	$0.0	$210.0	$210.0	100.0%	$200.0	-$10.0	-4.8%
Total	**$1,030.0**	**$890.0**	**-$140.0**	**-13.6%**	**$1,025.0**	**$135.0**	**15.2%**
Outstanding Principal							
General Obligation	$26,245.0	$24,861.0	-$1,384.0	-5.3%	$23,713.0	-$1,148.0	-4.6%
Revenue	$2,737.0	$2,512.0	-$225.0	-8.2%	$2,489.0	-$23.0	-0.9%
Total	**$28,982.0**	**$27,373.0**	**-$1,609.0**	**-5.6%**	**$26,202.0**	**-$1,171.0**	**-4.3%**
Debt Service							
General Obligation	$3,057.8	$3,346.8	$289.0	9.5%	$3,321.6	-$25.2	-0.8%
Revenue	$367.4	$343.1	-$24.3	-6.6%	$337.2	-$5.9	-1.7%
Total	**$3,425.2**	**$3,689.9**	**$264.7**	**7.7%**	**$3,658.8**	**-$31.1**	**-0.8%**
General Revenues	**$30,373.0**	**$30,209.0**	**-$164.0**	**-0.5%**	**$31,147.0**	**$938.0**	**3.1%**
G.O. & Revenue Debt Service as % General Revenues	**11.28%**	**12.21%**			**11.75%**		
GO Bond Rating							
Moody's	Baa2	Baa2					
Standard & Poor's	BBB+	BBB					
Fitch	BBB+	BBB					

Note: Bond Sales include Pension Bonds, but do not include refunding sales or Short-term borrowing.
*FY 2017 and 2018 General Revenue estimates are CGFA estimates.

There were no bond sales in FY 2015.

There were two GO bond sales equaling $1.03 billion in FY 2016 but no Build Illinois bonds were sold in FY 2016.

To date for FY 2017, $480 million of GO new project bonds, $1.3 billion of GO refunding bonds, $210 million of Build Illinois new projects bonds and $339 million of Build Illinois refunding bonds have been sold. The Office of Management and Budget plans to sell another $200 million of new project General Obligation Bonds for FY 2017.

In FY 2018, GO Bond sales are estimated to be $825 million and Build Illinois Bond sales at $200 million.

GO capital projects total authorization is $31.4 billion, with $5.2 billion remaining unissued as of February 28, 2017. Total Build Illinois bond authorization equals $6.246 billion with $695 million remaining unissued as of February 28, 2017.

SECTION I
FY 2018 RECOMMENDED CAPITAL BUDGET

- FY 2018 Capital Plan Appropriations
- Bond Funds Appropriations
- History of Appropriations from All Funds
- History of Appropriations from Bond Funds
- The Capital Projects Fund
- FY 2018 Capital Projects by Agency

FY 2018 Capital Plan Appropriations

The 2009 Illinois Jobs Now $31 billion multi-year capital program is nearing completion. The State has sold $12.7 billion in bonds out of $16.3 billion authorized. The remaining funding for the program comes from revenues, including State funds (i.e. State Construction Account Fund, Water Revolving Fund, Park and Conservation Fund), federal sources (i.e. Federal Mass Transit Trust Fund, Flood Control Land Lease Fund) and local matching funds.

A FY 2015 capital program was passed with $1.1 billion of bond-funded new Transportation D projects for roads and bridges, of which over $700 million has been funded.

The Governor's FY 2018 new capital projects proposal totals approximately $4.847 billion in new appropriations and $12.832 billion in reappropriations. These new projects would use $134 million in Federal funds and $3.450 billion in State funds as pay-as-you go funding, and approximately $1.263 billion in bond funds. Project priorities include Transportation, statewide deferred maintenance, information technology initiatives and Enterprise Resource Planning, Lead Abatement Programs and the Divestment of the James R. Thompson Center.

TABLE 2 FY 2018 CAPITAL PLAN REQUESTED APPROPRIATIONS			
FUND TYPE	**NEW APPROPRIATIONS**	**RE-APPROPRIATIONS**	**TOTAL**
Bond	$1,263,093,245	$5,868,700,217	**$7,131,793,462**
State Funds	$3,449,500,000	$6,779,177,854	**$10,228,677,854**
Federal/Trust	$134,025,000	$183,786,999	**$317,811,999**
TOTAL	**$4,846,618,245**	**$12,831,665,070**	**$17,678,283,315**
FY 2017 CAPITAL PLAN APPROPRIATIONS			
FUND TYPE	**NEW APPROPRIATIONS**	**RE-APPROPRIATIONS**	**TOTAL**
Bond	$952,287,744	$3,469,038,447	**$4,421,326,191**
State Funds	$3,305,588,261	$6,632,510,033	**$9,938,098,294**
Federal/Trust	$130,000,000	$738,005,964	**$868,005,964**
TOTAL	**$4,387,876,005**	**$10,839,554,444**	**$15,227,430,449**

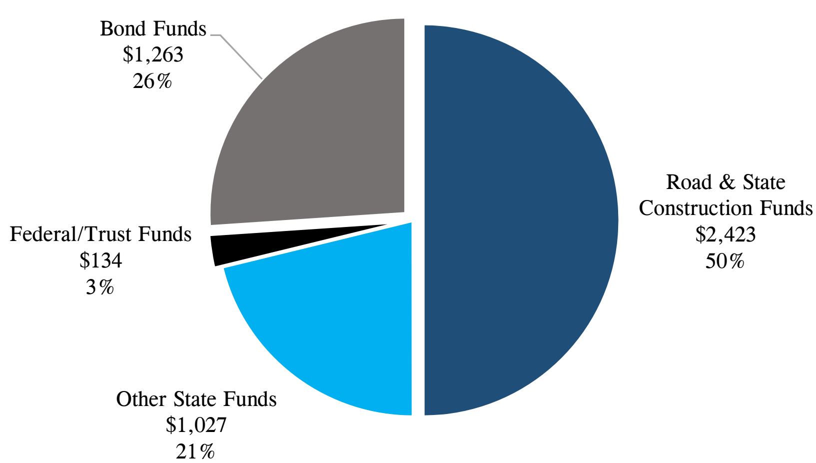
As shown in Table 3 on the following page, capital project appropriations to the Capital Development Board (CDB) and through CDB for other agencies equal $782 million in new appropriations and $2.1 billion in reappropriations, mainly from bond funds. The remainder of the Governor's request of new appropriations would be appropriated to specific agencies outlined on page 13.

TABLE 3 FY 2018 CDB REQUESTED APPROPRIATIONS			
FUND TYPE	NEW APPROPRIATIONS	RE-APPROPRIATIONS	TOTAL
Capital Development	$322,000,000	$1,695,480,691	**$2,017,480,691**
School Construction	$50,000,000	$260,902,837	**$310,902,837**
Build Illinois	$400,000,000	$122,439,236	**$522,439,236**
CDB Contributory Trust	$10,000,000	$0	**$10,000,000**
Asbestos Abatement	$0	$115,113	**$115,113**
TOTAL	**$782,000,000**	**$2,078,937,877**	**$2,860,937,877**

New appropriations for the FY 2018 capital plan would predominantly be paid from pay-as-you-go funding consisting of 50% from the Road Fund and the State Construction Fund combined, 21% from other State funds and 3% of Federal and Trust funds. There would be $1.263 billion from Bond funds comprising approximately 26% of the funding for new appropriations.

CHART 1

FY 2018 Capital Plan Funding
New Appropriations by Type of Fund
(In Millions)



Breaking out pay-as-you-go funding, approximately 67.6% percent for FY 2018 new appropriations would come from the Road Fund and State Construction Fund combined for road, bridges and rail projects under IDOT. Another 23.2% of State Funds would be for wastewater and drinking water projects from the State's Water Revolving Fund. Approximately 5.5% comes from various State funds that receive fees for the funding of projects under the departments of Agriculture, Natural Resources and Transportation (such as the Agricultural Premium Fund, the Park and Conservation Fund, the State Boating Act Fund, and the Grade Crossing Protection Fund). The remaining 3.7% is from Federal Trust Funds for grants related to airports, mass transit, abandoned mined lands reclamation, forests and fires.

The Road Fund and State Construction Fund receive revenues from various sources, but mainly from Motor Vehicle Licenses, Operators Licenses, Motor Fuel Taxes, vehicle-related fees, and the Federal Government. From FY 2007 through FY 2016, approximately 55% - 64% of these combined Funds were used for Transportation-related construction projects on a pay-as-you-go basis, and between 7% to 12% of the Road Fund has gone to pay debt service on Transportation A Bonds which also fund road and bridge capital projects. The charts below show histories of revenues and expenditures from the combined Road Fund and State Construction Fund.

CHART 2

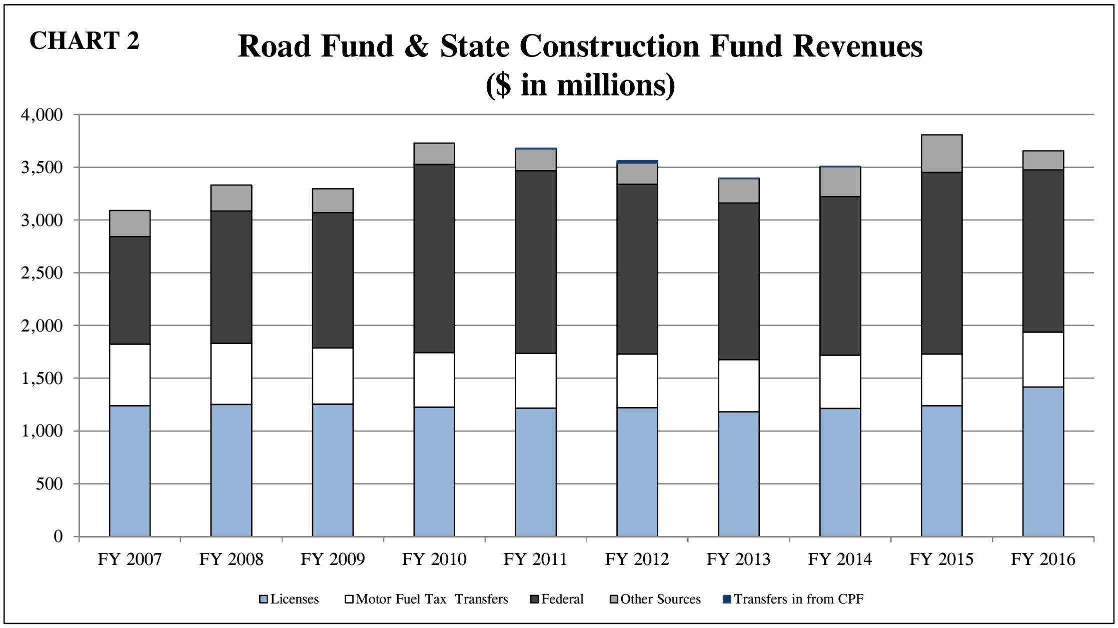
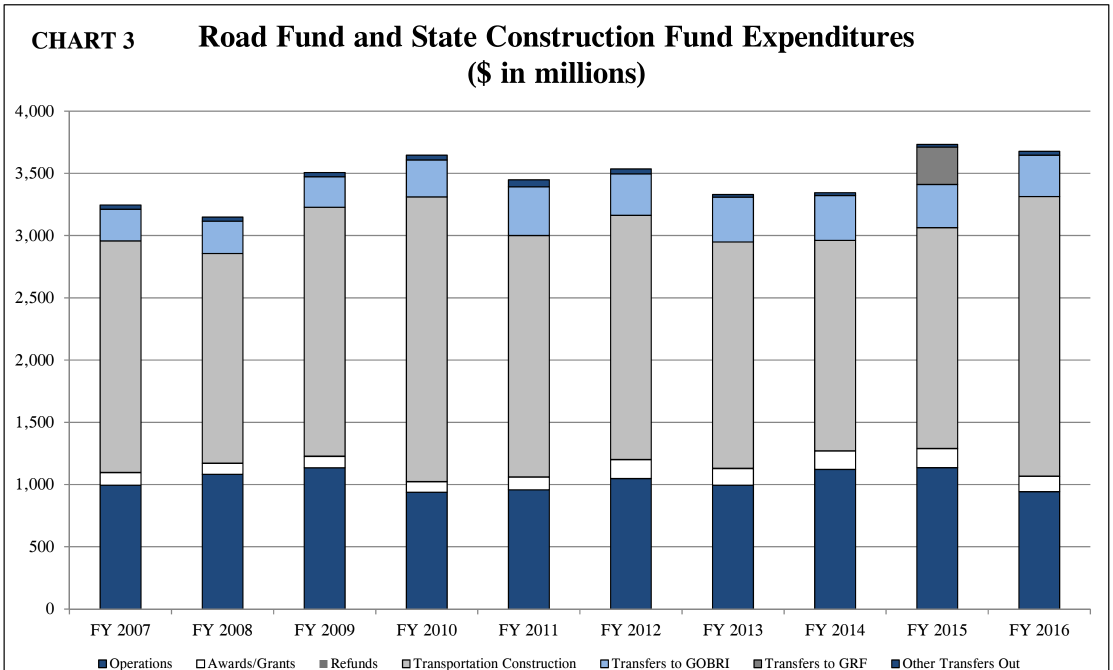


CHART 3

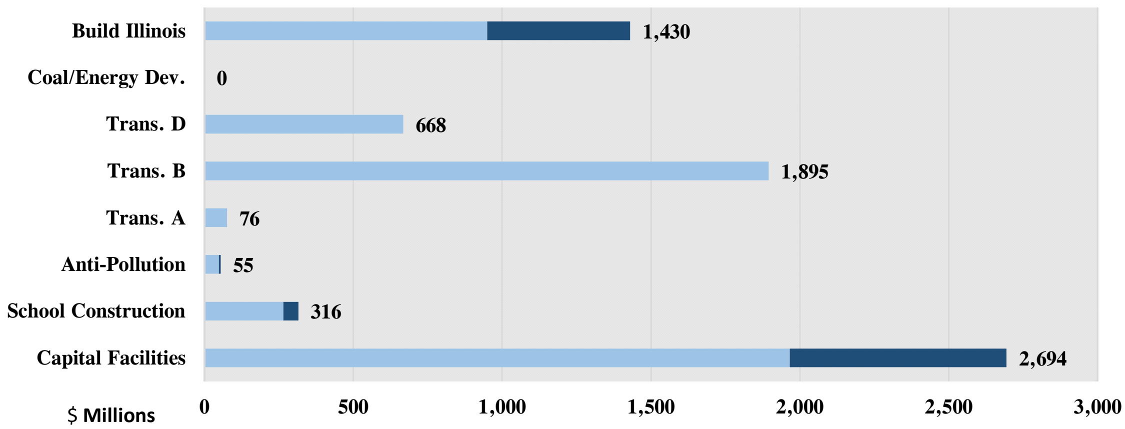


Bond Funds Appropriations

CHART 4

FY 2018 Bond Appropriations
New v. Reappropriations

Source: GOMB



	Capital Facilities	School Construction	Anti-Pollution	Trans. A	Trans. B	Trans. D	Coal/Energy Dev.	Build Illinois
RE	1,966	266	49	76	1,895	668	0	950
New	728	50	6	0	0	0	0	480

Chart 4 compares Bond Fund new appropriations versus reappropriations by bond fund. A breakout of bond funded new appropriations include:

- $480 million from the Build IL Bond Fund for State and Local infrastructure, grants to Park and Recreational units, the statewide Lead Initiative "Clear-Win", and Wastewater Treatment Facilities and Drinking Water Infrastructure Programs;
- $728 million from the Capital Development Fund for State agencies and boards infrastructure, information technology, capital improvements to State facilities including Correctional Centers, construction of National Guard facilities and Rivers Edge Municipal Brownfields grants;
- $50 million from the School Construction Fund for Lead Abatement Projects and related construction; and
- $6 million from the Anti-Pollution Fund for Various Wastewater and Drinking Water Projects.

Transportation D is a newer category that was created specifically for the Illinois Jobs Now legislation with authorization for road and bridge projects. This category receives funding from the Capital Projects Fund, also created specifically for the funding of Illinois Jobs Now projects or to pay for the debt service on bonds sold under the Illinois Jobs Now program.

History of Appropriations from All Funds

A ten-year history of all appropriations from pay-as-you-go as well as bond funds from FY 2009 to requested FY 2018 is illustrated in the chart below. New appropriations increased dramatically in FY 2010 to $18 billion due to the Illinois Jobs Now Capital Program. Since then, new appropriations have remained steady from approximately $2 billion - $5 billion annually. FY 2018 new appropriations are requested to be $4.8 billion.

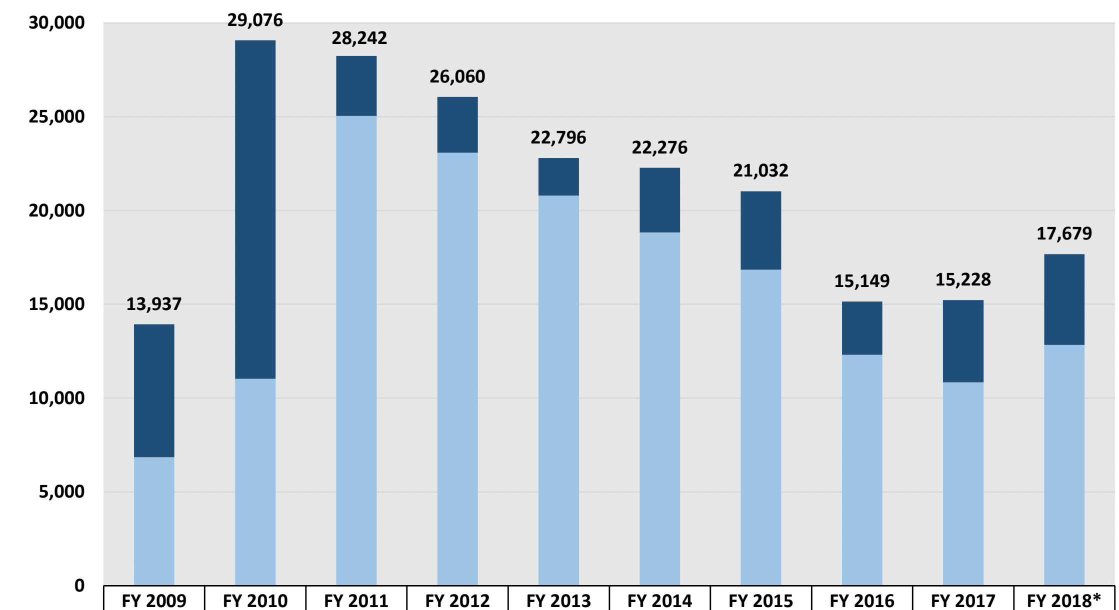
In FY 2011 and subsequent fiscal years, project funding that had not been spent in FY 2010 from the Illinois Jobs Now program appears as reappropriations. As construction projects get underway and completed, reappropriations will be drawn down until a new capital program is created.

CHART 5

10-Year History of Appropriations from all Funds
New v. Reappropriations

Source: GOMB

$ Millions



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018*
New	7,081	18,042	3,205	2,978	2,004	3,434	4,177	2,842	4,388	4,847
RE	6,856	11,034	25,037	23,081	20,792	18,842	16,855	12,307	10,840	12,832

History of Appropriations from Bond Funds

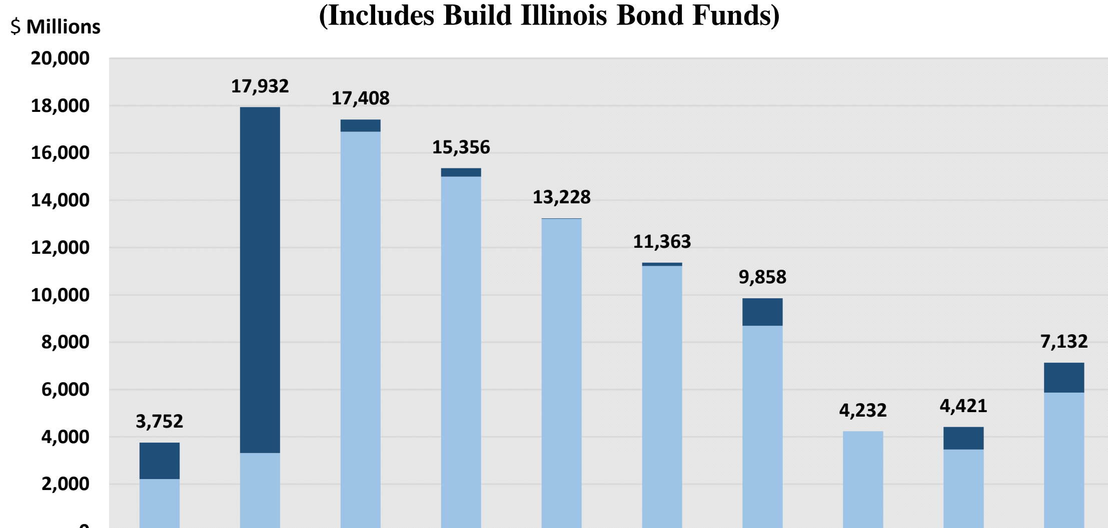
Chart 6 shows the amount of new appropriations versus reappropriations of all bond funds, including Build Illinois bond funds. Historically, the majority of bond project funding came from general obligation bond funds. In FY 2010, a significant portion of project appropriations came from the Build Illinois Bond Fund. Total bond funds combined for fiscal years 2009 through requested appropriations for 2018 are shown in the chart below.

In FY 2003 combined bond fund new appropriations dipped below the $2 billion level. From FY 2005 through FY 2009, the only years with any real bond funding for capital appropriations were FY 2006 with $1.4 billion and FY 2009 with $1.5 billion. The remaining years in that time period had new appropriations under $200 million, with FY 2008 being $0. Under the Illinois Jobs Now program, new bond fund appropriations increased dramatically to $14.6 billion in FY 2010 (Funds that were not expended in FY 2010 are counted as reappropriations in subsequent years). In FY 2015, the State appropriated almost $1.2 billion in new appropriations, mostly for Transportation projects. In FY 2016, there were no new appropriations from bond funds. In FY 2017 there was $952 million in bond appropriations and the Governor's new bond appropriations request for FY 2018 is $1.263 billion.

CHART 6 **10-Year Appropriations History of Combined Bond Funds** **Source: GOMB**

New v. Reappropriations

(Includes Build Illinois Bond Funds)



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018*
New	1,540	14,616	513	365	19	141	1,166	0	952	1,263
RE	2,212	3,316	16,895	14,991	13,209	11,222	8,692	4,232	3,469	5,869

The Capital Projects Fund

The Capital Projects Fund (CPF) was created to help fund the Illinois Jobs Now capital program [Public Act 96-0034]. Subject to appropriation, it is to be used for capital projects and the payment of debt service on bonds issued for capital projects. Public Acts 96-0034, 96-0037, and 96-0038 generated the revenues for the Fund. There are five revenue streams that make up the Fund (See following pages for further details).

Table 4	CAPITAL PROJECTS FUND REVENUES $ in millions								
Revenue Source	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Estimated FY 2017	Estimated FY 2018
30% VIDEO TERMINAL TAX	$0.0	$0.0	$0.0	$24.5	$114.4	$195.7	$251.6	$285.0	$308.0
LOTTERY FUND*	$32.9	$54.1	$65.2	$135.0	$145.0	$8.0	$0.0	$0.0	$0.0
SALES TAX	$39.0	$52.0	$52.7	$54.0	$55.0	$55.9	$56.9	$57.0	$58.0
LIQUOR TAX **	$77.5	$105.2	$114.8	$115.1	$115.0	$116.4	$118.4	$124.0	$125.0
Transfer In	$0.0	$0.0	$0.0	$0.3	$0.3	$0.0	$0.0	$0.0	$0.0
VEHICLE RELATED	$117.7	$294.6	$299.7	$298.4	$304.0	$310.6	$308.1	$311.0	$314.0
INVESTMENT INCOME	$0.0	$0.1	$0.1	$0.0	$0.1	$0.2	$0.1	$0.2	$0.2
Other Taxes		-$0.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL	**$267.1**	**$505.8**	**$532.5**	**$627.3**	**$733.8**	**$686.8**	**$735.1**	**$777.2**	**$805.2**

*The transfer from the Lottery Fund for FY 2010 actually occurred in FY 2011 due to timing issues, but is placed in FY 2010 for the purposes of this discussion.

**The $140.6 million of protested Liquor Tax Revenues from FY 2010 ($60.2 million) and FY 2011 ($80.3 million) was transferred to the Capital Projects Fund in FY 2012 . The transferred amounts have been averaged out for the 9 months of FY 2010 and 12 months of FY 2011 that the tax was in effect and put in those years.

There are still issues with two of the CPF revenue streams keeping it from reaching full implementation. In the beginning, there were delays in the Gaming Board's implementation of Video Gaming and many local governments banned it. Since the program has gotten underway, numerous local governments have overturned their ban. The Commission calculates that the percentage of the State's population that lives in an area banning video gaming is currently approximately 38.1% of the State's population, including the City of Chicago which makes up 21% of the population.

In addition, there were delays in the awarding of a Lottery management agreement with a private firm (Northstar). In the three years at the beginning of that agreement, the State and Northstar went through third party mediation several times, primarily because Northstar was not reaching its predicted net income target levels and didn't want to pay the penalty required in the contract. The Lottery transfer to the CPF didn't exceed $100 million until FY 2013. Amounts from FY 2013 and FY 2014 were higher due to penalty payments from Northstar. In FY 2015 there was only $8 million transferred and $0 for FY 2016. Estimates for FY 2017 and FY 2018 are $0. The State has requested the termination of the private management agreement. This could create uncertainty in this revenue line over the requirements in ending the Northstar agreement, and due to expected delays from choosing another private firm and the time it would take to become operational. Northstar continues to manage the lottery on temporary contracts but a new manager is currently being sought by the State.

Moneys in the Capital Projects Fund are to be transferred out to three funds:

- General Obligation Bond Retirement and Interest Fund (GOBRI) – for General Obligation Bond debt service from the Illinois Jobs Now program,
- Build Illinois Bond Retirement and Interest Fund (BIBRI) – for Build Illinois Bond debt service from the Illinois Jobs Now program, and
- $245 million annually to the General Revenue Fund (GRF).

When there is not enough CPF funding for debt service, then the Build Illinois Fund back-funds BIBRI debt service and GRF back-funds the remaining needed GOBRI debt service. The Road Fund can be used as a backup for funding but must be paid back the next month before any other priority is met; therefore, the Road Fund backup is not useful in the long-term. The use of GRF to backfill debt service that the CPF is supposed to pay, while the CPF is supposed to also transfer funds to the GRF, becomes a vicious cycle.

Current revenues are not enough to cover all of the transfers required out of the Capital Projects Fund. When the Fund is behind on its transfers from previous fiscal years, completing those carried over transfers becomes a priority. The prior year transfers are to be completed by December of the succeeding year; otherwise permission is required from the Governor to carry the amounts over still to be paid. Even with multiple funding mechanisms in place to cover the debt service if the Capital Projects Fund cannot make all of its transfers, the demands on the Fund are making it difficult to satisfy all of the statutory requirements. As a result, the Comptroller is behind on transfers out by $620 million for FY 2016 and $516 million year-to-date for FY 2017, a total of $1.136 billion.

TABLE 5 CAPITAL PROJECTS FUND ESTIMATES (in millions) [* FY 2017 and FY 2018 are CGFA estimates.]			
VIDEO GAMING:	**FY 16**	**FY 17***	**FY 18***
❖ 5/6 of the 30% tax on the newly legal Video Gaming	$252	$285	$308

- Video Gaming in Illinois became operational in September 2012. The number of video gaming terminals in operation across the State has increased from 61 terminals in its opening month (Sep 2012) to its latest figure of 24,852 terminals (Jan 2017). In FY 2014, video gaming terminals were being added at a rate of 796 terminals per month. In FY 2015, this rate slowed to 272 new terminals per month. In FY 2016, this rate remained relatively steady at 263 new terminals per month. But thru the first seven months of FY 2017, the rate has slowed to 137 new terminals per month. This seems to indicate that video gaming is nearing "full implementation" in Illinois.

- The growth in video gaming in Illinois is despite the fact that numerous areas across the State have ordinances banning video gaming in their municipalities. The Commission estimates that these "opt-out" areas represent approximately 38.1% of the State's population. Included in the "opt-out" list is the City of Chicago which needed to "opt in" to offer video gaming, but has, so far, chosen not to.

- Because of the recent slowdown in the number of new video gaming terminals being added each month, revenues from video gaming collected for the Capital Projects Fund should also begin to level off in the fiscal years ahead. Below are the amounts sent and projected for the Capital Projects Fund from video gaming revenue by fiscal year:
  - By the end of FY 2013, 7,920 video gaming terminals were in operation. These terminals generated tax revenues totaling $29.3 million in FY 2013, with **$24.5 million** going to the Capital Projects Fund.
  - By the end of FY 2014, the number of terminals in operation increased to 17,467. These terminals generated tax revenues totaling $137.3 million, with **$114.4 million** going to the Capital Projects Fund.
  - By the end of FY 2015, the number of terminals in operation increased to 20,730. These terminals generated tax revenues totaling $234.8 million, with **$195.7 million** going to the Capital Projects Fund.
  - By the end of FY 2016, the number of terminals in operation increased to 23,891. These terminals generated tax revenues totaling $301.9 million, with **$251.6 million** going to the Capital Projects Fund.
  - It is projected that the number of video gaming terminals in Illinois will peek at around 25,400 machines by the end of FY 2017. This total would result in tax revenues totaling around $342.0 million, which results in approximately **$285.0 million** available for the Capital Projects Fund in FY 2017.
  - It is projected that the number of video gaming terminals in Illinois will level off at around 26,000 by the end of FY 2018. At an estimated net terminal income-per-position-per-day value of around $132, video gaming tax revenues would total $369.3 million in FY 2018. This would result in approximately **$307.8 million** going to the Capital Projects Fund in FY 2018.

SALES & USE TAX EXPANSION:	**FY 16**	**FY 17***	**FY 18***
❖ expanding definition of soft drinks and increasing the tax from 1% to 6.25%	$57	$57	$58
❖ including candy in the definition of food consumed off premises now taxed at 6.25%			
❖ no longer exempting grooming & hygiene products, now taxed at 6.25%			

- In FY 2016, $57 million from the sales tax expansion was deposited into the Fund.

- Similar amounts are expected to be collected in FY 2017 and FY 2018.

LOTTERY:	FY 16	FY 17*	FY 18*
❖ 5 year Online Lottery pilot program-- excess revenues not already going to the Common School Fund	$0	$0	$0
❖ 10 year lease for the private management of the Lottery-- excess revenues not already going to the Common School Fund			

- These transfers were made possible by legislative changes which index lottery transfers to the Common School Fund's actual FY 2009 levels of $625 million. Amounts above inflation are to be made available for capital projects [in FY 2017 revenues would have to be above approximately $719 million to be available for transfer to the Capital Projects Fund].
- In FY 2014, $145 million was actually transferred from the lottery to the Capital Projects Fund. This was an increase of 7.4% from the $135 million transferred in FY 2013 but was well below expectations when the privatization was originally enacted.
- Results from the Lottery became significantly worse in FY 2015 and are not expected to improve in the near future. Only $8 million was transferred in FY 2015 and no money was available to transfer in FY 2016.
- Due to the poor results under the Northstar Group's management, the Governor sought to end the management contract in September of 2015. Northstar continues to manage the lottery on temporary contracts but a new manager is currently being sought by the State.
- The Illinois Lottery has estimated that $4 million would be available to transfer in FY 2017 but with the turmoil involved with the change in management, it is hard to see any major improvements in the short term.

INCREASES TO LIQUOR TAXES:	FY 16	FY 17*	FY 18*
❖ Beer by $0.046 per gallonage	$118	$124	$125
❖ Wine up to 14% by $0.66 per gallonage			
❖ Wine over 14% by $0.66 per gallonage			
❖ Distilled liquor by $4.05 per gallonage			

- In FY 2016, $126 million in Liquor taxes was deposited in the Capital Projects Fund.
- Through February in FY 2017 $82 million was received, which annualizes to $124 million.

INCREASES TO MOTOR VEHICLE FEES:	FY 16	FY 17*	FY 18*
❖ Vehicle Registrations by $20	$308	$311	$314
❖ Transfers of Registrations by $10			
❖ Certificate of Title by $30			
❖ License Fees by $20			
❖ Increases in penalties for violating the increased weight limit of 80,000 pounds			

- The increase in motor vehicle fees brought in approximately $3 million less in FY 2016 at $308 million. This was a decline of approximately 1%.
- Motor vehicles transfers are estimated at $311 million in FY 2017 and $314 million in FY 2018.

FY 2018 Capital Projects by Agency

The projects listed in this section are only those for which a new appropriation is being sought in FY 2018 (Reappropriations are not listed). Project requests are listed by agency.

Agriculture

The Governor's capital budget request of $2.6 million for the Department of Agriculture consists of $2.6 million from the Agricultural Premium Fund for projects at the Illinois State Fairgrounds in Springfield and the DuQuoin Fairgrounds.

Capital Development Board

The Capital Development Board would receive $610 million under the Governor's capital budget. The Build Illinois Bond Fund would provide $400 million, the Capital Development Fund $150 million, the School Construction Fund $50 million and the Capital Development Board Contributory Trust Fund would fund $10 million.

PROGRAMS ($ millions)	FY 2018 (in millions)
• Capital improvement to State Facilities	$400.0
• Agencies, Authorities, Boards & Commissions for capital facilities	150.0
• Statewide: Grants to School Districts for Lead Abatement	50.0
• Capital Improvements including but not limited to Vet Affairs Facilities	10.0

Corrections

The Department of Corrections would use $172 million in Capital Development Funds through the Capital Development Board. Funds would be used for capital improvements to correctional facilities, including improvements for structures serving seriously mentally ill inmates, among other purposes.

Environmental Protection Agency (EPA)

The Environmental Protection Agency would receive a total of $853 million: $832 million from the Water Revolving Fund, $14.6 million from the Build Illinois Bond Fund, $6million from the Anti-Pollution Fund and $500,000 from the Capital Development Fund.

PROGRAMS ($ millions)	FY 2018 (in millions)
• Statewide: Wastewater Loan Program	$500.0
• Statewide: Drinking Water Loan Program	327.0
• Grants for Sewers, Wastewater Treatment and Drinking Water projects	10.9
• Conservation of environmental and natural resources	9.6
• Grants and Contracts to Address Nonpoint Source Water Quality Issues	5.0
• Statewide: River Edge Municipal Brownfields Grant Program	0.5

Innovation and Technology

The Department of Innovation and Technology would receive $400 million from the Capital Development Fund for Enterprise Resource Planning (ERP), Information Technology and Telecommunications Projects.

Military Affairs

The Department of Military Affairs would use $55 million: $50 million from the Illinois National Guard Construction Fund and $5 million from the Capital Development Fund, for construction of Illinois National Guard facilities.

Natural Resources

The Department of Natural Resources would receive $107.2 million in new appropriations from bond funds, various Federal/State trust funds and State revenue funds. This amount includes $35 million in Build Illinois Bonds Funds, $14 million in Federal/State trust funds, and $58.2 million from specific natural resource-related funds, such as: the Park & Conservation Fund, the State Boating Act Fund, the Natural Areas Acquisition Fund, the Land & Water Recreation Fund, and the Wildlife and Fish Fund.

PROGRAMS ($ millions)	FY 2018 (in millions)
• Capital Grants to Parks and Recreational Units	$35.0
• Construction/Maintenance for State-owned. Leased and Managed Sites	30.0
• Abandoned Mined Lands Reclamation (State and Federal)	13.0
• Outdoor Recreation (bike, trails, boat, snowmobile, off-highway vehicles)	12.9
• Natural Areas Acquisition	6.0
• Wildlife Conservation and Restoration	3.7
• World Shooting and Recreation Center debt service and permanent improvements	3.6
• Forestry programs (State and Federal)	1.4
• Rural community fire protection programs	0.5
• Statewide: Landowner Grant Program under the Illinois Oil & Gas Act	0.5
• Lake County: rehab of facilities at North Point Marina	0.4
• Chain O' Lakes-Fox River Waterway Management System: operating expenses	0.2

Public Health

Public Health would receive $30 million from the Build Illinois Bond Fund for the Statewide Lead Initiative named Clear-Win.

Transportation (IDOT)

The Governor has requested $2.617 billion in new appropriations in FY 2018 for the Illinois Department of Transportation. The majority of funding would come from current State funds, including $1.961 billion in Road Funds and $462 million from the State Construction Account Fund. Federal funds would make up approximately $120 million of funding and $74 million would come from transportation-related State funds, including such funds as the Grade Crossing Protection Fund, the South Suburban Airport Improvement Fund, the State Rail Freight Loan Repayment Fund, the Working Capital Revolving Loan Fund, and the Downstate Transit Improvement Fund.

PROGRAMS ($ millions)	FY 2018 (in millions)
• Statewide: transportation-related construction	$1,543.0
• Road Improvements – Local Share of Road Fund/Road Program	606.2
• Federal/Local: financial assistance to airports	100.0
• Maintenance, Traffic, Physical Research/Formal Contracts A & B	93.6
• Grade Crossing protections/separations	39.0
• Congestion Mitigation and Air Quality (CMAQ) Enhancement	37.5
• Apportionments to Counties, Cities and Townships	35.8
• Downstate Transit Capital Grants	30.0
• High Speed Rail Maintenance Costs	20.0
• Federal grant for Capital, Operating, Consultant and Technical Services	20.0
• P3 Consultant Services	18.0
• Permanent Improvements to IDOT facilities	16.7
• Motorist Damage to Highway Structures	16.5
• Township Bridge Program	15.0
• Managed Lanes P3 Consultant Services	10.0
• Disposal of Hazardous Materials	6.6
• State Airport Plans and assistance to municipalities or other airports	4.0
• Statewide: Rail Freight Loan Repayment Program (State and Federal)	2.0
• Disadvantaged Business Revolving Loan Program	2.0
• South Suburban Airport Expenses, including Public Private Partnerships	1.0

SECTION II
DEBT MANAGEMENT

- **Summary of State-Supported Bond Debt**
- **Bond Authorization**
- **Bond Sales**
- **Outstanding Principal**
- **Debt Service**
- **Recent Illinois Ratings History**
- **Debt Comparisons: Illinois v. Other States**

Summary of State Supported Bond Debt

Bonds are sold to provide funds either for projects or to refund previously issued bonds. State Supported bond debt can be divided into three categories:

- General Obligation (GO) debt backed by the full faith and credit of the State,
- State-issued revenue debt supported by dedicated tax revenues or lease payments, and
- Locally-issued revenue debt supported by the pledge of State taxes or lease payments.

The State issues General Obligation bonds for its continuing capital program that began in FY 1971. Bond proceeds are distributed under categories for capital facilities, anti-pollution, coal and energy development, school construction, and transportation projects—roads and bridges, mass transit, rail and aviation.

Bonds secured by dedicated tax revenues are issued by the State for the Build Illinois program and for civic centers. The Build Illinois program uses bond proceeds for infrastructure and transportation, educational purposes, environmental protection and economic development. Civic Center bond proceeds were used to pay for construction of civic center related projects or for debt service on construction projects and improvements from bonds issued by local civic center authorities. There have been no new project Civic Center bonds issued since FY 1992.

Certificates of participation (COPs) have been authorized and issued by the State and its agencies to finance the lease/purchase of equipment and the lease/purchase of facilities. Beginning in FY 2005, P.A. 93-0839 eliminated the issuance of COPs unless they were authorized by law. This report does not include State-issued COPs which will be paid off at the end of FY 2017. The Non-State Supported Debt section of the report does include State University COPs, which were allowed under statute through December 31, 2014.

Locally-issued revenue bonds supported by State revenue include those issued by the Metropolitan Pier and Exposition Authority (McCormick Place and Navy Pier), the Illinois Sports Facilities Authority (U.S. Cellular Field and Soldier Field), and the Regional Transportation Authority (Strategic Capital Improvement Bonds) for its Service Boards: the Chicago Transit Authority, Metra and Pace.

The following section looks at various debt-related statistics in an attempt to explain what has occurred in this area and what direction the State's bonding programs may take in the future.

Bond Authorization

General Obligation Bonds

General Obligation bonds are viewed as the most secure type of bond issuance by any government because they carry the pledge that the government will pay the bondholders first and from any and all revenues.

Today, the GO pledge is used in new areas to make the sale of certain types of bonds more attractive in the current market. Illinois is no different, having legislated GO authorization for Tobacco "Securitization" bonds and Pension Obligation Bonds. With these changes in the General Obligation arena, authorization has become more complicated. Below are authorization levels including legislative changes made over the past years to the General Obligation Bond Act:

TABLE 6 — GENERAL OBLIGATION AUTHORIZATION LEVELS (in billions)

Date	New Projects	Tobacco* Securitization	Pension Systems	Medicaid† Enhancement	Subtotal	Refunding Increase	Refunding Total
May 2000	$14.198	N/a	N/a	N/a	**$14.198**		$2.839
June 2001	$15.265	N/a	N/a	N/a	**$15.265**		$2.839
June 2002	$16.908	$0.750	N/a	N/a	**$17.658**		$2.839
April 2003	$16.908	$0.750	$10.000	N/a	**$27.658**		$2.839
January 2004	$16.927	N/a	$10.000	N/a	**$26.927**		$2.839
January 2009	$16.962	N/a	$10.000	N/a	**$26.962**		$2.839
April 2009	$19.962	N/a	$10.000	N/a	**$29.962**		$2.839
July 2009	$22.771	N/a	$13.466	N/a	**$36.237**	$2.000	$4.839
March 2010	$22.771	N/a	$13.466	$0.250	**$36.487**		$4.839
January 2011	$22.771	N/a	$17.562	$0.250	**$40.583**		$4.839
March 2011	$26.933	N/a	$17.562	$0.250	**$44.745**		$4.839
July 2012	$28.550	N/a	$17.562	$0.250	**$46.362**		$4.839
July 2013	$30.775	N/a	$17.562	$0.250	**$48.587**		$4.839
July 2014	$31.375	N/a	$17.562	$0.250	**$49.187**		$4.839

† The Medicaid Enhancement Funding was allowed only in FY 2010 and had to be repaid within one year.
* Tobacco Securitization Authorization was allowed only for FY 2003. It was not used and has now expired.

The Governor's Office of Management and Budget says it would need additional bond authorization of $913 million for the FY 2018 capital budget program:

- $436 million increase in the Build IL authorization for infrastructure and environmental projects, and
- $477 million increase in General Obligation authorization for Capital Development projects for State agencies.

The table shows the status of authorization levels for each category of GO bonds and for State-issued revenue bonds. GO capital projects total authorization is $31.4 billion, with $5.2 billion remaining unissued as of February 28, 2017.

TABLE 7 STATUS OF G.O. AND STATE-ISSUED REVENUE BONDS as of February 28, 2017

(in billions)	Authorization	Un-Issued	Appropriated†	Available	Over* Committed
Capital Facilities	$9.754	$1.609	$8.613	$1.141	$0.019
School Construction	$4.750	$0.418	$4.729	$0.021	
Anti-Pollution	$0.680	$0.121	$0.646	$0.034	
Transportation A	$5.432	$0.177	$5.427	$0.005	
Transportation B	$5.862	$1.906	$5.685	$0.177	
Transportation D	$4.654	$0.848	$4.718		$0.065
Coal & Energy Development	$0.243	$0.089	$0.148	$0.095	
SUBTOTAL	**$31.375**	**$5.168**	**$29.966**	**$1.473**	**$0.084**
Pension bonds	$17.562	$0.396	$17.562	$0.396	
Medicaid Funding Series	$0.250	$0.004	$0.250	$0.004	
TOTAL	**$49.187**	**$5.568**	**$47.778**	**$1.873**	**$0.084**
	Limit	**Un-Issued**	**Principal Outstanding**	**Available**	**Over Committed**
G.O. Refunding°	$4.839	$1.445	$3.395	$1.445	
	Authorization	**Un-Issued**	**Appropriated†**	**Available**	**Over* Committed**
Build Illinois	$6.246	$0.695	$5.544	$0.702	
	Limit	**Un-Issued**	**Principal Outstanding**	**Available**	**Over Committed**
Build IL Refunding	Unlimited	Unlimited	$1.079	Unlimited	
	Authorization	**Un-Issued**	**Principal Outstanding**	**Available**	**Over Committed**
Civic Center	$0.200	$0.177	$0.023	$0.177	
	Limit	**Un-Issued**	**Principal Outstanding**	**Available**	**Over Committed**
Civic Center Refunding	Unlimited	Unlimited	$0.000	Unlimited	

Source: The Illinois Office of the Comptroller - "Recap of General and Special Obligation Bonded Indebtedness and Update of Comparisons of General and Special Obligation Bond Activity".

†Includes cumulative expenditures for prior years up through FY 2017.

*Over Committed amounts come from specific line items under each Category in Statute that have higher appropriations than authorization.

°Refunding is limited only by how much is outstanding at one time. As principal amounts are paid off, those amounts become available for future refundings.

Excludes bond premiums.

According to the table above, there is enough authorization available for current projects for most of these categories, except for Transportation D which is $65 million "Over Committed" including FY 2017 appropriations. The over committed amount for Capital Facilities is in a specific line item under that category, subsection (d) for Child Care, Mental & Public Health purposes. This means that these appropriations cannot be expended until authorization is increased to sell the bonds.

State-Issued Revenue Bonds

The Build Illinois program began in 1985 as a $1.3 billion economic development initiative composed of $948 million in bonds and $380 million in current funding. Since that time, the bond program has been expanded and authorization increased several times.

Build Illinois authorization was increased by $542.5 million by Public Act 98-0094 in July 2013. Total Build Illinois bond authorization equals $6.246 billion with $695 million remaining unissued as of February 28, 2017. There is no refunding limit placed on Build Illinois bonds.

TABLE 8 BUILD IL AUTHORIZATION INCREASES (in billions)		
Date	Projects Increase	Projects Total
July 1985	$0.948	$0.948
September 1988	$0.379	$1.327
July 1989	$0.704	$2.031
December 1990	$0.006	$2.037
June 1999	$0.754	$2.791
May 2000	$0.061	$2.852
June 2001	$0.689	$3.541
June 2002	$0.265	$3.805
July 2009	$0.810	$4.615
March 2011	$1.088	$5.703
July 2013	$0.543	$6.246
*Build Illinois Refunding is unlimited		

Authorization for Civic Center bonds is limited to $200 million of new project bonds outstanding at one time. Refunding authorization is unlimited. Since October 1991, no applications have been approved and no new funding has been issued. Civic Center Authorization available, as of February 28, 2017, is $177 million.

Locally-Issued Revenue Bonds

MPEA: In August 2001, the Legislature increased authorization for the Metropolitan Pier and Exposition Authority's Expansion bonds by $800 million for another expansion of McCormick Place. These bonds were issued July 2, 2002. In May of 2010, Public Act 96-0898 increased the Authority's authorization by $450 million to the current level of $2.557 billion to expand their Hyatt Regency-McCormick Place Hotel from 800 rooms to 1400, and include a ballroom, meeting space, parking facility and for other improvements to help McCormick Place remain competitive. The Act also allowed the MPEA to restructure and refund their debt and extend the refunding maturities to 2050 (was 2042), past the maturities of the bonds they would be refunding. The MPEA sold $201 million in bonds in October 2010 and $97 million in July 2012. The remaining $153 million was issued in FY 2016.

In the 99th General Assembly HB 3262 was passed which would have given the MPEA $293 million in additional new money capacity, but it was vetoed. Without additional authorization, the Authority is unable to issue any new bonds.

RTA: The RTA has bonds supported by State funding called Strategic Capital Improvement Project (SCIP) bonds. There have been two separate authorizations of SCIP bonds. The first authorization, SCIP I, was set at $100 million a year from 1990-1994, equaling $500 million. The second authorization, SCIP II, was part of the Illinois FIRST program and authorized $260 million a year from 2000-2004, equaling a total of $1.3 billion.

In FY 2006 the Authority had approximately $260 million of authorization remaining. Due to $117 million in premiums received from previous SCIP II bond sales, the Administration had discussed the possibility of lowering the remaining amount allowed to be issued to $143 million. After negotiations occurred between the Administration and the RTA for the FY 2007 budget, PA 94-0839 was passed which allowed the RTA to spend the proceeds of SCIP II bonds issued, rather than just the authorization level, to take advantage of the premiums received on SCIP bonds in earlier fiscal years due to the strong bond market. The Authority sold $250 million of bonds in FY 2007, leaving approximately $9.7 million in authorization available under the SCIP II program. The Authority is not requesting an increase in authorization at this time.

ISFA: In FY 2001, the General Assembly increased bonding authorization for the Illinois Sports Facilities Authority (ISFA) Act by $399 million to finance renovations for the Chicago Bears Stadium at Soldier Field and related lakefront improvements. The bonds were issued in October of 2001. In FY 2004 $42.5 million was sold for additional renovations and $10 million was sold in FY 2009. According to the ISFA, they have approximately $126 million of unissued authorization. The Authority is not requesting an increase in authorization at this time.

Bond Sales

In FY 2014, Illinois sold $3.675 billion in GO bonds and $402 million of Build Illinois bonds. A $1.3 billion GO bond sale which began in June 2013 did not close until July 2013, therefore the GOMB counted that amount in FY 2014.

There were no bond sales in FY 2015. The State sold $1.03 billion of GO bonds in FY 2016 and no Build Illinois bonds. To date in FY 2017, $480 million in GO new project bonds have been sold, $1.3 billion in GO Refunding bonds, $210 million in Build Illinois new project bonds and $339 million of Build Illinois refunding bonds. For the remainder of FY 2017, the Office of Management and Budget plans to sell another $200 million in GO bonds.

As part of the FY 2016/FY 2017 Budget Implementation Act (PA 99-0523), the Office of Management and Budget was allowed to sell up to $2.0 billion in GO project bonds and $2.0 billion in GO Refunding bonds in FY 2017 that were not counted under the 7% debt cap. Additional exemptions to statutory requirements for refunding bonds sold in FY 2017 allowed for $159 million in savings from the GO refunding and $70 million from the Build Illinois refunding over the life of the bonds. Exemptions were from the following provisions: level principal payments or mandatory redemptions; principal and maturing redemption amounts due shall be greater than or equal to amounts due in that fiscal year, and all prior fiscal years in that schedule shall be greater than or equal to the total amount of refunded amounts that had been due over that year and all prior fiscal years prior to the refunding; maximum 75% negotiated sales; and maturities equal to or less than the maturities being refunded.

Estimated bond sales for FY 2018 would include $825 million of GO bonds and $200 million of Build Illinois bonds.

TABLE 9	BOND SALES							
DATE	BOND SALE TYPE	AMOUNT	TAXABLE v. TAX-EXEMPT	NEGOTIATED v. COMPETITIVE SALE	TRUE INTEREST COST	S&P	FITCH	MOODY'S
FY 2014								
Jun/Jul-13	General Obligation bonds	$1.3 billion	tax-exempt	negotiated	5.042%	A-	A-	A3
Dec-13	General Obligation bonds	$350 million	taxable	competitive	5.397%	A-	A-	A3
Feb-14	General Obligation bonds	$1.025 billion	tax-exempt	negotiated	4.063%	A-	A-	A3
Mar-14	Build IL	$402 million	taxable	competitive	4.271%	AAA	AA+	A3
Apr-14	General Obligation bonds	$250 million	tax-exempt	competitive	4.082%	A-	A-	A3
May-14	General Obligation bonds	$750 million	tax-exempt	negotiated	4.096%	A-	A-	A3
FY 2016								
Jan-16	General Obligation bonds	$480 million	tax-exempt	competitive	3.999%	A-	BBB+	Baa1
Jun-16	General Obligation bonds	$550 million	tax-exempt	competitive	3.743%	BBB+	BBB+	Baa2
FY 2017								
Sep-16	Build IL 2016A	$150 million	tax-exempt	competitive	2.442%	AAA	AA+	Baa2
	Build IL 2016B	$60 million	taxable					
	Build IL 2016C Refunding	$152 million	tax-exempt					
	Build IL 2016D Refunding	$187 million	tax-exempt					
Oct-16	General Obligation Refunding	$1.3 billion	tax-exempt	negotiated	3.7616% Discount Rate	BBB	BBB+	Baa2
Nov-16	General Obligation bonds	$480 million	tax-exempt	competitive	4.245%	BBB	BBB+	Baa2

Bond Sale Details. In November 2016, Illinois sold $480 million in competitive General Obligation bonds with a true interest cost of 4.245%. The spread on the 10-year maturity reached 200 basis points over the MMD benchmark with eight bidders.

Also in November, the six Letters of Credit on the October 2003B $600 million Variable Rate GO bonds were to terminate (November 27, 2016) and would have been subject to mandatory tender. On November 7, 2016, the State entered into new agreements with four purchasers with new terms and an expiration date of November 7, 2018. Under the old Letters of Credit, the State's interest would have raised from 2.85% to 3.35% if one of its ratings dropped to BBB-, and to 5.35% if the State's rating is lowered to junk status (BB+). In addition, Illinois renegotiated three of the five swap agreements and negotiated two new agreements, while also lowering the ratings levels that would trigger a swap termination. Under the previous agreements if the State went below BBB/Baa2 rating level, it would trigger the swaps to default. Under the new agreements, the State's rating would have to go below BBB-/Baa3 for termination, except for with Deutsche Bank which has agreed to lower the termination rating to below BB+/Ba1, giving the State more leeway.

For the October 2016 bond sale the State sold $1.3 billion in GO Refunding bonds. The ten-year maturity was 193 basis points above the Municipal Market's AAA benchmark, soon after a 1-level downgrade by Standard & Poor's. The State insured the final three years of maturities (2030-2032). Present value savings of $106 million came from lowering the average rate of the bonds being refunded from 4.96% to 3.70%, shortening the maturity by two years. The bonds were able to gain additional savings due to Public Act 99-0523, which loosened current restrictions on GO and Build Illinois refunding bonds sold in FY 2017, such as on the length of maturities and the annual required redemption amounts.

Illinois competitively sold $549 million of Build Illinois bonds in September 2016. There were four series of bonds sold:

Series A--$150 million of tax-exempt project bonds for Illinois Jobs Now;

Series B--$60 million of taxable project bonds for Build Illinois projects;

Series C--$152 million of tax-exempt Refunding bonds for Build Illinois projects;

Series D--$187 million of tax-exempt Refunding bonds for Illinois Jobs Now projects.

Present value savings on the refunding portions equaled approximately $56 million. The true interest cost for the overall deal was 2.442%. Build Illinois bonds are backed by the sales tax and receive higher ratings than Illinois' GO bonds from S&P (AAA) and Fitch (AA+); Moody's was not asked to rate these bonds. Each series received a minimum of nine bids, and with low interest rates, the State's penalty was minimized, with the 10-year yields at 48 basis points over the Municipal Market Data's AAA benchmark. [*Why Illinois' High-Grade Paper Was an Easier Sale Than GOs*, The Bond Buyer, August 25, 2016; *Illinois Sets Senior Management Pool*, The Bond Buyer, September 23, 2016.]

The State sold $550 million in General Obligation bonds in June 2016, after lowered bond ratings from two ratings agencies. Illinois had ten bids and received a true interest cost of 3.7425% even with its widest spread yet–185 basis points for the 10-year prices over the Municipal Market Data's AAA benchmark. Market participants said Illinois priced its bonds at the perfect time, when the wide spreads were countered by historically low interest rates. "The market is flush with cash and an infusion of global interest against a backdrop of record low interest rates that have investors in search of income opportunities…'For investors looking for yield this is relatively attractive'." [*Illinois Reaps Benefit of Market Timing*, The Bond Buyer, June 20, 2016]

The State sold General Obligation bonds in January 2016 for $480 million, which had been the first bond sale in 20 months. Bond ratings had been lowered a few months before that sale, by all three ratings agencies. Interest rate penalties at that time were expected to be high, but with a drop in demand for stocks and an increase in demand for high yield bonds, the State received a true interest cost of 3.9989%. This rate [was] lower than the last competitive sale in April 2014 of 4.082%, even though the State's spreads were wider, due to a lower interest rate environment. [*Munis Weaken as BAML Wins 4480M Illinois GOs*, The Bond Buyer, January 15, 2016]

In the State's last Build Illinois deal in March 2014, it received seven bids on the $402 million taxable issue with JPMorgan winning the bonds with a true interest bid of 4.2706%. While the sales tax-backed bonds were subject to an interest rate penalty for the Illinois name, the higher ratings shielded them from the steeper penalties spreads imposed on the State's stressed GO paper. The spreads ranged from 25 basis points to 105 basis points to comparable Treasuries, below the spreads of well over 100 basis points on its GOs to comparably rated GOs throughout the scale. [*Illinois Returning to Market with Sales Tax Bonds*, The Bond Buyer, August 10, 2016]

Bond Sale History

In FY 2003, $10 billion in Pension Obligations bonds were sold, while General Obligation project bond sales were at a high of $1.712 billion. Bond sales declined after that record year due to no new authorization and the lack of any bond funded capital appropriations from FY 2004 through FY 2009. Build Illinois issuances reached $350 million in FY 2004, and remained above the $200 million mark through FY 2006.

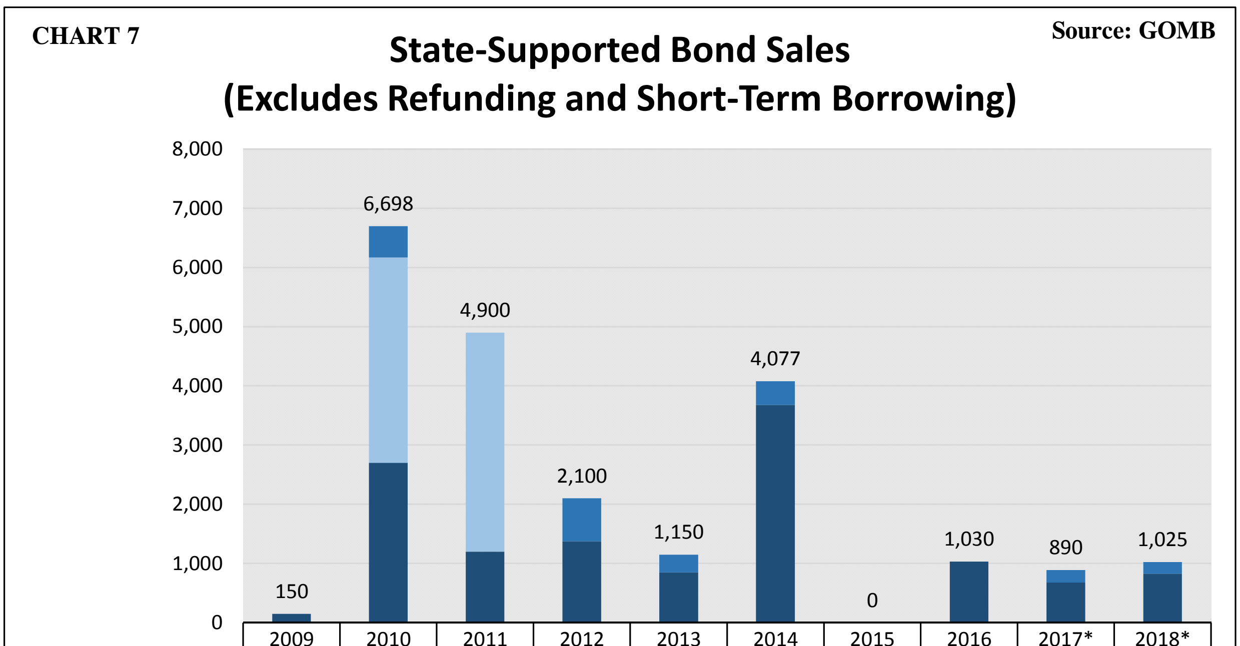
In FY 2007, General Obligation bond sales declined to $258 million and the FY 2008 issuance of $125 million of GO bonds was the lowest since FY 1990. FY 2009 remained low with a single $150 million issuance. There were no Build Illinois bond sales in FY 2007 or FY 2009, and the $50 million issuance in FY 2008 was the lowest dollar amount issuance since FY 1998.

In FY 2010, the $31 billion Illinois Jobs Now capital plan was approved. Authorization for GO bonds was increased in fiscal years 2010, 2011, 2013 and 2014, allowing for the issuance of new project bonds. GO bond sales were at a $2.7 billion high in FY 2010 to jump start the Illinois Jobs Now program. FY 2011 and FY 2012 stayed above $1.0 billion. FY 2013 was $850 million and FY 2014 was $3.7 billion.

Pension Obligation Notes were sold in FY 2010 for $3.466 billion and in FY 2011 for $3.7 billion.

The Illinois Jobs Now Capital Program also precipitated an increase in authorization for Build Illinois bonds. BI Bond sales picked up with $530 million sold in FY 2010, $725 million sold in FY 2012, $300 million in FY 2013, and $402 million in FY 2014.

There were no GO and no Build Illinois Bond sales in FY 2015. Bond sales in FY 2016 equaled $1.03 billion of General Obligation bonds while no Build Illinois bonds were sold. FY 2017 GO Bond sales are expected to be $680 million with $210 million in Build Illinois bonds. FY 2018 bond sales are estimated at $825 million for General Obligation bonds and $200 million for Build Illinois bonds.



	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
State Issued	0	530	0	725	300	402	0	0	210	200
Pension Obligation		3,466	3,700							
General Obligation	150	2,702	1,200	1,375	850	3,675	0	1,030	680	825

Locally-Issued Revenue Bonds

<u>Metropolitan Pier and Exposition Authority:</u> In 2001 the State increased the MPEA's bonding authorization by $800 million. Expansion bonds were sold in FY 2003 for $802 million. Other issuances in FY 2003 and FY 2004 were refundings of $285.7 million and $42.5 million, respectively. The MPEA sold $201 million in new project bonds and $918 million in restructuring bonds in FY 2011. For FY 2013, the Authority sold $97 million in new project Expansion bonds and refunded $758 million. The MPEA sold its remaining $153 million in bonding authorization and $66 million in refunding bonds in FY 2016 for its planned Event Center and a second hotel.

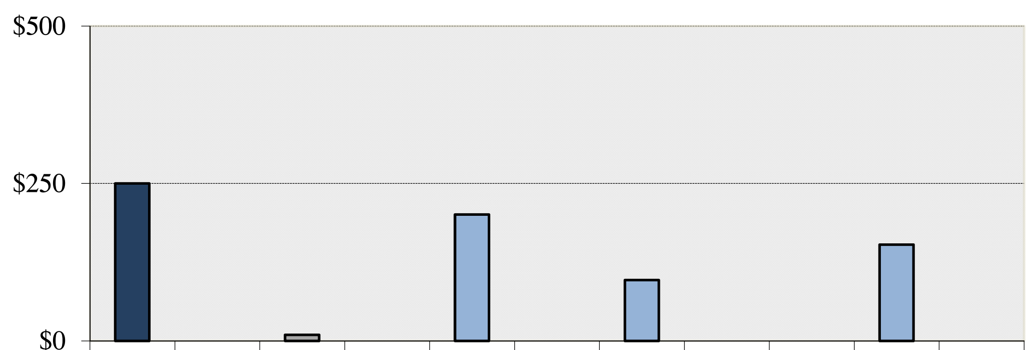
<u>Regional Transportation Authority:</u> The RTA sold $260 million in Strategic Capital Improvement Project (SCIP) bonds in FY 2005 and $250 million in FY 2007. The FY 2007 SCIP bond sale of $250 million basically depleted the last of their $1.3 billion in authorization granted under the Illinois FIRST program.

<u>Illinois Sports Facilities Authority:</u> The November 2000 General Assembly passed an increase in authorization of $399 million for the Illinois Sports Facilities Authority. In October of 2001 the ISFA sold the $399 million in new bonds for the renovation of Soldier Field and related lakefront property. The Authority issued project bonds in FY 2004 for $42.5 million for U.S. Cellular Field renovations and in December 2009, sold $10 million in bonds to finance the redevelopment of the 35th Street infrastructure.

The ISFA sold $292.5 million in refunding bonds in FY 2015 to refund some of the 2001 series bonds and all of the 2003 and 2008 series bonds. The ISFA has no major capital program planned at this time.

CHART 8

Locally-Issued Revenue New Capital Bond Sales (in millions)



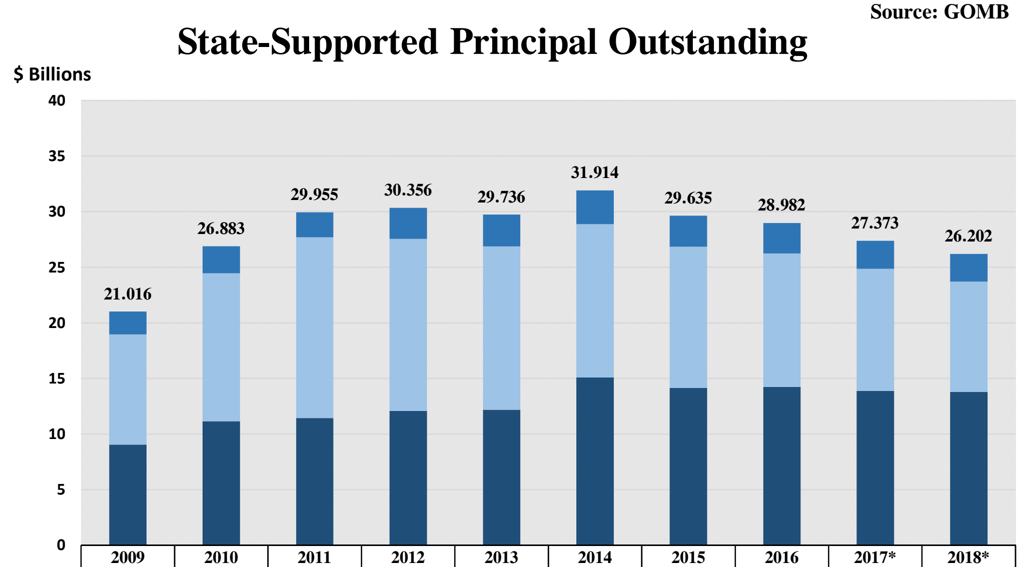
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
RTA	$250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
ISFA	$0	$0	$10	$0	$0	$0	$0	$0	$0	$0	$0
MPEA	$0	$0	$0	$0	$201	$0	$97	$0	$0	$153	$0

Outstanding Principal

State-Issued Principal Outstanding

CHART 9

Source: GOMB



	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
State Issued	2.064	2.427	2.253	2.805	2.862	3.034	2.79	2.737	2.512	2.489
Pension Obligation	9.9	13.316	16.273	15.48	14.686	13.793	12.7	12	10.975	9.925
General Obligation	9.052	11.14	11.429	12.071	12.188	15.087	14.145	14.245	13.886	13.788

In FY 2006, principal outstanding for all State Supported debt was at its highest to date at $22.694 billion. From FY 2007 to FY 2009, principal outstanding decreased by $1.678 billion, to $21.016 billion. This decline was due to lack of bond issuance while still paying off debt service. Bonds sold over the FY 2007-FY 2009 period equaled $583 million, while bonds sold over the previous three-year period, FY 2004-FY 2006, equaled $3.7 billion. Debt service payments on General Obligation and State-Issued Revenue bonds paid down approximately $2.255 billion of principal from FY 2007 to FY 2009. Any bond issuances over those years were made to pay for reappropriations.

The big jump in GO Principal Outstanding in FY 2010 was $2 billion for the Illinois Jobs Now capital program and almost $3.5 billion in Pension Obligation Notes. FY 2011 increased due to $3.7 billion in Pension Obligation Bonds.

The next big increase in principal outstanding was due to the sale of $3.7 billion in bonds for FY 2014. The FY 2014 level of $31.9 billion decreased by over $2 billion in FY 2015 due to the lack of bond sales in all categories.

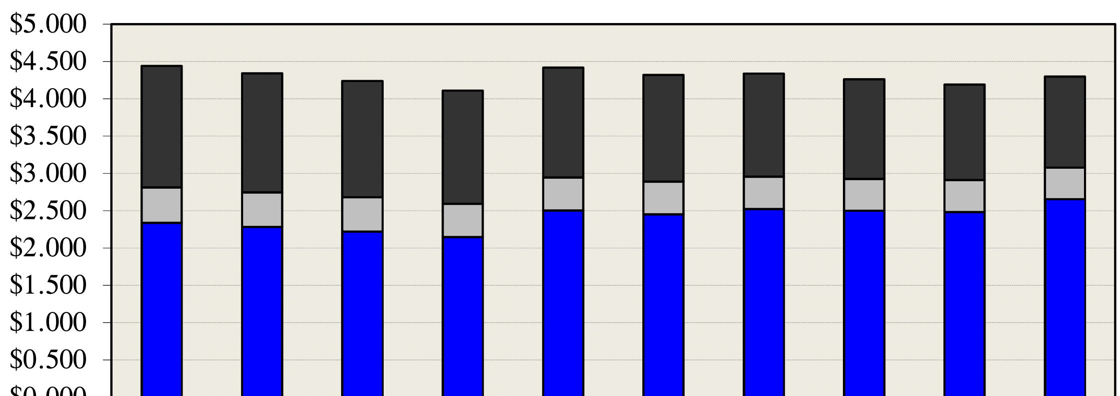
Lower bond sales in FY 2016 and expected through FY 2018 of around $1 billion annually will decrease principal outstanding over those years.

Locally Issued Revenue Bonds

- Principal outstanding for locally-issued revenue bonds saw growth in FY 2000 due to a McCormick Place expansion bond sale of $444 million, and a $260 million sale by the RTA--the beginning of SCIP II bond sales authorized through Illinois First.
- In FY 2001, principal outstanding increased due to another McCormick Place expansion bond sale of $268 million and an RTA SCIP sale of $100 million.
- FY 2002 saw the sale of $399 million of Soldier Field renovation bonds through the Illinois Sports Facilities Authority and another $160 million of RTA SCIPs.
- The large increase in FY 2003 was attributed to an $802 million MPEA expansion project bond sale and an RTA SCIP sale of $260 million.
- Increases in FY 2005 and FY 2007 are attributed to the sale of RTA SCIP bonds $260 million and $250 million, respectively.
- The MPEA sold $201 million in bonds and refunded $918 million in FY 2011, to precipitate the rise in principal outstanding.
- The MPEA sold $97 million in bonds in FY 2013 keeping combined principal outstanding for the three Authorities level around $4.3 billion in FY 2013.
- Principal outstanding in FY 2016 rose due to a bond sale of $153 million by the MPEA for its continuing Event Center and hotel capital projects.

CHART 10

Locally-Issued Revenue Bonds Principal Outstanding (in billions)

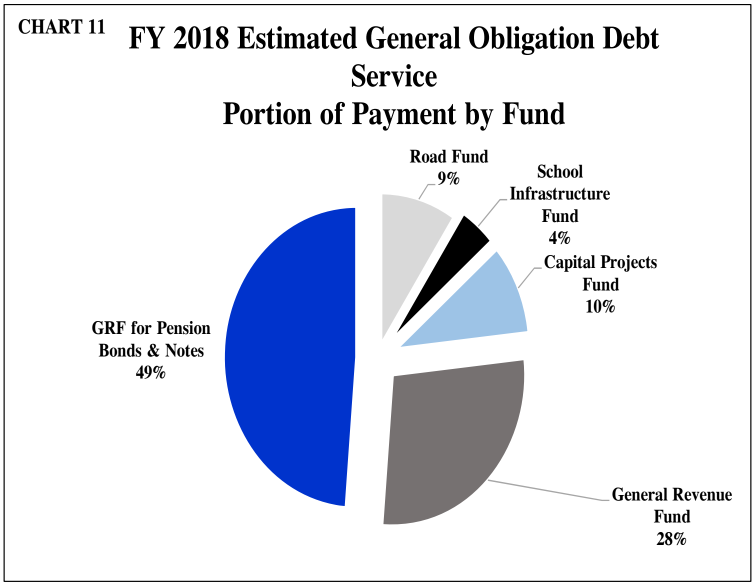


	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
RTA	$1.628	$1.595	$1.557	$1.517	$1.474	$1.429	$1.382	$1.332	$1.279	$1.222
ISFA	$0.474	$0.464	$0.460	$0.445	$0.442	$0.438	$0.433	$0.427	$0.431	$0.423
MPEA	$2.337	$2.283	$2.220	$2.145	$2.502	$2.451	$2.521	$2.499	$2.481	$2.652

Debt Service

The following section presents a ten year history of General Obligation, Build Illinois and Civic Center bonds broken out by principal and interest. The General Obligation section also shows Pension Obligation bond debt service, and also breaks out GO debt service by funds that pay for it.

CHART 11



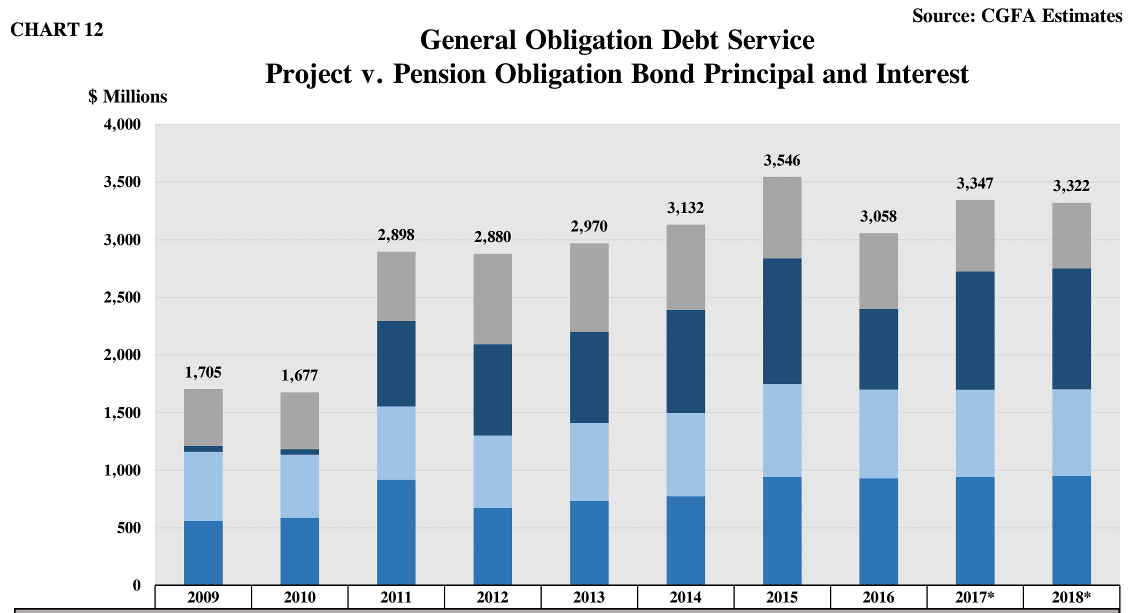
General Obligation

GO debt service is paid from the General Obligation Bond Retirement and Interest Fund (GOBRI), which receives transfers from the Road Fund (for Transportation A - highways and bridges), the School Infrastructure Fund, and the General Revenue Fund. Since FY 2010, the Capital Projects Fund has been transferring funds to GOBRI for the Illinois Jobs Now capital program. The increases in GO debt attributed to the Illinois Jobs Now program will be paid for by increases in Road Fund transfers and transfers from the Capital Projects Fund. If there is not enough funding in the Capital Projects Fund (see page 9 for information on the Capital Projects Fund), the General Revenue Fund will pay for any debt service needs. The General Revenue Fund will pay an estimated $437.9 million in FY 2018 in debt service that would have come from the Capital Projects Fund if it had enough funding.

TABLE 10	GENERAL OBLIGATION Debt Service By Fund					
($ Millions)	FY 2016 Amount	FY 2016 % of Total	FY 2017* Amount	FY 2017 % of Total	FY 2018* Amount	FY 2018 % of Total
Road Fund	$338.8	19.9%	$316.4	18.6%	$304.9	17.9%
School Infrastructure Fund	$181.9	10.7%	$181.7	10.7%	$146.1	8.6%
Capital Projects Fund (Trans D)	$275.0	16.2%	$308.5	18.2%	$322.2	18.9%
GRF backfill for CPF	$389.7	22.9%	$435.8	25.6%	$437.9	25.7%
General Revenue Fund	$515.9	30.3%	$457.1	26.9%	$491.9	28.9%
SUBTOTAL	**$1,701.3**	**100.0%**	**$1,699.5**	**100.0%**	**$1,703.0**	**100.0%**
GRF/SERS for 2003 POBs	$574.5	42.4%	$595.2	36.1%	$614.7	38.0%
GRF for 2010 PONs	$0.0	0.0%	$0.0	0.0%	$0.0	0.0%
GRF for 2011 PONs	$781.9	57.6%	$1,052.2	63.9%	$1,003.9	62.0%
SUBTOTAL	**$1,356.4**	**100.0%**	**$1,647.4**	**100.0%**	**$1,618.6**	**100.0%**
GRAND TOTAL	**$3,057.7**		**$3,346.9**		**$3,321.6**	

* CGFA estimates for FY 2017 and FY 2018 are based off of information from the Office of the Comptroller and the FY 2018 Budget Book.

Chart 12 shows General Obligation debt service payments broken out by project principal and interest versus Pension Obligation Bonds/Notes principal and interest.



	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
POB Interest	495	493.6	601.2	785.7	767.8	740.9	704.7	656.5	622.3	568.6
POB Principal	50	50	743.2	793.2	793.2	893.2	1093.2	700	1025	1050
Project Interest	599.1	545.8	636.3	628.1	674.7	722.7	805.5	771.2	756.3	752.2
Project Principal	561.2	587.5	917.1	672.5	733.9	775.2	942.4	930.1	943.10	950.80

Debt service from FY 2010 to FY 2011 jumped 72.8% for several reasons:

- Debt service payments for the first Illinois Jobs Now bonds, sold in FY 2010 in the amount of $2.456 billion, began in FY 2011.
- The debt service for the $246 million in Medicaid Bonds sold in FY 2010 was paid in full in FY 2011.
- $3.466 billion in Pension Notes sold in FY 2010 began their debt service payments in FY 2011.

GO Debt Service stayed in the $2.9 billion to $3.1 billion range from FY 2011 to FY 2014. In FY 2015, debt service jumped with an almost $200 million ramp up in debt service payments for the FY 2011 Pension Obligation Bonds, and for the debt service on the $3.7 billion in capital bonds that were sold in FY 2014. Debt service dropped in FY 2016 due to the FY 2010 Pension Obligation Notes being paid off in FY 2015 and the lack of bond sales. However, 2010 Pension Obligation Bond debt service will ramp up to $1 billion for FY 2017 through FY 2019, when it will be paid off. After FY 2019, the debt service on Pension Bonds remaining will be for the FY 2003 bond sale (See Table on next page).

Table 11 shows the break out of debt service for all three Pension Obligation Bonds/Notes sales.

TABLE 11 — COMBINED DEBT SERVICE OF 2003, 2010 and 2011 PENSION OBLIGATION BONDS AND NOTES

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

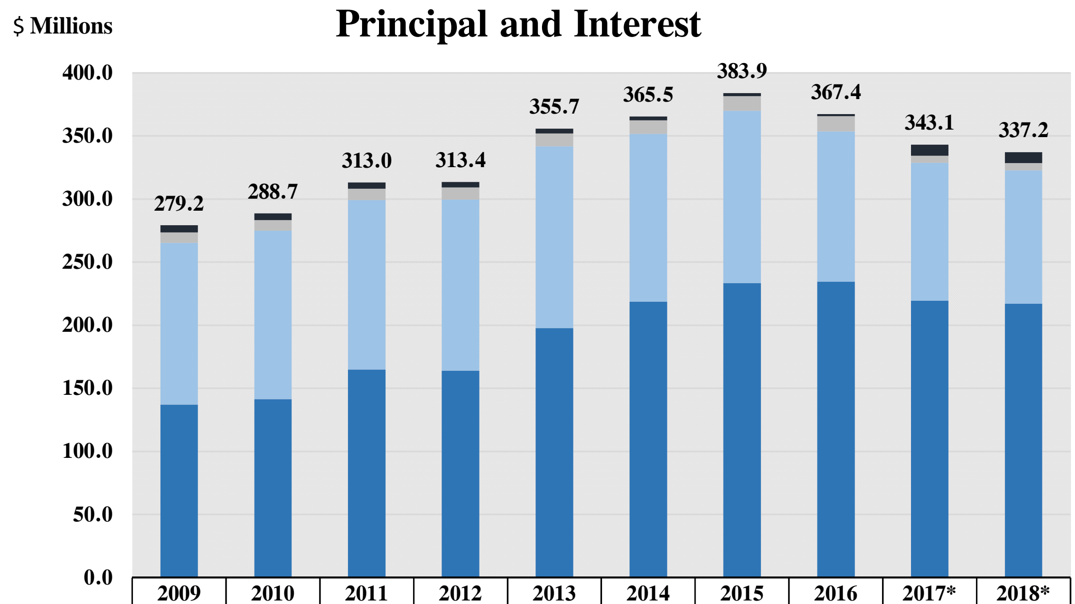
State-Issued Revenue Bonds

State-issued revenue bonds currently outstanding include Build Illinois and Civic Center bonds. Debt service from 2007 through 2010 remained steady at under $290 million annually. The jumps in debt service in FY 2011, FY 2013, FY 2014 and FY 2015 are due to the Build Illinois bonds sold for projects appropriated in the FY 2010 Illinois Jobs Now capital plan. There were no Build Illinois Bond sales from FY 2015-FY 2016. Low Build Illinois bond sales of around $200 million in FY 2017 and FY 2018, along with the FY 2017 refunding savings will allow debt service to decrease through FY 2018.

CHART 13

State-Issued Revenue Debt Service Principal and Interest

Source: CGFA Estimates



	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018*
CC Interest	5.8	5.3	4.8	4.3	3.7	3.1	2.5	1.8	8.9	8.7
CC Principal	8.1	8.6	9.1	9.6	10.1	10.7	11.4	12.0	5.5	5.7
BI Interest	128.2	133.4	134.3	135.4	144.2	133.0	136.6	119.2	109.3	105.8
BI Principal	137.1	141.4	164.8	164.1	197.7	218.7	233.4	234.4	219.4	217.0

Build Illinois. These bonds comprise the majority of debt service costs for the State-issued revenue bonds. Debt service remained low from FY 2008-FY 2012 due to no issuance of Build Illinois bonds in FY 2007, FY 2009, FY 2011 and a $50 million sale in FY 2008. Larger bond sales from FY 2012-FY 2014 totaling $1.4 billion increased debt service levels. Bond sales from FY 2015-FY 2016 were $0 while FY 2017 and FY 2018 will be around $200 million each year.

Civic Center. The State refunded $48.6 million of Series 1990A and $0.7 million of Series 1990B Civic Center bonds in FY 2001 to lower debt service costs through FY 2016 to $13.8 billion. Debt service will increase to $14.4 million for FY 2017 through FY 2020. The final debt service payment will be $5.6 million in FY 2021, as long as no new issuances in the program are made.

Locally-Issued Revenue Bonds: Budget Impasse and Debt Service Issues

The Governor's Office of Management Budget states in the FY 2018 Budget Book that the debt service supported by the State has been appropriated for both MPEA and ISFA bonds for FY 2017.

Metropolitan Pier and Exposition Authority

Illinois failed to appropriate the Authority's sales tax revenue which caused the Authority to miss a required debt service payment in July 2015. Due to this, S&P changed the designation of the MPEA's debt from "special tax bonds" to an "appropriation obligation of the State", which puts the Authority one level below the State's rating, with Fitch following suit. Moody's has always kept the MPEA's rating one level below the State's GO rating. Public Act 99-0409, effective August 20, 2015, allowed for the monthly transfers totaling $167 million and the payment in debt service in FY 2016, but it was too late and the change did not affect the downgrades that the MPEA was given. The Authority's $223 million in bonds, sold in September 2015, paid a penalty in interest rates of approximately 50 basis points because of the downgrades ["IL MPEA Borrowing Costs Up After Downgrade", The Bond Buyer, September 17, 2015].

"The FY16 Expansion Project debt service appropriation was not enacted in time to allow MPEA to make a required transfer to the trustee in July 2015 and this, in conjunction with on-going downgrades of the State's rating, has lowered MPEA's credit rating from AAA/AA-/Baa1 to BBB-/BBB/Baa3, all with negative outlook from S&P/Fitch/Moody's. This downgrade broke through credit thresholds in MPEA's construction financing for the hotel and event center projects that were underway and forced MPEA to issue its $153 million of remaining authorized Expansion bond capacity in September [2015], rather than its plan to issue that amount, in conjunction with some remaining debt restructuring, in 2017".

"We presently do not expect shortfalls in tax collections in the near term that would require a draw on the State sales tax backup. MPEA capital plans, which include a planned Event Center and a second hotel, will be accomplished with funds already raised in the 2010, 2012 and 2015 Expansion Project bond transactions and $250mm of interim construction financing arranged to construct the hotel. However, because HB 3262 was vetoed (the bill provided an additional $293mm of Expansion Project bonding authority allowing MPEA to (1) take-out the construction loan, (2) repay the balance of pre-2010 draws on the State sales tax, and (3) self-fund incentive grants after FY2017), MPEA will take-out the construction financing in 2017 with the issuance of approximately $250mm of Hotel Revenue Bonds, rather than Expansion Project Bonds (and continue to seek reimbursement of incentive grants from the State). "…[T]he State reimburses up to $15 million of incentives that MPEA grants to book events that meet certain statutory thresholds in attendance. This funding for both FY2016 and FY2107 was included in the stop-gap budget bill." [Metropolitan Pier and Exposition Authority]

The Regional Transportation Authority

"The State pays debt service on RTA Strategic Capital Improvement Project bonds from the Public Transportation Fund. The following are issues with the timing of debt service payment on the bonds.

- It now takes the State's Executive Branch six months from the beginning of the fiscal year to approve the grant for the annual SCIP payment.
- Additionally, once the SCIP requisition is submitted, it is not paid for 15 to 18 months due to the State's fiscal condition. In the meantime, the RTA must dip into its reserves to pay the amount and wait for the "reimbursement" from the State.
- "Predicting the cash flow from State debit subsidy (SCIP bond) and Public Transportation Fund (PTF) match on RTA taxes is impossible. To protect ourselves from a cash short-fall RTA has entered two short-term credit agreements. For the first eleven calendar months of 2016 these two credit agreements have cost RTA $1.8 million." [RTA]

Illinois Sports Facilities Authority

"There are no current issues that would preclude payment of debt service obligations for fiscal year 2017. Assuming no future budget impasses, legislative enactment of the City's backstop mechanism and ample growth/continued receipt of the net proceeds from ISFA's 2% hotel tax levy within the City of Chicago (2% hotel tax levy), ISFA *can meet* its debt service requirements in future years.

"However, in the event that future budget impasses are not resolved, there will be issues relative to the availability of cash reserves to ensure debt service requirements are met. Without an enacted State budget, there is no appropriation of ISFA's $10.0 million in subsidies to pay its contractual obligations for U.S. Cellular Field and Soldier Field, etc. Instead, ISFA is required to use existing cash to meet its contractual and other obligations. Further, the lack of an appropriation exposes ISFA to hotel tax fluctuations and volatility that can negatively affect cash reserves. These factors can reduce the ability to pay future debt service requirements (particularly if coupled with another budget impasse.)

"By statute, non-appropriation triggers an impairment issue relative to ISFA's State Advance safeguard mechanism. For example, because there was no appropriation of the State Advance during FY2106, the statutory 'backstop' mechanism whereby the City of Chicago's LDGF is to bear the burden of any ISFA hotel tax revenue shortfall was not enacted…Future Concern – In the instance of any combination of events such as non-enacted budget legislation, insufficient hotel tax receipts and insufficient cash reserves, ISFA could fall into actual debt service default." [ISFA]

Fitch rates ISFA one level lower than the State due to appropriation risk. When Fitch lowered the State's rating in October 2015, they also lowered the Authority from BBB+ to BBB. S&P did not downgrade the ISFA, currently rated A, because they had cash reserves on hand to pay FY 2016 debt service.

Table 12 — **Locally-Issued Revenue Bond Debt Service History**

		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
MPEA Dedicated Bonds	PRINCIPAL	$21,170,000	$22,515,000	$24,015,000	$0	$4,145,000	$0	$0	$0	$0	$0
	INTEREST	$10,433,248	$9,055,190	$7,585,090	$965,619	$965,619	$0	$0	$0	$0	$0
	TOTAL	**$31,603,248**	**$31,570,190**	**$31,600,090**	**$965,619**	**$5,110,619**	**$0**	**$0**	**$0**	**$0**	**$0**
MPEA Expansion Bonds	PRINCIPAL	$37,205,000	$44,825,000	$55,340,000	$22,160,000	$64,140,000	$50,490,000	$40,110,000	$59,025,000	$63,385,000	$72,205,000
	INTEREST	$88,785,264	$87,171,260	$83,652,267	$58,060,608	$62,548,414	$91,300,541	$98,276,335	$97,903,283	$103,076,873	$105,720,998
	TOTAL	**$125,990,264**	**$131,996,260**	**$138,992,267**	**$80,220,608**	**$126,688,414**	**$141,790,541**	**$138,386,335**	**$156,928,283**	**$166,461,873**	**$177,925,998**
ISFA	PRINCIPAL	$11,341,388	$12,906,033	$14,760,316	$3,096,432	$4,117,861	$5,092,354	$6,019,695	$9,317,832	$7,871,736	$8,687,075
	INTEREST	$13,473,743	$13,542,783	$13,744,035	$25,578,906	$26,152,061	$26,886,303	$27,759,972	$25,034,828	$28,318,327	$29,655,237
	TOTAL	**$24,815,131**	**$26,448,816**	**$28,504,351**	**$28,675,338**	**$30,269,922**	**$31,978,657**	**$33,779,667**	**$34,352,660**	**$36,190,063**	**$38,342,313**
RTA SCIP I	PRINCIPAL	$14,575,000	$15,620,000	$16,650,000	$17,700,000	$18,830,000	$20,035,000	$21,240,000	$22,530,000	$23,880,000	$25,530,000
	INTEREST	$24,026,000	$23,023,000	$21,943,000	$20,908,000	$19,806,000	$18,635,000	$17,442,000	$16,182,000	$14,845,000	$13,240,000
	TOTAL	**$38,601,000**	**$38,643,000**	**$38,593,000**	**$38,608,000**	**$38,636,000**	**$38,670,000**	**$38,682,000**	**$38,712,000**	**$38,725,000**	**$38,770,000**
RTA SCIP II	PRINCIPAL	$18,995,000	$22,285,000	$23,525,000	$24,760,000	$26,065,000	$27,475,000	$29,005,000	$30,620,000	$32,405,000	$34,260,000
	INTEREST	$69,361,000	$68,293,000	$67,105,000	$65,854,000	$64,520,000	$63,079,000	$61,537,000	$59,893,000	$58,093,000	$56,193,000
	TOTAL	**$88,356,000**	**$90,578,000**	**$90,630,000**	**$90,614,000**	**$90,585,000**	**$90,554,000**	**$90,542,000**	**$90,513,000**	**$90,498,000**	**$90,453,000**
TOTAL	**PRINCIPAL**	**$103,286,388**	**$118,151,033**	**$134,290,316**	**$67,716,432**	**$117,297,861**	**$103,092,354**	**$96,374,695**	**$121,492,832**	**$127,541,736**	**$140,682,075**
	INTEREST	**$206,079,255**	**$201,085,233**	**$194,029,392**	**$171,367,133**	**$173,992,094**	**$199,900,844**	**$205,015,307**	**$199,013,111**	**$204,333,200**	**$204,809,235**
	GRAND TTL	**$309,365,643**	**$319,236,266**	**$328,319,708**	**$239,083,565**	**$291,289,955**	**$302,993,198**	**$301,390,002**	**$320,505,943**	**$331,874,936**	**$345,491,311**

NOTE: FY 2013 MPEA Dedicated Bonds debt service is now $0 due to a FY 2013 sale of Expansion refunding bonds, allowed by Statute to pay them off.

Recent Illinois Ratings History

Illinois' General Obligation ratings left AA territory for single A in 2009, and entered BBB territory in October 2015. All three rating agencies warn that if the State fails to reverse course on the lack of a budget and on fixing the bill backlog and high unfunded pension liability, that Illinois will be downgraded to junk ratings and it will take years for the State to claw its way back out of that hole. **Downgrades from all three agencies are almost certain if the State enters FY 2018 without a comprehensive budget. Illinois is currently at BBB/Baa2, and has one more level, BBB-/Baa3, before junk status.** Illinois' GO bonds are already being traded in the secondary market at junk levels, with 10-year GOs at a 215 basis point spread over the Municipal Market Data's top rated benchmark when other BBB 10-year's trade at 97 basis points above. [*How Long Can IL Hang Onto Investment Grade Ratings*, The Bond Buyer, March 14, 2014]

In a report on March 30, 2017, Moody's states that "Illinois is at a critical juncture and its leaders must choose between further credit deterioration and drift without compromise, or the potential for stabilization. With a budget consensus, Illinois could quickly secure its financial position... Failure to reach a consensus before the current legislative session adjourns on May 31 would signal political paralysis, leaving Illinois on a path toward unsustainable fiscal challenges that will heighten the risk of creditor-adverse actions. These could include borrowing from debt service funds, depleting available non-operating cash, or prioritizing core operating needs over debt service…Illinois is the lowest rated state, seven notches lower than the median Aa1 state rating." [*Budget impasse, record bill backlog bringing State of Illinois to inflection point*, Moody's Investor Service, March 30, 2017]. Moody's has, in the past, rated states in the triple B category--Alaska, California, Louisiana, Massachusetts, and Michigan ["Illinois Credit Stung Again", The Bond Buyer, October 22, 2105]. Each of the three rating agencies had California in the triple B category in 2003-2004 and two of the three in 2009-2010, but no state has been rated junk in current history.

At an S&P state and local government credit forum in Chicago on March 9, 2017, Gabriel Petek, an S&P analyst talked about the unprecedented situation of a U.S. state going two years without a budget. **Illinois is nearing "service level insolvency…**Even though Illinois has the legal power to change and fix its issues and has a strong GO pledge to pay debt service, the "political gridlock" creates "the threat that liquidity strains could overwhelm the GO payment provisions". Merritt Research Services, LLC., President Richard Ciccarone believes, "Illinois still has the economic capacity to turn it around. That's a big distinction; we have a political stalemate that puts the state in a credit condition that's not consistent with the economic capacity of the state." *[How Long Can IL Hang Onto Investment Grade Ratings*, The Bond Buyer, March 14, 2014]

Recent General Obligation Downgrades

TABLE 13	ILLINOIS' GENERAL OBLIGIATION RATINGS HISTORY					
Date of	Fitch		S&P		Moody's	
Rating Action	Rating	up/down	Rating	up/down	Rating	up/down
February 2017	BBB	↓1x				
September 2016			BBB	↓1x		
June 2016			BBB+	↓1x	Baa2	↓1x
October 2015	BBB+	↓1x			Baa1	↓1x
June 2013	A-	↓1x			A3	↓1x
Jan 2013			A-	↓1x		
Aug 2012			A	↓1x		
Jan 2012					A2	↓1x
Jun 2010	A	↓1x			A1	↓1x
Mar-Apr 2010	A-/A+ recal	↓1x/↑2x			Aa3 recal	↑2x
Dec 2009			A+	↓1x	A2	↓1x
Mar-Jul 2009	A	↓2x	AA-	↓1x	A1	↓1x
Dec 2008	AA-	↓1x				
May 2003	AA	↓1x			Aa3	↓1x
Jun 2000	AA+	↑1x				
Jun 1998					Aa2	↑1x
Jul 1997			AA	↑1x		
Feb 1997					Aa3	↑1x
Sep 1996	AA	initial rating				
Feb 1995					A1	↓1x
Aug 1992			AA-	↓1x	Aa*	↓1x
Aug-Sep 1991			AA	↓1x	Aa1	↓1x
Mar 1983			AA+	↓1x		
Feb 1979			AAA	initial rating		
1973					AAA	initial rating

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

*Moody's rating of Aa was before that level had moifiers of Aa2 and Aa3, so it was considered one level inbetween AA1 and A1

Agency Ratings Comparison	
Fitch/S&P	Moody's
AAA	Aaa
AA+	AA+
AA	Aa2
AA-	Aa3
A+	A1
A	A2
A-	A3
BBB+	Baa1
BBB	Baa2
BBB-	Baa3
BB+	Ba1
BB	Ba2
BB-	Ba3
B+	B1
B	B2
B-	B3
CCC+	Caa1
CCC	Caa2
CCC-	Caa3
CC	Ca
C	C

Fitch Ratings downgraded the State General Obligation Bonds to BBB from BBB+ with a negative watch. "The downgrade of Illinois's IDR (Issuer Default Rating) and related ratings reflects the unprecedented failure of the state to enact a full budget for two consecutive years and the financial implications of spending far in excess of available revenues, which has resulted in increased accumulated liabilities and reduced financial flexibility. Even if the current attempts at a resolution to the extended impasse prove successful, Fitch believes that the failure to act to date has fundamentally weakened the state's financial profile.

"The Negative Watch reflects Fitch's expectation that the state's implementation of a solution, whether temporary or permanent, will be a challenge in the current political environment and that in the interim the state will continue to delay and defer payments in lieu of balancing the budget. While Fitch acknowledges that there is a plan being developed in the state Senate that contains elements that could ultimately resolve the impasse, its passage is uncertain and the timing of implementing solutions is unknown. Fitch expects to resolve the Rating Watch within the next six months based on an assessment of the state's fiscal trajectory as it starts fiscal 2018. If the state continues on the current path, a further downgrade would be warranted.

"Illinois has failed to capitalize on the economic growth of recent years to bolster its financial position. Rather, the decision to allow temporary tax increases to expire and the subsequent failure to develop a budget that aligns revenues with expenditures have resulted in a marked deterioration in the state's finances during this time of recovery…Illinois has adequate expenditure flexibility despite elevated carrying costs for debt service and retiree benefits, with much of the broad expense-cutting ability common to most U.S. states. However, it is unlikely that reductions in state spending alone would be sufficient to achieve budgetary balance given the magnitude of the current budget gap. Funding demands associated with retiree benefits will continue to be a pressure, as these benefits are constitutionally protected…Once again, the state has displayed an unwillingness to utilize its extensive control over revenues and spending to address numerous fiscal challenges."

Standard and Poor's lowered Illinois' GO bond rating from a BBB+ to BBB with a negative outlook in September 2016, after lowering the State from A- in June 2016. "The 'BBB' rating reflects our view of the state's: Long history of structural imbalance and a governmental framework that limits the state's ability to curb its spending in absence of an adopted budget; Top leadership's highly polarized views on how to address Illinois' fiscal imbalance, which has left the state without a fully adopted budget for a second year, and which continues to impede progress on fiscal realignment; Large projected operating deficit of approximately $6 billion, which could lead to pressure on liquidity and increased payables that could rise to up to $11 billion by fiscal year-end 2017, absent a budget compromise; Large net pension liability for its five pensions systems, which stood at $116 billion (40.2% funded) on a Governmental Accounting Standards Board (GASB) Statement 68 basis, and which is expected to increase based on weak market returns over the past two years with limited likelihood of pension reform following the May 8, 2015 ruling that the state's pension reform efforts are unconstitutional and confirming the pension protections contained in Illinois' constitution; and Moderately high debt burden."

S&P said they could still lower the State's rating further if the State does not adopt a budget and deal with its structural issues and liabilities. The rating agency also states that Illinois' ability to pay debt service could become compromised and the State is "particularly susceptible to any unanticipated economic stress or revenue underperformance."

Moody's Investors Service downgraded Illinois' General Obligation Bonds and Build Illinois Bonds one level from Baa1 to Baa2 in June 2016 with a negative outlook. "The rating downgrade reflects continuing budget imbalance due to political gridlock that for more than a year has kept Illinois from addressing revenue lost due to income tax cuts that took effect in January 2015. The state's structural budget gap equals at least 15%

of general fund expenditures, if the state's underfunding of pension contributions is included. If this gap continues into a significant portion of the coming fiscal year, it will put pressure on operating fund liquidity and add to an already sizable bill backlog. We project that the backlog will surpass prior peak levels (about $10 billion) in coming months, in the absence of a consensus on a budget that offsets the loss of revenue from the 2015 tax cuts. The potential for economic underperformance or unplanned liquidity demands heightens the risk of further financial weakening. Illinois benefits from a large and diverse economic base, legal provisions that ensure continued payment on debt even with no enacted budget, and powers common to US states, such as freedom to increase revenues or constrain spending. However, the long-running partisan standoff is impeding Illinois' ability to exercise these powers or to make progress addressing unfunded retiree benefit liabilities that far exceed those of other states."

Current Build Illinois Bond Ratings

TABLE 14	BUILD ILLINOIS BOND RATINGS								
Rating Agencies	Apr/July 2009	Oct 2009	Dec 2009	Mar-Apr 2010*	June 2010	Jan 2012	June 2013	Oct 2015	Jun 2016
Fitch Ratings	AA	AA	AA	AA+	AA+	AA+	AA+	AA+	AA+
Standard & Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Moody's	Aa3	A1	A2	Aa3	A1	A2	A3	Baa1	Baa2
*Fitch and Moody's Recalibration.									

Moody's downgraded Build Illinois bonds and the State's Civic Center bonds to Baa2 in June of 2016, the same level as the State's GO bonds, with a negative outlook.

S&P gives the State's sales-tax backed Build Illinois bonds an AAA rating but with a negative outlook. "The stable outlook reflects Standard & Poor's expectation that state sales tax collections will continue to provide very strong debt service coverage. Although sales tax has displayed volatility over time through economic cycles, the extremely strong coverage insulates bondholders from this volatility in our view. We expect additional debt to support various authorized capital projects, but the bond indenture provisions will limit leverage. The bond provisions and debt service coverage provide significant credit strength, which has insulated this bond program from Illinois' budget and liquidity challenges of the past several years. However, should we lower the state general obligation rating to 'BBB' it could indicate more severe budget and liquidity challenges at the state level, and test the ability of Build Illinois bonds to remain insulated from the state. If this were to happen, we could lower the rating on the Build Illinois bonds if we felt that operational issues could affect collection, remittance, or diversion of sales tax."

Fitch gives Build Illinois bonds an AA+ rating due to the statutory first lien on the state's share of the sales tax, strong non-impairment language in statute, and the high debt service coverage, "even during the recession when sales tax revenues declined". They assign a rating watch negative due to the States long-term budget impasse.

State-supported Authorities

Downgrades of the State by the three rating agencies also cause downgrades to entities that receive State funding toward debt service and even funding toward budgets in the case of public universities. Downgrades to the Metropolitan Pier and Exposition Authority's Expansion bonds now occur as the State is downgraded, due to the Authority's reliance on State appropriations of MPEA tax revenue to pay debt service. The Illinois Sports Facility Authority and the Regional Transportation both receive State support on debt service. City of Chicago motor fuel tax revenue bonds flow through the State and have been delayed by the budget impasse.

<u>Moody's downgrades:</u>

- Metropolitan Pier & Exposition Authority (McCormick Place and Navy Pier) from Baa2 to Baa3

<u>Standard & Poor's downgrades:</u>

- Metropolitan Pier & Exposition Authority (McCormick Place and Navy Pier) from BBB+ to BBB and then to BBB-
- Illinois Sports Facility Authority downgraded four levels from A to BBB- due to State appropriation risk

<u>Fitch downgrades:</u>

- Metropolitan Pier & Exposition Authority (McCormick Place and Navy Pier) from BBB to BBB-
- Illinois Sports Facility Authority from A- to from BBB

Debt Comparisons: Illinois v. Other States

TABLE 15	NET TAX-SUPPORTED DEBT PER CAPITA					
	2013		2014		2015	
RANK	STATE	PER CAPITA DEBT OUTSTANDING	STATE	PER CAPITA DEBT OUTSTANDING	STATE	PER CAPITA DEBT OUTSTANDING
1	Connecticut	$5,457	Connecticut	$5,491	Connecticut	$6,155
2	Massachusetts	$4,999	Massachusetts	$4,887	Massachusetts	$5,592
3	Hawaii	$4,727	Hawaii	$4,867	Hawaii	$4,557
4	New Jersey	$3,989	New Jersey	$4,138	New Jersey	$4,141
5	New York	$3,204	New York	$3,092	New York	$3,021
6	Washington	$2,924	Washington	$2,892	Washington	$2,761
7	**Illinois**	**$2,580**	**Illinois**	**$2,681**	**Illinois**	**$2,522**
8	Delaware	$2,485	Delaware	$2,438	Delaware	$2,385
9	California	$2,465	California	$2,407	California	$2,323
10	Rhode Island	$2,064	Rhode Island	$1,985	Kentucky	$1,954
11						
RANGE	$5,457 to $12 (Nebraska)		$5,491 to $10 (Nebraska)		$6155 to $8 (Nebraska)	
MEAN	$1,436		$1,419		$1,431	
MEDIAN	$1,054		$1,012		$1,025	

SOURCE: Moody's State Debt Medians reports.
This table uses a measure created and calculated by Moody's rating agency.

Table 15 shows Illinois' ranking in comparison with the top ten states for the highest net tax-supported debt (NTSD) per capita as reported in Moody's *State Debt Medians* reports of 2003 through 2016. In 2002, the State's pre-Pension Obligation Bond debt per capita was $1,040, which reflected the 11th highest state in the nation. After the sale of the 2003 Pension Obligation bonds Illinois moved up to be the 6th highest state in debt per capita, where we stayed from 2003 through 2005.

Illinois dropped down to 7th place from 2006 through 2007, and dropped again to 8th in 2008, while the national average was $1,195. Illinois dropped further down to 11th place in 2009, with NTSD per capita of $1,856. Illinois fluctuated between 8th and 9th of the states with the highest debt per capita from 2010 through 2012. In FY 2013 Illinois moved to 7th highest in debt per capita and stayed there through FY 2015 with NTSD per capita of $2,522, while the national average is $1,431. Note that Illinois did go down in debt per capita from the 2014 amount of $2,681.

In 2015, the median for net tax supported debt per capita increased to $1,025, and 36 states saw a decline in their net tax-supported debt per capita. "The median for NTSD as a percent of personal income was static at 2.5%, as personal income grew by 4.2%. Thirty-eight states saw a decline in NTSD as percent of personal income." Moody's expects this growth to moderate. [*State Debt Medians 2016,* Moody's Investors Service, May 6, 2016]

TABLE 16	10 HIGHEST STATES IN NET TAX-SUPPORTED DEBT								
	2013 National Total = $518.0			2014 National Total = $509.6			2015 National Total = $512.5		
	2013			2014			2015		
RANK	STATE	DEBT	% OF NATION	STATE	DEBT	% OF NATION	STATE	DEBT	% OF NATION
1	California	$94.5	18.2%	California	$93.4	18.3%	California	$90.9	17.7%
2	New York	$63.0	12.2%	New York	$61.0	12.0%	New York	$59.8	11.7%
3	New Jersey	$35.5	6.9%	New Jersey	$37.0	7.3%	Massachusetts	$38.0	7.4%
4	Massachusetts	$33.5	6.5%	**Illinois**	$34.5	6.8%	New Jersey	$37.1	7.2%
5	**Illinois**	$33.2	6.4%	Massachusetts	$33.0	6.5%	**Illinois**	$32.4	6.3%
6	Washington	$20.4	3.9%	Washington	$20.4	4.0%	Connecticut	$22.1	4.3%
7	Florida	$19.7	3.8%	Connecticut	$19.7	3.9%	Florida	$21.0	4.1%
8	Connecticut	$19.6	3.8%	Florida	$19.4	3.8%	Washington	$19.8	3.9%
9	Texas	$16.2	3.1%	Pennsylvania	$14.3	2.8%	Pennsylvania	$15.0	2.9%
10	Pennsylvania	$15.0	2.9%	Ohio	$12.9	2.5%	Ohio	$12.7	2.5%
RANGE	$95 billion to $23 million			$93 billion to $18 million			$91 billion to $15.5 million		
MEAN	$10.4 billion			$10.2 billion			$10.3 billion		
MEDIAN	$4.1 billion			$3.8 billion			$4.3 billion		

SOURCE: Moody's State Debt Medians reports.
This table uses a measure created and calculated by Moody's rating agency.

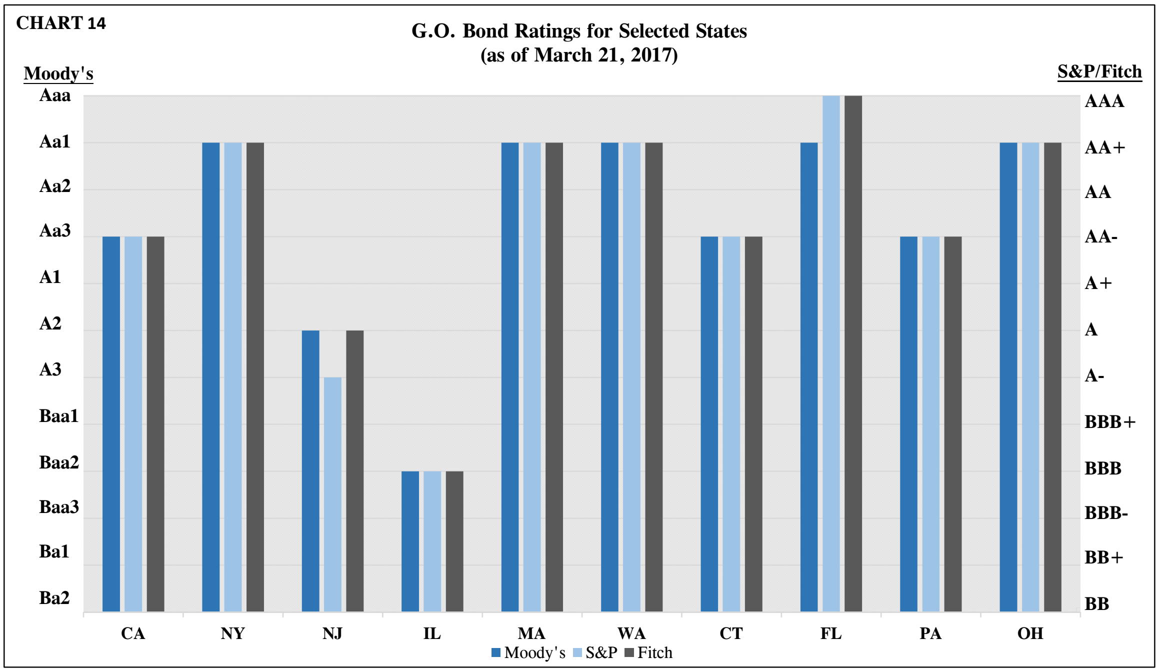
Table 16 lists the ten states that have the highest net tax supported debt in the U.S. In 2002 (pre-Pension Obligation Bonds), Illinois was ranked 6th highest in NTSD with $13.1 billion, an estimated 5% of the nation's $261 billion total. In 2004 the national total was $340 billion, and Illinois was ranked 3rd with $25.7 billion in net tax-supported debt, making up approximately 7.5% of the nation's total. In 2005, Illinois' debt dropped to the 5th highest state with 7.2% of the nation's $360 billion total.

In 2006 and 2007, Illinois hovered around the level of 6.5% of the nation's debt, placing it as the 5th highest state in the nation. From 2008 through 2010, the State was still 5th in the nation. Although the State's debt stayed level at $24 billion in 2008 and 2009, due to the lack of bond sales, 2010 debt jumped to almost $31 billion. From 2010 to 2013, Illinois held between 6.2% to 6.5% of the nation's debt, fluctuating between the 4th and 5th highest state in net tax-supported debt. In FY 2014, Illinois moved from 5th to 4th place as it claimed 6.8% of the U.S. net tax-supported debt. In FY 2015, Illinois went down to 5th highest state, decreasing its total net tax-supported debt from $34.5 billion down to $32.4 billion.

From 2011 to 2015, there was little growth in new debt due to the economy. In 2014, combined states' median net tax-supported debt declined by $900 million (excluding a debt reclassification for one of Texas' debt funds). Aggregate 2015 NTSD state debt levels were basically flat. Moody's expected limited growth in 2016 "given the revenue pressures in several energy states and a number of others reaching debt issuance levels".

Moody's "expect(s) limited to modest growth in debt going forward as some large state bonding programs have reached their full authorized issuance amounts. Nonetheless, states have significant capital spending needs, especially for transportation, and we expect them to use debt as a primary means to finance those projects in future years." [*State Debt Medians 2016,* Moody's Investors Service, May 6, 2016]

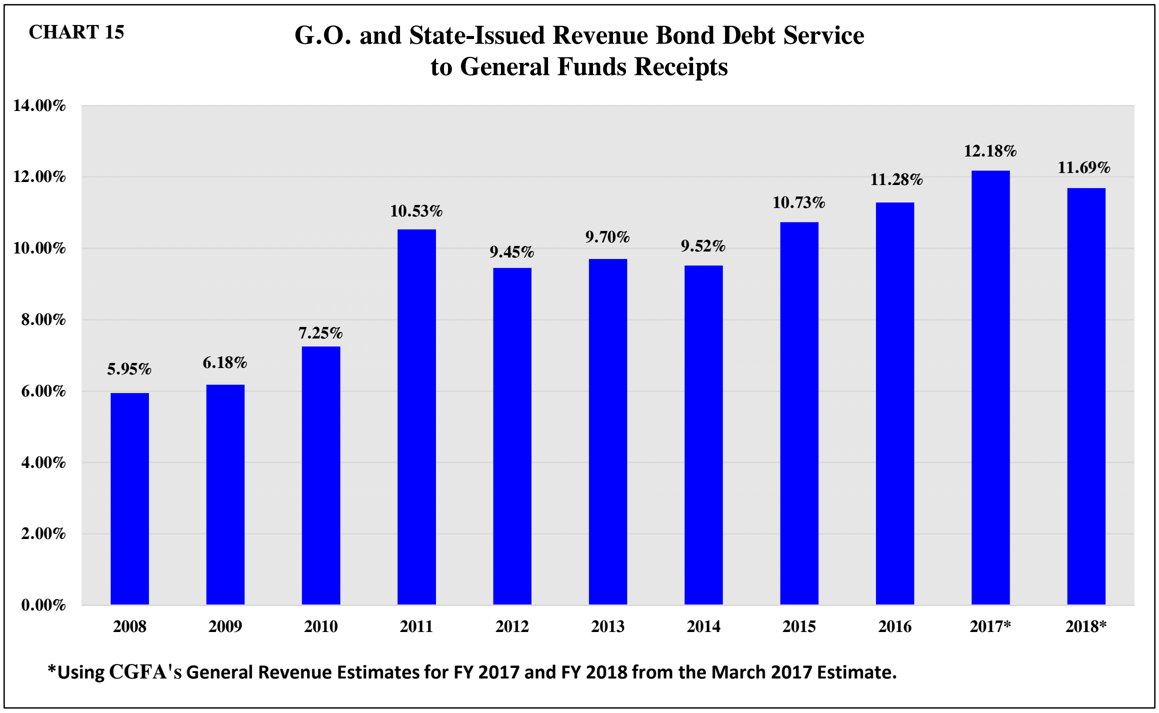
The current ratings for the above states are shown in the chart below.



Since last March the following rating actions occurred for these ten states with the highest net tax-supported debt:

- California was upgraded from A+ to AA- by Fitch.
- New Jersey was downgraded from A to A- by S&P.
- Illinois was downgraded by Moody's from Baa1 to Baa2, by Fitch from BBB+ to BBB, and by S&P two levels from A- to BBB.
- Connecticut was downgraded from AA to AA- by both S&P and Fitch.

Chart 15 shows a history of general obligation and State-issued revenue debt service as a percentage of general funds receipts.



SECTION III
CURRENT BOND TOPICS

- **Federal Sequestration Effects on Debt Service**
- **Metropolitan Pier and Exposition Authority Debt Restructuring**
- **Toll Highway Authority's Move Illinois Capital Program**
- **Unemployment Insurance Bonds – 2017 Update**
- **School Construction Update**
- **Debt Responsibility and Transparency**

Federal Sequestration Effects on Debt Service

As a part of the American Recovery and Reinvestment Act (ARRA), the Federal Government created several classes of bonds that would help states and local authorities issue bonds with federal tax-exemption or taxable bonds with federal subsidies for specific purposes. Two types of those bonds were used by Illinois and some of its authorities and state universities.

Build America Bonds were allowed for 2009 and 2010, and were available for any projects for which states and municipalities could currently issue tax-exempt bonds. The Federal government provided significant financial support to state and local governments through the federal tax exemption for interest on municipal bonds. At the time, the market for tax credits was small due to economic conditions. These bonds allowed state and local governments to elect to receive a direct payment from the Federal government equal to the subsidy that would have otherwise been delivered through the Federal tax credit for bonds. This amount was 35% of the interest cost.

Qualified Energy Conservation Bonds**.** The ARRA authorized an additional $2.4 billion of qualified energy conservation bonds to finance state, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions and other qualified conservation purposes. The Act would also clarify that qualified energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs and for programs in which utilities provide ratepayers with energy efficient property and recoup the costs of the property over an extended period of time. First created in 2008, distribution of these bonds to states and municipalities is based on population. QCEBs are allocated directly to the states and territories, which then allocate those amounts to local governments to finance environmentally friendly projects. These bonds can either be sold as tax credit bonds for buyers or taxable bonds that allow the issuer to receive a subsidy.

The most popular were Build America Bonds, and most states and local issuers chose the federal subsidy to help them pay for the bonds. This opened municipal issuers to a whole new market of buyers, taxable bond buyers, who don't traditionally buy tax-exempts because they are already exempt from US federal taxes -- like pension funds and foreign investors.

In March 2013, the Federal Government approved budget cuts, labeled sequestration, which cut the subsidies to these types of bonds. The subsidies for Build America Bonds were reduced by the following amounts (the Federal Fiscal Year ends September 30):

3/27/2013 – 9/30/2013	8.7%
10/1/2013 – 9/30/2014	7.2%
10/1/2014 – 9/30/2015	7.3%
10/1/2015 – 9/30/2016	6.8%
10/1/2016 – 9/30/2017	6.9%

Sequestration of mandatory spending was extended through 2024.

The table below shows the State of Illinois as well as issuers under the State's authority who sold these bonds and the cumulative cuts to their subsidies due to the federal sequestration.

TABLE 17 Federal Sequestration Effects on Federal Subsidy Bonds in Illinois

State Entity	Bond Series	Amount Sold	Federal Subsidy Expected	After Reduction	Loss	Information available through
State of Illinois	GO Bonds BABs 2010-1	$1.0 billion	$142,260,603	$136,081,601	$6,179,002	2018
	GO Bonds BABs 2010-2	$356 million	$42,372,604	$40,498,230	$1,874,374	2018
	GO Bonds BABs 2010-3	$700 million	$101,361,751	$97,047,343	$4,314,408	2018
	GO Bonds BABs 2010-4	$300 million	$45,963,750	$43,763,751	$2,199,999	2018
	GO Bonds BABs 2010-5	$900 million	$144,966,500	$137,992,220	$6,974,280	2018
State of Illinois Total			$476,925,208	$455,383,145	**$21,542,063**	
Illinois State Toll Highway Authority	2009A BABs	$500 million	$85,248,994	$81,827,941	$3,421,054	2017
	2009B BABs	$280 million	$42,893,356	$41,026,946	$1,866,410	2017
Tollway Total			$128,142,350	$122,854,886	**$5,287,464**	
Regional Transportation Authority						
(non-SCIP)	Series 2010B BABs	$113 million	$9,268,000	$8,754,000	$514,000	2016
RTA Total					**$514,000**	
Eastern Illinois University						
	2009A COP BABs	$85 million	$6,948,935	$6,559,309	$389,627	2016
EIU Total					**$389,627**	
Northern Illinois University						
	December 2010 BABs	$126 million	$7,078,868	$6,540,874	$537,994	2015
EIU Total					**$537,994**	
Southern Illinois University	HAFS 2009A BABs	$53.7 million	$3,517,293	$3,260,996	$256,297	est.
	HAFS 2012B QECBs	$5.4 million	$630,924	$585,072	$45,852	2017
SIU Total			$4,148,217	$3,846,068	**$302,149**	
Western Illinois University	Series 2010 BABs	$25.5 million	$2,397,916	$2,219,671	$178,245	2017
	Series 2010 COPs BABs	$11.1 million	$806,753	$746,609	$60,144	2017
WIU Total			$3,204,669	$2,966,280	**$238,389**	

Information provided by GOMB, state universities and bonding authorities.

When subsidies are cut, the bond issuers have to make up the difference to pay the full amount of debt service owed. In addition, with Illinois' budgetary issues over the past several years, State aid to some of the authorities and universities has been delayed. With the current FY 2016/FY 2017 budget impasse, funds from taxes the State collects for the RTA have not been appropriated and released. The State has not appropriated operating funds to the universities that they rely on. This exacerbates the universities' and authorities' abilities to pay their debt service, which in turn gets their credit rating lowered making it more expensive to sell bonds.

Metropolitan Pier & Exposition Authority (MPEA) Debt Restructuring

There are two categories of bonds sold by the MPEA. The first, "Dedicated State Tax Revenue" bonds, received transfers from the Build Illinois Fund for annual debt service (the Build Illinois Fund receives portions of the State's sales tax, hotel tax and vehicle use tax). These bonds were fully refunded with Expansion Bonds in FY 2013.

TABLE 18 MPEA EXPANSION BONDS
State Back-up Tax Pledge Maximum

(in millions)	Original	Current
FY 2011	$146	$146
FY 2012	$153	$153
FY 2013	$161	$161
FY 2014	$170	$170
FY 2015	$179	$179
FY 2016	$189	$189
FY 2017	$199	$199
FY 2018	$210	$210
FY 2019	$221	$221
FY 2020	$233	$233
FY 2021	$246	$246
FY 2022	$260	$260
FY 2023	$275	$275
FY 2024	$275	$275
FY 2025	$275	$275
FY 2026	$275	$279
FY 2027	$275	$292
FY 2028	$275	$307
FY 2029	$275	$322
FY 2030	$275	$338
FY 2031	$275	$350
FY 2032	$275	$350
FY 2030-2042	$275 annually	$350 annually
FY 2043-2060	--------	$350 annually

The second, "Expansion Bonds", are paid for from Chicago-related taxes: the airport departure tax, automobile renting tax, hotel tax, and local restaurant sales tax. In the event that the funds to pay debt service on the Expansion Bonds are not sufficient, a backup pledge of sales tax revenue from the Build Illinois Fund may be used, up to a maximum amount as stated in the sales tax acts, shown in the table to the left. The backup pledge amounts mirror the debt service payments of the Expansion bonds.

State backup funds, in the past, have only been used in a borrowing situation and have been paid back:

$18 million in FY 2004,
$28 million in FY 2005,
$38 million in FY 2006,
$30 million in FY 2007, and
$38 million in FY 2008.

$53.3 million was borrowed in FY 2009, but only $34.5 million was paid back.

In FY 2010, the draw on the State backup pledge that would not be paid back could have ended up equaling $37-$40 million. With lower taxes coming in, the MPEA had to rely on conventions bringing in revenues.

In the spring of 2010, McCormick Place learned that they were losing two big shows, the Healthcare Information & Management Systems Society which moved to Las Vegas for its 2012 convention, and the Society of the Plastics Industry Inc. which moved its 2012 and 2015 shows to Orlando. Las Vegas and Orlando are McCormick Place's two biggest competitors. According to Crain's Chicago Business, "Both groups cited the high costs of doing business in the city and contending with strict work rules at the convention center as factors in their decision to leave"[*Trade shows to McPier:*

Change, or we'll walk, Crain's Chicago Business, April 1, 2010]. The loss of shows hurt McCormick Place, local businesses, and State and local government revenues, while further aggravating the MPEA's ability to pay for debt service and operations.

Fitch downgraded the Authority from AA- to A+ in July 2009, stating, "Without approval from the Illinois General Assembly to restructure its debt or increase revenues, the authority will continue to need state sales tax revenues to meet escalating debt service requirements…This amount will continue to widen without revenue or expenditure adjustments - both of which are outside the authority's control." Moody's downgraded the Authority in July of 2009 from A1 to A3 when it downgraded the State's credit, because of the MPEA's reliance on the State for Dedicated Bonds debt service and Expansion Bonds backup. Standard and Poor's kept the Authority's rating at AA-, although the Expansion Bonds are rated AAA.

The Authority needed major changes and financial relief. As a result of the aforementioned issues, the Legislature passed Public Act 96-0882 which replaced the thirteen-member MPEA Board with a 7-member Interim Board with members chosen by the Governor and the Mayor of Chicago. At least one of the members chosen by the Governor had to have academic credentials in labor law or human resources. The Interim Board was charged with coming up with ideas of how to solve the budget issues of the Authority. After that, a new board would be created. In March 2012, a new board of directors was chosen by Governor Quinn and Mayor Emanuel. Board members are listed in Appendix E of this report.

The Interim Board (appointed from June 2010 through December 2011) held meetings to work out costs and work rules. This work led to Public Act 96-0898 being passed. The following are the provisions of the Act:

- Restructure and refund MPEA debt and extend the refunding maturities to 2050 (was 2042), past the maturities of the bonds they would be refunding. Refunding at this time would bring in a lower interest rate, while extending and restructuring debt service payments would give them breathing room, even if local taxes under-performed in the future.

- Authorization was increased by $450 million to expand their Hyatt Regency-McCormick Place Hotel from 800 rooms to 1400, and include a ballroom, meeting space, parking facility and other improvements for McCormick Place to remain competitive.

- The State's back-up pledge of sales taxes would be extended to 2060 (changes shown in Table 18, on the previous page) to pay back the new authorization and refunded bonds. The Chicago-related taxes being imposed by the Authority were prolonged for another 8 years within the MPEA area, with an increase on taxi rides of $2.

- The State would contribute $25.8 million over FY 2011 – FY 2014 from GRF to the MPEA for bond repayments. MPEA would begin to reimburse the State in FY 2015, with half of each year's surplus going that year and in future years to reimburse the State until the $57.2 million in backup sales tax payments are repaid. Any further draws on the State's backup are to be immediately reimbursed out of the next available surplus.

- The Authority was allowed to use a portion of these taxes for operating shortfalls, up to $10 million in FY 2011, and up to $5 million annually for FY 2012 – FY 2014.

The restructuring and other allowances came at the price of an overhaul of the MPEA's governance and operating structure. Costs were lowered and union work rules eased to allow for a more user-friendly and competitive experience for shows and exhibitors. The savings from the restructuring are expected to save the State $800 million in subsidies and give the MPEA short-term relief and long-term stability.

At the end of March 2011, due to union lawsuits, a federal judge ruled that the State was not allowed to revise work rules for union labor that are achieved through collective bargaining. The other provisions of the law were allowed to stand. The MPEA asked for a stay of execution on the order pending their appeal. In October 2011, the Authority reached an agreement with the Chicago Regional Council of Carpenters and the International Association of Teamsters Local 727 on workforce rule reforms. This agreement resolved the disputes behind the lawsuit and allowed McCormick Place to be more competitive in the convention business. The State codified the new agreement in Public Act 97-0629, in November 2011. Privatization and work rule changes under the 2010 legislation were completed.

In FY 2013, the Authority sold $97 million in new project Expansion bonds and refunded $758 million in bonds, which included paying off the remaining $13.8 million of Dedicated bonds which was allowed through changes in Statute. The Authority did not draw on the backup sales tax from FY 2011 - FY 2015. There was a cumulative draw through FY 2010 of $57 million that they began to pay back in 2015. The $110 million expansion and renovation of their Hyatt Regency Hotel was completed by June 2013, adding another 460 rooms making it the fourth largest hotel in Chicago, and bringing in $18 million in new revenues. The MPEA declared in their 2015-2017 Financial Plan that they had "accomplished the final financial mandate of the 2010 Reform Legislation".

The Authority sold its remaining $153 million in Expansion bond authorization in FY 2016. MPEA capital plans, which include a planned Event Center and a second hotel, will be accomplished with funds already raised in the 2010, 2012 and 2015 Expansion Project bond transactions and interim construction financing arranged to construct the hotel. This construction financing will be taken out in 2017 with the issuance of approximately $250 million of Hotel Revenue Bonds, not Expansion Project Bonds. The Authority had approximately $2.7 billion in debt at the end of FY 2016. Debt service in FY 2016 was $166 million.

State Budget Impasse Effects on the MPEA

JULY 2015

- For FY 2016, Illinois failed to appropriate the Authority's sales tax revenue which caused the Authority to miss a required debt service payment in July. The following repercussions ensued.

AUGUST 2015

- S&P downgraded the MPEA seven notches from AAA to BBB+ due to the State's budget impasse. S&P changed the designation of the MPEA's debt from "special tax bonds" to an "appropriation obligation of the State", which puts the Authority one level below the State's rating.

- The MPEA's Expansion Bond ratings were lowered by Fitch four levels from AA- to BBB+.

- Public Act 99-0409, effective August 20, 2015, allowed for the monthly transfers totaling $167 million and the payment in debt service in FY 2016, but it was too late and the change did not affect the downgrades that the MPEA was given. The Authority's ratings which had been kept separate from the State's by Fitch and S&P, will now be forever linked to Illinois' budget woes.

SEPTEMBER - OCTOBER 2015

- The Authority's $223 million in bonds, sold in September 2015, paid a penalty in interest rates of approximately 50 basis points because of the downgrades ["IL MPEA Borrowing Costs Up After Downgrade", The Bond Buyer, September 17, 2015].

- Moody's lowered the State to Baa1 and lowered the MPEA to Baa2 in October 2015.

- Fitch downgraded the MPEA again in October, down to BBB after the State's downgrade to BBB+.

2016

- Moody's downgraded the MPEA in June 2016 from Baa2 to Baa3 off of its downgrade of the State at the same time.

- S&P lowered the Authority to BBB from BBB+ with a negative outlook in June 2016 and again to BBB- in September 2016. "We expect that even if the state fails to adopt a fiscal 2017 budget prior to its first monthly deposit coming due, triggering a second technical default, that the state would, much like it did in fiscal 2016, pass legislation appropriating funds for debt service prior to its Dec. 1 debt service date".

2017

- Fitch downgraded the State one level in February which resulted in a corresponding downgrade to the MPEA from BBB to BBB-.

Toll Highway Authority's Move Illinois Capital Program

The Illinois State Toll Highway Authority's 12-year Congestion Relief Program, which began in 2005, is to be complete by 2018. Approximately $3.5 billion of the program was financed with Tollway revenue bonds. Remaining costs for the completion of the Congestion Relief Program from 2016 through 2018 are expected to be paid from Tollway revenues.

In 2011, the Authority reevaluated its priorities and began a new $12 billion capital program, called Move Illinois: The Illinois Tollway Driving the Future. The first objective of this 15-year program (2012-2026) will be to complete rebuilding the existing Tollway at a cost of approximately $8.3 billion. This will include the following projects:

- Reconstructing and widening the Jane Addams Memorial Tollway (I-90)
- Reconstructing the central Tri-State Tollway (I-294)
- Preserving the Reagan Memorial Tollway (I-88)
- Preserving the Veterans Memorial Tollway (I-355)
- Repairing roads, bridges and maintenance facilities
- Other capital projects include safety, toll collection, and technology projects.

The second objective is to take the Tollway into the 21st Century, spending $3.8 billion for new projects to increase mobility, relieve congestion, reduce pollution and link economies across Northern Illinois:

- Constructing a new Tri-State Tollway interchange at I-294/I-57 and 147th Street ramps
- Constructing Elgin O'Hare West Bypass, the first all-electronic roadway; rehabilitation and widening of the existing Elgin O'Hare Expressway
- Planning for the Illinois Route 53/120 Project

In addition to the two major capital programs, "Other" annual capital spending supports ongoing operations of the Tollway such as roadway equipment and vehicles and building repairs and improvements. Capital spending that had been categorized in "Other" through 2016 will be included within the Move Illinois Program going forward.

The table below shows capital spending from CY 2015 through estimated CY 2017.

TABLE 19	TOLLWAY CAPITAL SPENDING ($ Millions)		
	2015	**2016**	**2017 Estimate**
Move Illinois Capital Program	$1,240	$1,039	$916
Congestion-Relief Capital Program	223	144	46
Other	50	64	0
Total	**$1,513**	**$1,247**	**$962**

Total outstanding principal stands at $5.9 billion, as of June 1, 2016. The Authority plans to support the Move Illinois plan with an estimated $4.8 billion in bonding, of which $2.9 billion has been approved by the Board. The Tollway had sold $2.5 billion as of December 2016. Estimated bond sales for 2017 equal $300 million.

The three rating agencies have affirmed the Tollway's long-term ratings of AA-/Aa3. There is no dollar amount limit on the Authority's bonding, and the bonds are allowed a maximum maturity of 25 years [605 ILCS 10/17]. Tollway bonds are not backed by the State. The Governor must approve the capital plans, but bond sales are approved by the Tollway's Board.

The Tollway's 2017 budget of $1.38 billion will pay for $336 million in maintenance and operating expenses, $405 million for debt service transfers and $639 million for the 2017 Capital Program, according to the Tollway's 2017 approved Budget released in December 2016. Total revenues are estimated to be $1.38 billion in 2017.

The board approved an increase on passenger vehicle tolls, effective January 1, 2012. The toll increases approved in 2008 for commercial vehicles were phased-in beginning January 1, 2015 over three years. Beginning January 1, 2018, annual commercial vehicle toll increases will be based on the Consumer Price Index.

Illinois' Unemployment Compensation Bonds – 2017 Update

The Federal Unemployment Tax Act allows states to take out daily loans from the federal government to pay their unemployment compensation obligations, but if the loans are not repaid in full by September 30, the state must pay interest. The Illinois Unemployment Trust Fund (UTF) ended 2011 with $2.13 billion in loans.

The Illinois Unemployment Insurance Trust Fund Financing Act (Public Act 93-0634), created in January 2004, authorized the Illinois Department of Employment Security to issue up to $1.4 billion in revenue bonds, with a maximum maturity of 10 years. In 2004, Series A and B bonds sold for $712 million with a 10-year maturity, and were paid off in 2 years. Public Act 97-0621, effective November 2011, increased the authorization of Unemployment Compensation Bonds to $2.4 billion outstanding at any time, and lengthened the authorization out to January 1, 2022. The Department issued July 2012 bonds through the Office of Management and Budget in three series equaling $1.47 billion. The bonds received a AA+ rating from Fitch Ratings and an AA rating from Standard & Poor's. Series A was not callable and matured in 2016. Series B was to mature in 2020 but has amounts callable 2014 -2017. Series C was to mature in 2021, but was callable from 2013-2014. Due to a flexible payoff structure and the collection of Fund Building receipts over the past 10 years averaging $320 million, the Department will fully pay off these bonds during CY 2017.

The bonds received a 1.46% interest rate, lower than continued UTF borrowing from the federal government would be. Until January 2011, the loans were interest-free due to the Federal stimulus package. In CY 2011, the federal interest rate was just under 4% and for CY 2012 around 3%.

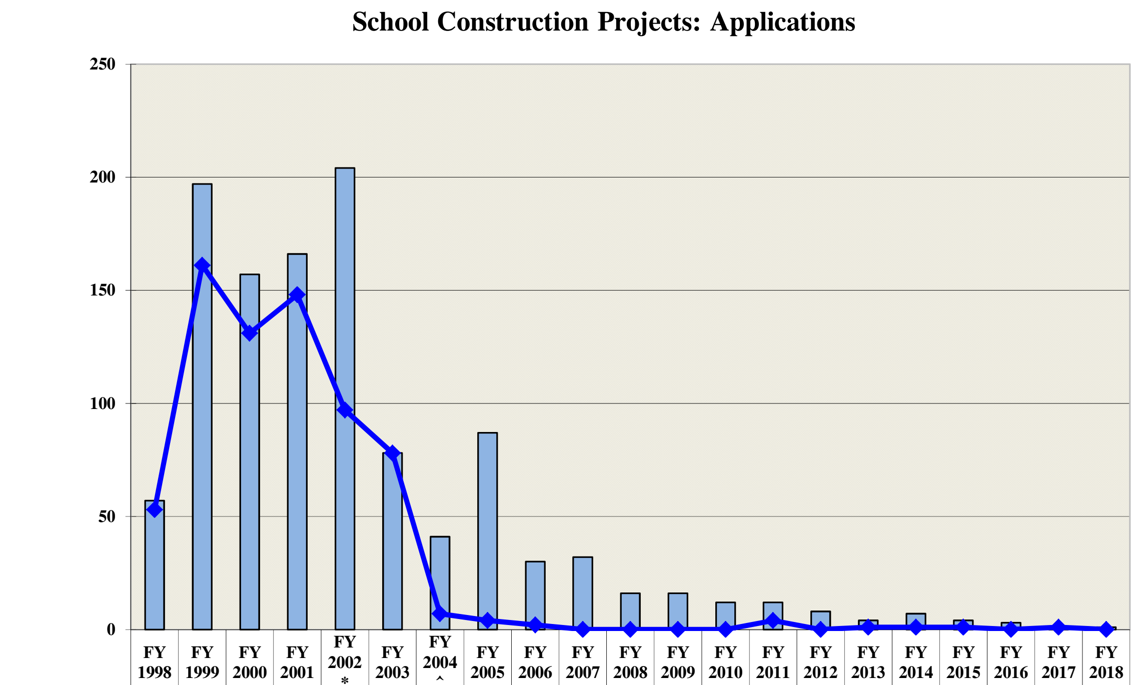
Proceeds from the bonds were placed into the Unemployment Trust Fund to pay down previous loans from the federal government, effectively refinancing the debt at terms more favorable to the State. This will save businesses more than $400 million through 2019 by preventing the penalty taxes that continued federal borrowing from the UTF would create. Prolonged borrowing from the federal government requires Illinois employers to pay higher rates to bring the Unemployment Trust Fund out of its negative balance. The debt service on the bonds will be paid from the permanent fund-building rate that is a part of employers' Unemployment Insurance contributions. These bonds are limited liabilities to the State, are not backed by the full faith and credit of the State, and require no payments from the General Revenue Fund.

The Public Act included reforms that provided significant tax reductions to the nearly 46% of Illinois employers (more than 143,000) that did not lay off workers during the recession. Companies that avoided layoffs saw, on average, a 16% reduction in their unemployment insurance taxes in 2012. The Act also included provisions for identifying and punishing those that defraud the unemployment system. These reforms were supported by numerous groups, including the Illinois Retail Merchants Association, Illinois Manufacturers' Association, Illinois Chamber of Commerce and the AFL-CIO, and passed on a bipartisan vote.

School Construction Update

The chart below shows the applications received by the State Board of Education from FY 1998 through FY 2018. Applications slowed in later years due to no action being taken on entitlements. [See Appendix B for pending School Construction Projects].

CHART 16



	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002 *	FY 2003	FY 2004 ^	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Received	57	197	157	166	204	78	41	87	30	32	16	16	12	12	8	4	7	4	3	1	1
Entitled	53	161	131	148	97	78	7	4	2	0	0	0	0	4	0	1	1	1	0	1	0

1. "Entitlement signifies that a district has demonstrated a need and is eligible for a grant should sufficient funds be appropriated." (Source: Illinois State Board of Education)
2. There were 191 applications entitled in 2002, but approximately ½ were not able to secure their local share and were moved into the 2003/2004 cycles.

Letters were issued to all FY04 – FY2018 applicants stating that all action toward issuing entitlements has been suspended until direction is received from the General Assembly and Governor.

There is only $21 million of School Construction authorization available, that has not been appropriated after counting appropriations and reappropriations through FY 2017.

Need: In looking at the Capital Needs Assessment survey findings, there is more need than the State has funding available to fill. The Illinois State Board of Education and the Capital Development Board are required to conduct Capital Needs Assessments. Of the 406 school districts responding to the 2017 survey, the estimated need is approximately $7.5 billion:

- Over $993 million is needed to build 62 new school buildings;
- $5.7 billion is needed for overall general repair and remodeling, of which $3 billion is needed for Health/Life Safety needs;
- Approximately $743 million is needed for 119 building additions;
- To ease overcrowding, districts are using 763 temporary classrooms;
- 61 school districts are considering consolidation;
- 247 Pre-Kindergarten classrooms are needed;
- 186 Kindergarten classrooms are needed; and
- Districts need $116 million for external and internal infrastructure and network devices to meet current technology and Partnership for Assessment of Readiness for College and Career (PARCC) requirements.

History: Public Act 92-0598 (signed into law at the end of FY 2002) increased School Construction Bond authorization by $930 million to $3.15 billion. In FY 2003 and FY 2004, appropriations of $500 million each year allowed for the funding of 87% of the entitled FY 2002 projects. Of the 97 entitled applications in FY 2002, 24 entitled projects remained on the list and had not received funding. FY 2003 through FY 2009 entitlements were suspended except for emergency situations.

With the Illinois Jobs Now appropriations in FY 2010 and increases in authorization for bonds sales, the 24 entitled programs from FY 2002 were appropriated. This $420 million in bond proceeds also covered 14 programs entitled in FY 2003 and 4 emergencies in FY 2011. The FY 2010 Illinois Jobs Now original appropriations for School Construction-related projects equaled $1.73 billion:

TABLE 20 FY 2010 Illinois Jobs Now School Construction Appropriations

Amount	Fund	Projects
$1.351 billion	School Construction Fund	Statewide School Construction grants
$149 million	School Construction Fund	24 entitled programs from FY 2002
$100 million	School Construction Fund	School Maintenance grants
$25 million	Capital Development Fund	Severely overcrowded schools
$50 million	Capital Development Fund	Energy efficiency projects
$45 million	Build Illinois Bond Fund	Early childhood construction
$10 million	Build Illinois Bond Fund	Technology Immersion Project

School Construction Bond authorization was increased for grants to school districts for school implemented projects authorized by the School Construction Law:

FY 2010	$420 million
FY 2011	$646 million
FY 2014	$534 million

With the FY 2011 increase in bond authorization of $646 million, the remaining FY 2003 applications had their grants awarded in August 2013. [See Appendix A for School Construction Projects Completed].

There were no new appropriations from FY 2011 through FY 2014 in the Capital Projects Budget for the School Construction grant programs. In FY 2015, $40 million was appropriated for maintenance to school districts other than Chicago Public Schools from the School Infrastructure Fund. Approximately $311 million was appropriated in FY 2017 from the School Construction Fund - $293 million for school construction grants and $18 million for School improvement projects. The FY 2018 capital plan request for $50 million from the School Construction Fund would be for lead abatement.

TABLE 21 School Construction History of Appropriations	
FY 1998	$30
FY 1999	$260
FY 2000	$500
FY 2001	$500
FY 2002	$740
FY 2003	$500
FY 2004	$500
FY 2005	$0
FY 2006	$18
FY 2007	$0
FY 2008	$0
FY 2009	$0
FY 2010	$1,730
FY 2011	$0
FY 2012	$0
FY 2013	$0
FY 2014	$0
FY 2015	$40
FY 2016	$0
FY 2017	$311
FY 2018 est.	$50

The Illinois General Assembly passed the School Construction Law (Public Act 90-548) in December 1997. The initial School Construction Grant Program benefited 502 elementary and secondary education school districts in every region of the state and provided over $3.1 billion in State-funded grants to provide for new facilities, additions and renovations of aging buildings. The fiscal year 2010 Illinois Jobs Now Program provided $1.5 billion over multiple years. Since May 2010, 99 grants totaling over $1.3 billion have been awarded.

In the Governor's Quarterly Capital Projects Report, as of December 31, 2016, approximately $1.424 billion has been released for School Construction projects since FY 2010. There is approximately $418 million in School Construction bond authorization that has not been issued. The slower spending on these programs is due to construction schedules and the time needed for the administrative process required under the School Construction Law, as well as slow issuance from the State based on market conditions for selling bonds and having enough revenues to cover debt service.

Funding: The School Infrastructure Fund is used to pay for school construction projects either as "pay-as-you-go" funding or for debt service on School Construction Bonds. The Fund has been used predominantly for the payment of debt service.

Traditionally, this fund received transfers from the General Revenue Fund in the amount of $60 million a year (approximately 75% of the additional liquor tax increase from IL FIRST), $60 million a year from the cigarette tax ($5 million a month from the cigarette tax increase enacted in FY 2002 which began April 1, 2003), and 1/7th of the 7% telecommunications excise tax from the School Reform Act. Since FY 2014, $66.4 million in State Gaming Funds have been transferred annually to the School Infrastructure Fund. There was an additional one-time transfer of $92 million in FY 2014.

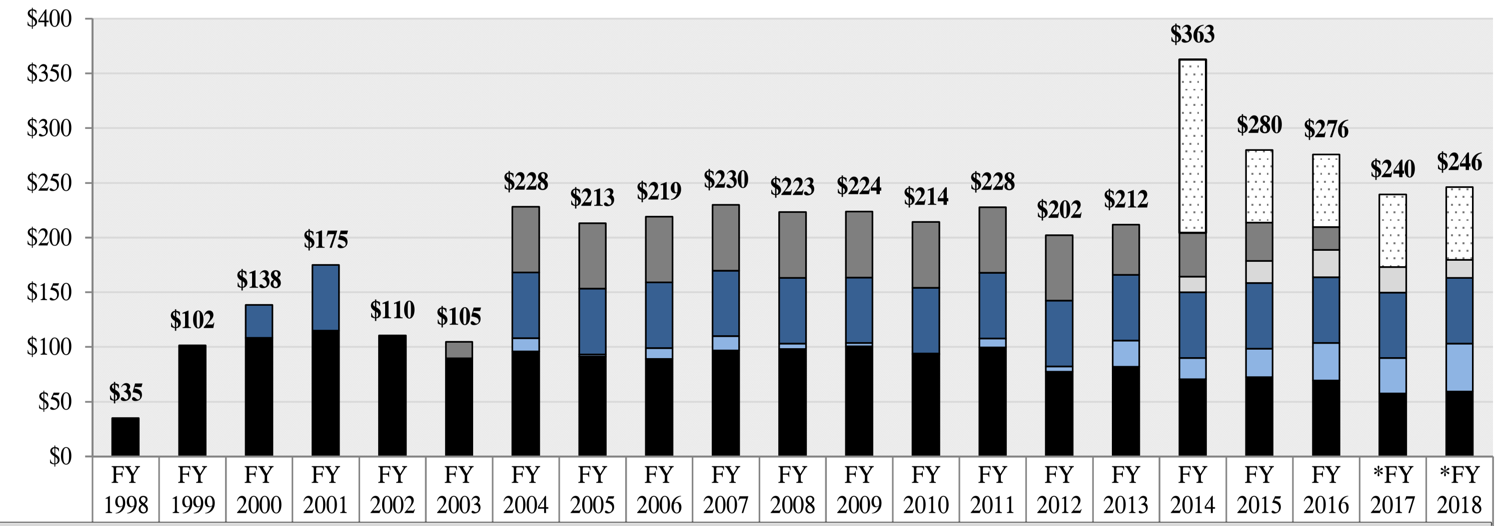
State Gaming Fund. As of June 2013, additional revenues have been diverted to the School Infrastructure Fund. Public Act 98-0018 allowed for a change in the distribution of gaming revenues by diverting $66.36 million annually to the School Infrastructure Fund. (These funds previously were diverted to the Horse Racing Equity Fund.) There was also a one-time transfer of $92 million from the State Gaming Fund to the School Infrastructure Fund in FY 2014.

Of these State Gaming Fund amounts distributed to the School Infrastructure Fund, 20% will be paid from the Capital Development Board to the Board of Education of the City of Chicago. These funds may be used for costs of school construction, debt service on bonds issued for school construction, or lease/installment payments for financing contracts between the school district and a public building commission that has issued bonds to finance qualifying school construction projects.

Telecommunications Excise Tax: The telecommunications tax has been declining about 4% per year in recent years due to customers getting rid of their land lines and the inability of states to tax data plans due to federal law (Internet Tax Freedom Act which went into effect in 1998 and became permanent in February 2016). The portion that goes into the School Infrastructure Fund has been below $101 million each year since FY 2003. Whenever this amount falls under the 1999 level of $101.5 million, the General Revenue Fund transfers the shortfall amount in the next fiscal year, per statute. This has occurred since FY 2004. Telecommunications revenues for FY 2016 were $69.3 million with a transfer of $34.5 million from GRF to make up for the shortfall in FY 2015. Revenues for FY 2017 and FY 2018 are estimated to be $57.5 million and $59.2 million, respectively (CGFA estimate), requiring transfers from GRF.

CHART 17

School Infrastructure Fund Revenues



	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	*FY 2017	*FY 2018
State Gaming Fund^																	$158	$66	$66	$66	$66
Cigarette Tax						$15	$60	$60	$60	$60	$60	$60	$60	$60	$60	$46	$40	$35	$21	$0	$0
Cigarette Tax Catch up																$0	$14	$20	$25	$23	$16
Liquor Tax			$30	$60	$0	$0	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60	$60
GRF Catchup for Telecom							$12	$2	$10	$13	$5	$3	$1	$8	$5	$24	$20	$26	$35	$32	$44
Telecom Tax	$35	$102	$108	$115	$110	$90	$96	$91	$89	$97	$98	$101	$93	$100	$77	$82	$70	$72	$69	$58	$59

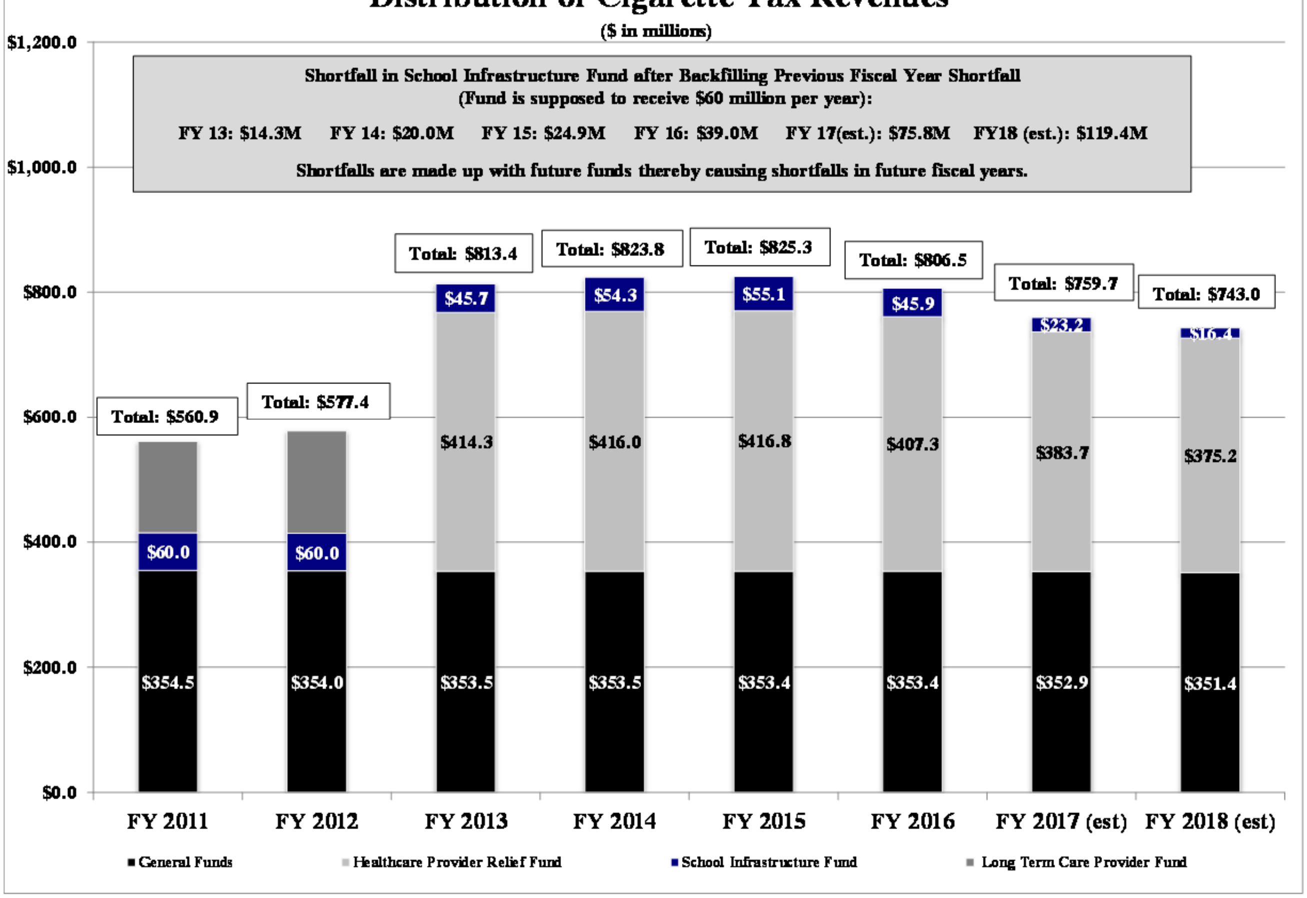
* FY 2015 and FY 2016 numbers are CGFA estimates.
Note: The Liquor Tax transfer was suspended from FY 2002-FY 2003 as part of budget agreements.

Cigarette Tax: In the distribution of cigarette tax revenues in a fiscal year, General Funds receive the first $350-$355 million (depending on packs sold) and the Healthcare Provider Relief Fund receives all revenues from the $1.00 tax increase (which began in FY 2013). After these distributions, the School Infrastructure Fund is to receive the next $60 million, with the Long Term Care Provider Fund receiving the remainder (if any).

As shown in the following chart, since the tax increase went into effect, the School Infrastructure Fund has failed to receive its full $60 million fiscal year allotment. The Fund received only $45.7 million in FY 2013, $54.3 million in FY 2014, $55.1 million in FY 2015, and only $45.9 million in FY 2016. The Commission estimates that these values could fall to $23.2 million in FY 2017 and decline to $16.4 million by the end of FY 2018.

The reason for this shortfall is because the cigarette tax is a declining revenue source (especially in terms of packs sold following a large tax increase) and because the Healthcare Provider Relief Fund is the beneficiary of the $1.00 tax increase. After payments to the General Fund and the Healthcare Provider Relief Fund are complete, the School Infrastructure Fund would receive the next $60 million. But since the tax increase went into effect, there have not been enough revenues available to pay this full $60 million payment.

CHART 18



The decline in cigarette consumption is expected to continue into the foreseeable future. Because of this, it is likely that the School Infrastructure Fund will not receive its full annual allotment of $60 million per year in future years unless changes are made to statutory language.

- As shown in the chart, the lack of available cigarette tax revenues meant that only $45.7 million was paid to the School Infrastructure Fund, resulting in a shortfall of approximately $14.3 million in FY 2013.

- In FY 2014, the distribution increased to $54.3 million, but $14.3 million of this amount was used to pay the FY 2013 shortfall. This created a $20 million shortfall in FY 2014.

- The FY 2015 distribution grew slightly to $55.1 million, but after paying the $20 million shortfall from FY 2014, it left only $35.1 million to go towards the $60 million distribution required for FY 2015, thereby creating a $24.9 million shortfall for the School Infrastructure Fund in this fiscal year.

- The FY 2016 distribution fell to $45.9 million, and after paying the $24.9 million shortfall from FY 2015 left only $21.0 million to go towards the $60 million distribution required for FY 2016, thereby creating a $39.0 million shortfall for the School Infrastructure Fund in this fiscal year.

- In FY 2017, it is expected that the School Infrastructure Fund will receive approximately $23.2 million. This money must first be used to pay for the $39.0 million shortfall from FY 2016. But a shortfall of $15.8 million will remain of the FY 2016 allotment. In addition, none of the $60 million allotment in FY 2017 will able to be paid with these funds, creating a combined shortfall of $75.8 million in FY 2017.

- In FY 2018, the Commission estimates that the amount to the School Infrastructure Fund will fall to around $16.4 million. These funds will first be used to pay for the projected combined FY 2016/2017 shortfall of $75.8 million. But this will still leave a FY 2017 shortfall of $59.4 million. In addition, none of the $60 million statutory allotment in FY 2018 will be able to be paid with these FY 2018 funds, thus creating a combined shortfall to the School Infrastructure Fund of approximately $119.4 million by the end of FY 2018.

Again, if cigarette consumption continues to slowly decline as expected, the shortfall in revenues to the School Infrastructure Fund will likely continue to grow unless changes to statutory distribution language are made.

Debt Service Issues: Moneys in the School Infrastructure Fund and the Capital Projects Fund are transferred to the General Obligation Bond Retirement and Interest Fund to pay for school construction bond debt service. Due to an oversight in the statutory language related to the School Infrastructure Fund, the calculation for the amount to transfer from the School Infrastructure Fund to GOBRI includes the debt service required on the Illinois Jobs Now bonds even though they are paid for by transfers from the Capital Projects Fund. As a result, there is too much money being taken out of the School Infrastructure Fund, depleting it. Those extra funds sit in GOBRI and cannot be utilized. Due to too much being transferred out, "required" transfers out of SIF are behind by $121 million for FY 2015, $324 million for FY 2016 and $204 million for FY 2017 (per the Office of the Comptroller). Any shortfalls in the School Infrastructure Fund are made up for by the General Revenue Fund.

At the end of FY 2015, the State borrowed $179 million from the School Infrastructure Fund for the GRF for cash flow purposes. The original legislation required that these funds be paid back to the original fund within 18 months after the date on which they were borrowed, which was June 2015. To cover funding for the FY 2016 budget shortfall, the 18 month pay back date for interfund borrowing of 2015 was eliminated and the funds may never get paid back. This is another transfer out of the School Infrastructure Fund which hurts the ability of the State to keep up with the requirements to pay to GOBRI funds for School Construction bond debt service.

With the decreases in Telecommunications tax revenues and the decline of the funding from the Cigarette Tax, the School Infrastructure Fund is suffering. The new revenues from the State Gaming Fund will not be in addition to the previous revenues because it is basically just replacing the revenues the Fund used to receive from the Cigarette Tax. There are also issues with the Capital Projects Fund not receiving as much funding as had been initially expected, while required distributions from the Fund are higher than the Fund receipts. [For information on the Capital Projects Fund see page 9.] The failing of these funding sources and the problematic statutory language requirements on transfers out have stalled the sale of bonds because there is not enough funding for additional debt service payments. There is $418 million in remaining bond authorization for school construction projects, only $21 million of which is available for new appropriations. As seen from the Capital Needs Assessment, the need in the School Construction program exceeds what the State can afford.

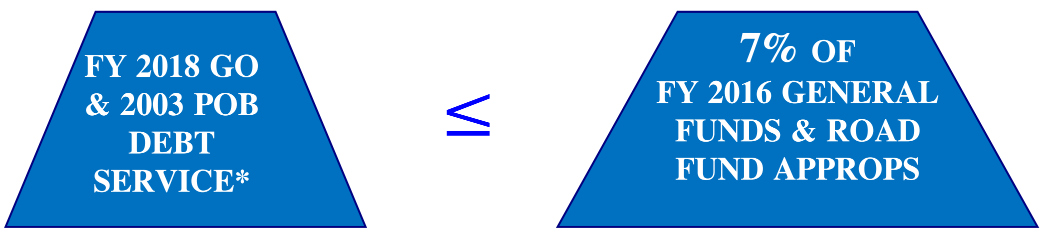
Debt Responsibility and Transparency

P.A. 93-0839 set limits on debt and created greater transparency through disclosure of bond deals from the Governor's Office of Management and Budget. Limitations are put on the following aspects of issuance.

General Obligation Bond sale limit

No bonds may be issued if, in the next fiscal year after the issuance the amount of debt service on all then outstanding bonds would exceed 7% of the aggregate appropriations (excluding transfers out) from the general funds and the Road Fund for the fiscal year immediately prior to the fiscal year of issuance, unless excluded in statute or consented in writing by the Comptroller and Treasurer. Exclusions include:

- $3.466 billion of GO Pension Obligation Notes sold January 2010,
- $3.7 billion Pension Obligation Bonds sold in March 2011,
- FY 2017 GO refunding bonds sold to date of $1.3 billion (up to $2 billion),
- FY 2017 GO project bonds sold to date of $480 million (up to $2 billion)



*FY 2018 debt service (minus exclusions mentioned above) is based on FY 2017 bond sales.

FY 2017 bond issuance available is based on expected FY 2018 debt service as a percentage of FY 2016 General Funds and Road Fund appropriations. According to the Comptroller as of June 30, 2016, FY 2016 General Funds and Road Fund appropriations (excluding transfers out) equaled $33.051 billion. This puts the 7% cap at a maximum $2.314 billion in debt service for FY 2018. According to the estimates by the Governor's Office of Management and Budget, General Obligation capital bonds debt service (minus FY 2017 exclusions) plus the 2003 Pension Obligation Bonds for FY 2018 will be approximately $2.246 billion, close to the cap at 6.80%. This would leave room for approximately $67.5 million in additional debt service available for FY 2018. The State expects to sell approximately $200 million more in GO capital project bonds in FY 2017 and an estimated $825 million in FY 2018.

A future negative factor to this equation will be the increasing debt service to pay off the 2003 Pension Obligation Bonds. Debt service to date has been $500-$595 million, but as the State begins to pay off more of the principal of the bonds, debt service will increase and reach over $1 billion annually for the last six years of payment. [See the Pension Obligation Bonds and Notes Debt Service schedule on page 33]

No Capitalized Interest.

No interest on new project bonds has been capitalized since this Act went into effect.

Cost of issuance limitations.
Both the GO and Build Illinois bond acts allow for up to 0.5% cost of issuance, including underwriter's fees and discounts. Bond insurance is excluded, and State office operating expenses or employee salaries are not allowed. Public Act 96-0828 allowed the State to sell Build America Bonds (BABs) under the General Obligation and Build Illinois Acts, and Qualified School Construction Bonds (QSCB) under the General Obligation Bond Act. The cost of issuance allowed under these Acts is increased to 1.0% of the bond sale for these two types of bonds.

Limitations on costs of issuance have been followed by the Office of Management and Budget (see Table 23 on page 69).

Competitive/Negotiated Sales
A minimum of 25% of bond sales must be sold competitively.

TABLE 22	Percentage of Competitive Bond Sales					
(in millions)	Competitive GO	Total GO	% GO Competitive	Competitive BI	Total BI	% BI Competitive
FY 2005	$285	$875	**32.6%**	$75	$200	**37.5%**
FY 2006	$300	$1,200	**25.0%**	$65	$215	**30.2%**
FY 2007	$150	$587	**25.6%**	none	none	**n/a**
FY 2008	$125	$125	**100.0%**	$50	$50	**100.0%**
FY 2009	$150	$150	**100.0%**	none	none	**n/a**
FY 2010	$1,002	$2,702	**37.1%**	$155	$530	**29.2%**
FY 2011	$300	$1,200	**25.0%**	none	none	**n/a**
FY 2012	$800	$3,173	**25.2%**	$300	$725	**41.4%**
FY 2013*	$850	$2,150	**39.5%**	$300	$904	**33.2%**
FY 2014	$600	$2,375	**25.3%**	$402	$402	**100.0%**
FY 2016	$480	$480	**100.0%**	$0	$0	**N/A**
FY 2017 YTD	$480	$480	**100.0%**	$210	$210	**100.0%**

*The $1.3 billion Series of June 2013 bonds were sold in FY 2013, but didn't close until FY 2014. It is reflected here in FY 2013.
Excludes: Pension Bonds of FY 2010-FY 2011 & Refunding bonds FY 2009-2011 and FY 2017

- *Public Act 96-0018 excluded GO and Build Illinois Refunding Bonds sold in FY 2009 through FY 2011 from the Competitive sale provision.*
- *Public Acts 96-0043 and 96-1497 excluded the 2010 and 2011 Pension Obligation bonds from the Competitive sale provision.*
- *GOMB consulted with the Attorney General's office prior to the June 2013 bond sale. The AG's Office determined that the 25%/75% test is triggered with the execution of the Bond Sale Order, which was fully executed and delivered to the Attorney General's office on June 14, 2013, therefore the sale is considered to be in FY 2013 for purposes of that test (although it wouldn't be recorded on the Comptroller's books until it's closing date in July, part of FY 2014). During an OAG audit, this conclusion was accepted.*
- *Under Public Act 99-0523, General Obligation and Build Illinois Refunding bonds sold in FY 2017 are exempt from the Competitive sale provision.*

No Certificates of Participation

No Certificates of Participation can be issued unless otherwise authorized by law.

No Certificates of Participation have been issued since this Act went into effect. Remaining State COPs will be paid off by the end of FY 2017.

Payment and Maturity

- Equal principal or mandatory redemption amounts.
- First maturity occurring within the fiscal year of the offering or within the next succeeding fiscal year, and maturing/subject to mandatory redemption each fiscal year thereafter.
- Maximum 25 year maturities.

The payment and maturity requirements, when applicable, have been followed by the Office of Management and Budget. Fiscal years 2009, 2010, 2011 and 2017 GO and Build Illinois refunding bonds are exempt from this provision.

Refunding bonds

- Net present value of debt service savings must be 3% or more of the principal amount of the refunding bonds to be issued.
- All bonds in an issue that include refunding bonds must mature no later than the final maturity date of the bonds being refunded.
- Refunding principal maturing and redemption amounts due shall be greater than or equal to that of the bonds they are refunding.

Public Act 96-0018 excludes GO and Build Illinois Refunding Bonds sold from FY 2009-FY 2011 from these last two refunding provisions, but requires that they must mature or be subject to mandatory redemption each fiscal year thereafter up to 16 years (was 25 years). Under Public Act 99-0523, FY 2017 GO and Build Illinois Refunding bonds are exempt from the last two refunding provisions.

Transparency.

The Office of Management and Budget:

- Must not contract with anyone who pays a contingent fee to a third party for promoting their selection.
- Must wait 2 calendar years before contracting with a party who made a false certification of contingent fees.
- Must make detailed cost of issuance summaries available to the public and submit copies of all contracts for costs of issuance to the Commission on Government Forecasting and Accountability.

"Truth in borrowing" disclosures

Truth in borrowing disclosures are required for every bond issuance and must include:

- Principal and interest payments to be paid on the bonds over the full stated term.
- Total principal and interest to be made each fiscal year on all other outstanding bonds issued over the full stated terms of those bonds.

TABLE 23	Debt Responsibility Measures					
FY 2014	**Costs Of Issuance Limit 0.5% [BABs 1%]**	**Capitalized Interest**	**Within Maximum Maturity**	**Negotiated v. Competitive**	**Level principal**	**Annual maturity/ mandatory redemption**
General Obligation December 2013 Taxable $350 million	0.39%	No	√	Competitive	√	√
General Obligation February 2014 $1.025 billion	0.47%	No	√	Negotiated	√	√
Build Illinois March 2014 $402 million	0.31%	No	√	Competitive	√	√
General Obligation April 2014 $250 million	0.27%	No	√	Competitive	√	√
General Obligation May 2014 $750 million	0.47%	No	√	Negotiated	√	√
FY 2016						
General Obligation January 2016 $480 million	0.50%	No	√	Competitive	√	√
General Obligation June 2016 $550 million	0.33%	No	√	Competitive	√	√
FY 2017						
Build Illinois 2016A tax-exempt September 2016 $150 million	0.47%	No	√	Competitive	√	√
Build Illinois 2016B taxable September 2016 $60 million	0.50%	No	√	Competitive	√	√
Build Illinois 2016C Refunding $152 million	0.50%	No	Excluded	Excluded	Excluded	Excluded
Build Illinois 2016D Refunding $187 million	0.36%	No	Excluded	Excluded	Excluded	Excluded
General Obligation Refunding October 2016 $1.3 billion	0.43%	No	Excluded	Excluded	Excluded	Excluded
General Obligation November 2016 $480 million	0.34%	No	√	Competitive	√	√

SECTION IV
NON-STATE SUPPORTED BOND DEBT

- **Summary of Non-State Supported Bond Debt**
- **State Universities' Certificates of Participation**
- **Moral Obligation Bonds**
- **Moral Obligation Defaults**
- **Bonded Indebtedness of Authorities and Universities**

Summary of Non-State Supported Bond Debt

Non-State Supported debt can be broken down into two categories based on the degree of State obligation: "no obligation" and "moral obligation". No obligation bonds, secured solely by project revenue, have no direct State obligation. These include "User charge" supported debt, which is paid for by charges to the user of the service or the constructed building, road, etc., and is issued by such authorities as the Illinois Student Assistance Commission (ISAC), the Illinois Housing Development Authority, State universities, and the Illinois State Toll Highway Authority. "Conduit debt" is backed by revenues from the project the bonds are sold for or by the local entity benefiting from the project, and is issued by such authorities as the Illinois Finance Authority.

"Moral obligation debt" is that which the State pledges to back in case the issuing authority has insufficient funds to pay the debt. Bonding authorities issuing moral obligation debt must first receive approval from the Governor before each issue. In the event of default on moral obligation bonds - although the State is not legally obligated - the Governor must notify the General Assembly of any such shortfall and may include the amount in his budget for possible action by the legislature.

State Universities' Certificates of Participation

The State University Certificates of Participation Act [110 ILCS 73], became law June 22, 2009. Under the Act, any State university planning to issue Certificates of Participation (COPs) must appear before the Commission on Government Forecasting & Accountability at a public hearing to present the details of the proposal. Upon adoption by a vote of the majority of appointed members, the Commission shall issue a record of findings within 15 days after the hearing. As part of the Commission's consideration and findings the Commission shall consider the effect the issuance of a certificate of participation shall have on the State University's annual debt service and overall fiscal condition. The Commission makes a recommendation of either (i) "favorably recommended", (ii) "recommended with concerns", or (iii) "non-support of issuance". Upon a finding of "non-support of issuance", a State university may not proceed with the issuance of the certificate involved in the finding without the approval of the General Assembly through adoption of a joint resolution.

The Act set limits on each university to a specific amount of debt service outstanding at one time. The table below lists each university's limits, FY 2016 and estimated FY 2017 debt service, FY 2016 outstanding principal and FY 2015 and FY 2016 refunding bond issuance, which at this time are the only types of bonds allowed to be issued. Chicago State University and Governors State University did not request a hearing for the issuance of COPs under this Act.

TABLE 24 — STATE UNIVERSITIES' CERTIFICATES OF PARTICIPATION

University	Annual COP Debt Service Limit	FY 2016 COP Debt Service Level	Est. FY 2017 COP Debt Service Level	Principal Outstanding as of 6/30/2016	Refunding Bonds FY 2015	Refunding Bonds FY 2016
Chicago State University	**$5,000,000**	$0	$0	$0	$0	$0
Eastern Illinois University	**$10,000,000**	$7,590,392	$8,715,069	$85,900,000	$0	$0
Governors State University	**$5,000,000**	$1,977,466	$1,464,291	$12,370,000	$0	$0
Illinois State University	**$10,000,000**	$4,784,455	$4,760,242	$51,065,000	$0	$0
Northeastern Illinois University**	**$5,000,000**	$12,603,392	$1,134,050	$42,410,000	$0	$9,510,000
Northern Illinois University	**$20,000,000**	$2,101,820	$2,852,435	$13,830,000	$0	$0
Southern Illinois University	**$20,000,000**	$3,807,290	$3,802,540	$38,820,000	$0	$0
University of Illinois	**$100,000,000**	$38,985,287	$40,734,923	$244,100,000	$65,255,000	$0
Western IL University	**$10,000,000**	$823,884	$823,884	$23,990,000	$0	$15,100,000

Note: Statute ended COP Issuance as of December 31, 2014.
*Bond sales do not include refunding Certificates of Participation.
**NEIU debt service in FY 2016 includes the Refunding pay off of principal for the Refunded Bonds, so it is not above the debt service limit.

The Act applied until December 31, 2014 and has not been renewed at this time. This implies that universities can no longer sell Certificates of Participation. The Act does allow for the refunding of COPs issued prior to the Act's expiration.

Legislation introduced in the 100th General Assembly, SB 0222 and HB 2996, would allow the University of Illinois to issue Certificates of Participation with the approval of CGFA. The COPs maturity could not exceed the useful life of the project (up to 30-year) and all U of I COPs annual debt service combined must not exceed $100 million a year.

Moral Obligation Bonds

Process: When an authority initially decides to issue bonds for an entity, they must first get the authorization from their Board of Directors. At this time they would also get the approval of the board to request the moral obligation pledge from the State. Once approved by their board, the authority would then submit a request to the Office of the Governor for the moral obligation pledge along with all of the data regarding the bonds and the project. The Governor's Office would have the request reviewed by different departments including economic development, legal, and the Office of Management and Budget, who would then make a recommendation to the Governor. The Governor's Office would review all of this information before the Governor makes this decision.

The moral obligation pledge must be allowed by the State before the authority gets their bond rating and goes to market. The moral obligation of the State given as a pledge behind the bonds allows the bond sale to get a higher rating. The authority would request a bond rating from Standard and Poor's, who, in the past, would usually give bonds with Illinois' moral obligation pledge an A rating. In the event of default on moral obligation bonds, the issuing authority is to send written notice to the Governor. Although the State is not legally obligated, the Governor must notify the General Assembly of any such shortfall and may include the amount in the budget for possible action by the legislature. To date, the State has appropriated funds to Authorities to cover defaulted loans [See Moral Obligation Defaults section on the following pages]. If the State did not pay the moral obligation defaults, then the rating our authorities would receive on the State of Illinois' moral obligation pledge would be lower.

Current Status: The State has six authorities which are allowed to issue moral obligation debt with the approval of the Governor. Only four authorities actually have moral obligation debt outstanding (as of December 31, 2016):

Illinois Finance Authority/Rural Bond Bank	$ 33.4 million
Illinois Housing Development Authority	$ 0.1 million
Southwestern Illinois Development Authority	$ 7.3 million
Upper Illinois River Valley Development Authority	$ 12.7 million
TOTAL	**$ 53.5 million**

Moral Obligation Defaults

Currently, there is one moral obligation default that the Governor is requesting appropriations for in the FY 2018 Budget – LaClede Steel through Southwestern Illinois Development Authority (SWIDA) of $2.8 million to cover FY 2017 and FY 2018 debt service needs.

Below is a history of loan payment defaults on moral obligation bonds. These bonds were issued through two authorities-- Upper Illinois River Valley Development Authority (UIRVDA) and SWIDA.

As of August 2011, UIRVDA is no longer able to issue moral obligation bonds.

- Gemini Acres, LP – UIRVDA sold $22.7 million in bonds for this company in 2000. The company had made its payments until 2009. With UIRVDA threatening legal action, two payments were made four to five months late. The payment scheduled for August 1, 2010, was not made and UIRVDA referred the matter to the Attorney General's Office. Approximately $3.2 million has been appropriated for Gemini Acres, but none was ever expended. It is a real estate company that has a long term lease with a transportation company with good financials. The deal was further enhanced by adding Centerpoint Properties as an additional guarantor. There have been no requests for appropriations since FY 2012. These bonds will mature February 1, 2030.

- Waste Recovery Inc., Illinois - These bonds were sold by UIRVDA in 1994. The company stopped making bond payments in 2002 and the facility has been shut down. The Authority had made debt service payments from the Debt Reserve funds, to which the State expended approximately $2.8 million to keep the Debt Reserve funded for current and future debt service payments since the time of default. The company had also not paid real estate taxes since 2002 and the taxes were auctioned off to a tax buyer. UIRVDA bought the tax deed in 2006 for $47,000, so that they could still claim rights to the property. The facility was appraised at $610,000 and UIRVDA is working with a solid waste disposal company to lease the facility. As of June 30, 2014 the bonds had been paid in full by State appropriations to the Debt Service Reserve. The maturity on the bonds was February 1, 2014.

SWIDA is still allowed to issue moral obligation bonds with permission of the Governor. Past and current moral obligation defaults from loans given by SWIDA are listed below:

- Laclede Steel Company: It is estimated that the State paid close to $5 million from 1999 through 2002 for debt service since Laclede filed for Chapter 11. These bonds were refinanced in FY 2004. Laclede has paid the trustee $3.6 million to cover debt service from December 2001 through February 2006 and also turned over to the State 265,732 shares of stock in the reorganized company. Laclede Steel went bankrupt and the State began making payments in August of 2006. There are no more assets to be sold, so the State may continue to make the payments under the moral obligation provisions until August 2020 when they will be paid in full. The State appropriated $17.7 million from FY 2007 through FY 2015 to cover debt service, of which $12.4 million was expended. There were no appropriations made in FY 2016 due to the budget impasse, therefore SWIDA received a loan from the IFA to pay for debt service for FY 2016. FY 2017 enacted appropriations of $2.8 million will cover the repayment of the IFA loan and the replenishment of the debt service reserve fund backing these bonds. The FY 2018 Budget request for appropriations to pay this defaulted debt service equals $1.4 million.

- Children's Center for Behavioral Development – The bonds were sold in November 1998 in the amount of $2.9 million, with outstanding debt of $1.585 million as of June 30, 2012. With fewer clients and lower funding, revenues to pay operations and debt declined. The Children's Center quit making payments in March of 2012 and closed in January 2013. From FY 2013 through FY 2015, the State expended approximately $1.8 million to pay for debt services. The bonds are paid off.

- Waste Recovery Inc., Illinois has received loans from both UIRVDA and SWIDA, with the State appropriating approximately $7.4 million, and the Authorities expending $6.8 million of that to cover the debt service payments through FY 2013. The SWIDA loans for Waste Recovery were paid off by the State in August 2012. Due to Waste Recovery's bankruptcy, there are no assets left to repay the State.

- Alton Center Business Park - FY 2006 was the first year of default. The State appropriated $7.8 million for debt service, of which approximately $6.8 million was expended. Alton Center Business Park started making its own payments again beginning August 1, 2013. Alton Center has agreed to repay the State over time for what the State paid on the bonds.

- Spectrulite Consortium defaulted from FY 2005-FY 2009 on its loan from SWIDA, and the State appropriated $4.5 million for their debt service for that time period, of which $2.7 million was expended. In FY 2009, Spectrulite Consortium repaid SWIDA for its defaulted bonds.

TABLE 25	STATE FUNDS APPROPRIATED TO COVER MORAL OBLIGATION DEFAULTS													
Authority	Bonds in Default	in millions	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	EST. FY 2017	*TOTAL*
Southwestern Illinois Development Authority	Alton Center Business Park	Approp	$1,010,000	$1,026,000	$971,300	$782,705	$681,896	$700,000	$711,700	***making their own payments***				**$7,833,601**
		Expended	$820,000	$1,026,000	$665,000	$782,705	$670,000	$690,000	$670,000					**$6,773,705**
	Spectrulite Consortium	Approp	$737,726	$719,313	$694,600	***repaid in***								**$4,542,764**
		Expended	$451,183	$324,144	$269,484	***April 2009***								**$2,675,511**
	Waste Recovery	Approp	$364,225	$415,655	$366,200	$365,860	$369,635	$364,765	$367,100	***bonds***				**$4,082,855**
		Expended	$340,471	$354,404	$363,162	$365,860	$369,635	$363,695	$326,994	***paid off***				**$3,937,745**
	Laclede Steel	Approp	$1,391,143	$1,441,643	$1,483,200	$1,420,143	$1,460,443	$1,406,958	$1,354,700	$1,403,219	$1,348,767	$0	$2,832,400	**$20,531,105**
		Expended	$1,195,607	$1,387,409	$1,469,564	$1,420,142	$1,460,443	$1,407,246	$1,354,528	$1,402,557	$1,348,728	$0	$2,832,400	**$15,278,624**
	Children's Center for Behavioral Development	Approp							$417,500	$234,530	$1,111,600	***bonds***		**$1,763,630**
		Expended						new	$415,870	$227,263	$1,111,600	***paid off***		**$1,754,733**
							SWIDA TOTAL Appropriated							$38,753,955
							SWIDA TOTAL Expended							$30,420,318
Principal Outstanding as of the end of FY 2012 = $16,297,000														
Upper Illinois River Valley Development Authority	Waste Recovery	Approp	$280,163	$277,591	$283,884	$290,000	$292,900	$290,000	$288,300	***bonds***				**$3,347,793**
		Expended	$285,905	$290,285	$288,780	$289,000	$291,208	$288,200	$288,300	***paid off***				**$2,838,098**
	Gemini Acres, LP	Approp					$1,279,000	$1,963,800						**$3,242,800**
		Expended					$0	$0						**$0**
							UIRVDA TOTAL Appropriated							$6,590,593
							UIRVDA TOTAL Expended							$2,838,098

Sources: GOMB, Southwestern Illinois Development Authority and the Upper Illinois River Valley Development Authority.

Bonded Indebtedness of Authorities and Universities

The following sections show information related to bond sales, principal outstanding and debt service of the State's bonding authorities and universities. Issuers are grouped together based on the type of debt discussed in the beginning of this section: conduit, moral obligation and user-charge debt.

FY 2016-FY 2017 State Budget Impasse Effects: The FY 2016 and FY 2017 State Budget impasses have affected Universities and some Bonding Authorities:

The Illinois Housing Development Authority administers several state funded programs on behalf of the State of Illinois. The Authority has not been able to access these funds, so the programs supported by these funds have been impacted: Illinois Affordable Housing Trust Fund, Rental Housing Support Program Fund, Abandoned Residential Property Municipality Fund, Foreclosure Prevention Property Fund, and the HOME Investment Partnership Program Fund [Illinois Housing Development Authority]: Since the passing of the FY17 stop gap budget, the programs have had funds appropriated to them by the State legislature.

Regional Transportation Authority: "Predicting the cash flow from the State debt subsidy (SCIP bonds) and Public Transportation Fund (PTF) match on RTA taxes is impossible. To protect ourselves from cash short-fall RTA has entered two short-term credit agreements. For the first eleven calendar months of 2016 these two credit agreements have cost RTA $1.8 million." [Regional Transportation Authority].

Chicago State University serves students who are getting hit double because many rely on State and Federal grants, and the University relies heavily on State funding for operations. The University's board unanimously declared financial exigency on February 4, 2016. A committee of four administrators was named to "review and decide all employment actions, including layoffs, reductions in compensation, terminations and significant position modifications." [*Chicago State University declares financial crisis due to state budget mess*, Chicago Tribune, February 4, 2016].

"The State of Illinois FY2016 budget impasse and FY2017 stop-gap budget has affected our general University operations requiring that we reduce spending relative to personnel and professional services, contractual, and commodities. The facilities relating to our Revenue Bonds are dependent on the continued operations of the University...While our University Community activities are such that the various activities and programs generate sufficient revenues to adequately cover the debt service requirements, the recent decline in student enrollment may jeopardize this situation. If we continue business as usual for the foreseeable future, we don't see any future issues concerning our ability to cover our debt service...A prolonged budget impasse could result in a severe negative impact on the University, including, but not limited to closure; if such an event were to happen, it would impact our ability to cover our debt service."[Chicago State University]

Eastern Illinois University: "The decreases in the FY16 and FY17 appropriations have forced EIU's locally held cash to decline as locally held cash, rather than appropriation, is used to pay EIU's expenses. This causes concern among our bond and certificate holders…EIU has not requested specific funds for debt service from the State; however, EIU's Certificates of Participation require that EIU request at least $1.3 million in utilities appropriation." [Eastern Illinois University]

Governors State University: "Without further state funding, cash balances to make debt payments could be depleted by January 2019. The University has drastically restricted spending, left positions unfilled and gone through a round of layoffs." [Governors State University]

Illinois State University: "The University has managed by targeted spending cuts and leaving more than 100 non–faculty positions from retirements and resignations unfilled. Another impasse into the spring semester could be problematic." [Illinois State University]

Northeastern Illinois University: "The budget impasse and the reduced appropriations through stop gap funding forced the University to use its locally held funds for expenditures (mostly personnel services) that would normally have been paid by appropriations." [Northeastern Illinois University]

Northern Illinois University: "Based on fiscal year's 2015 Audited Statement of Cash flow, cash collections from the state for appropriations and the IL MAP award accounts for $103.6 million or 38% of the University annual collections. Accordingly, our financial liquidity strength is dependent on State funding. The University's strong liquidity at the beginning of fiscal year 2016 was impaired as a result of the 2016 budget impasse. Payment delays by the State where as much as ten months. Accordingly, there continues to be concerns around the downside of the University's liquidity caused by extended state payment delays compounded by state budget cuts for our operations and the student assistance Monetary Award Program.

"The ten-month payment delays and the late determination on state funding support makes it difficult to orchestrate change to best position the financial affairs of the university. Planning for academic programs and student support services requires 10 to 15 months advance planning before the start of the term. The same is true for student tuition waivers. However, the University was able to navigate through this shock to our operations because of the implementation of cost cutting initiatives and leveraging our liquidity position that existed at the beginning of the fiscal year 2016. Planning for fiscal year 2017 operation was even more difficult because of continued concern around payment delays and undeterminable funding levels.

"This shock to our system has also shed some light to existing and perspective students around tuition and fee affordability. There was uncertainty as to the state financial commitment to the Monetary Award Program for the spring term. There is a concern that this will cause a decline in student enrollment levels and loss of market share to other institutions of higher education outside the State of Illinois.

"Lastly, the University is dependent on long-term debt instruments to fund capital and energy cost saving initiatives. The impairment to liquidity levels has been a factor [cited] by Moody's that resulted in the decline in our bond rating from Baa1 to Baa2. The concern is the risk of further diminishing liquidity levels followed by declining bond ratings will reduce our ability to obtain credit or add to the cost of obtaining credit." [Northern Illinois University]

<u>Southern Illinois University</u>: "Southern Illinois University does not currently have plans to fund any capital projects with Revenue Bonds or COPs. Therefore, neither the State of Illinois' FY 2016 budget impasse nor the FY 2017 stop-gap budget have impacted our capital plans related to debt financed facilities. However, on June 30, 2016, Southern Illinois University was downgraded by Moody's to Baa2 on the HAFS Revenue Bonds and Baa3 on the COPs. Moody's noted the prolonged absence of a state budget as one of the primary reasons for the rating downgrade. The rating downgrade will impact the cost of borrowing should the University need to finance capital projects in the future. In addition, the stop-gap funding approach does not provide the long-term stability nor demonstrate strong state support which creditors are seeking. Also, due to the financial uncertainty created by the State budget impasse, US Bank recently denied our request for IPHEC financing, which further limits our available financing resources." [Southern Illinois University]

<u>University of Illinois</u>: "Related to the University's ability to issue or service debt, we anticipate there will be adverse consequences from the State of Illinois FY 2016 budget impasse, the partial FY 2017 stop-gap budget and the State's severely underfunded pension plans." [University of Illinois]

<u>Western Illinois University:</u> "In FY2016, we reduced payroll in the following ways; retirement incentive program, layoff of approximately 110 employees, Furloughs for all non-negotiated employees and one bargaining unit. For FY2017 we have reduced payroll in the following ways; renegotiated compensation with our faculty union; Furloughs with non-negotiated administrators and professional employees; Limited extra help in some areas. In addition, we reduced operating expenditures by turning off purchasing cards, delaying payments to our vendors, require approval for any purchase over $200, and severely restricted travel. We renegotiated a lower credit limit with our purchasing card provider because they were asking us to collateralize the program with cash that we did not have. We have delayed several construction projects into the future as well as a major technology systems purchase.

"The rating agencies have downgraded our bond rating to just above investment grade and are considering taking further action. At this time, we have sufficient resources to cover existing debt service. We continue to engage in long range planning that considers our debt service requirements.

"Our enrollment continues to erode because of the lack of MAP funding, the uncertainty with state funding and the years of financial instability. Lower enrollment has forced us to close low enrolled academic programs. Should the impasse or the uncertainty continue, we will expect to have to make further personnel decisions and consider reductions to additional units." [Western Illinois University]

Long-Term effects: State aid to the State's public universities is on average 40% of what the universities use for operations. Due to the State's lack of funding for the past 21 months, universities have been hard hit. Illinois partially funded public universities and community colleges in FY 2016 with $600 million and added an additional $1 billion for the first half of FY 2017 through the stopgap budget.

According to universities' testimony in Legislative committees, all of these factors can snowball into affecting all aspects of a university's budget, liquidity, and could ultimately affect their ability to pay debt service. If students have to worry about not making it through a full school year in an Illinois university due to annual budget fights and school closings, they are going to go out of State for their higher education. The budget impasse is exacerbating already low enrollments and weak revenues. Universities are cutting programs and freezing wages, while getting behind on bills and discontinuing capital programs. All of which "could have a lasting impact on school reputations, enrollment, and their longer term financial health." ["Higher Education Pressures Mount in Illinois", The Bond Buyer, March 9, 2017]

MAP grants for low-income students have been held up and Community college payments have not been appropriated. The Higher Learning Commission notified Illinois leaders last Spring that, "The lack of state funding is putting Illinois colleges and universities at serious risk and jeopardizing the future of students." The Commission accredits colleges and universities and would have to review all plans of an institution's suspension of operation or closure and how the institution plans for students to continue their education elsewhere. The college or university's accreditation could be in jeopardy, and students attending an unaccredited college would lose access to federal financial aid.

Bond Ratings: Rating agencies have downgraded the State's public universities due to the reliance on State appropriations among other problems the universities may be dealing with, such as low enrollment, weak revenue growth and already stretched liquidity:

Moody's downgraded State public universities' bonds multiple levels in the last year (uninsured ratings):

ISU	from A3	to Baa1
SIU	from A3	to Baa2
NIU	from A3	to Baa3
WIU	from Baa1	to Baa3
GSU	from Baa1	to Ba1
NEIU	from Baa1	to Ba2
EIU	from Baa1	to B1
CSU	from Ba1	to Caa1

Standard & Poor's has also downgraded Universities over the past year (uninsured ratings):

U of I	from AA-	to A+
ISU	from A+	to A
SIU	from A	to BBB+
WIU	from A-	to BBB-
GSU	from BBB+	to BB+
EIU	from A-	to BB
NEIU	from A-	to BB
CSU	from A-	to CCC
City Colleges of Chicago	from AA	to A+

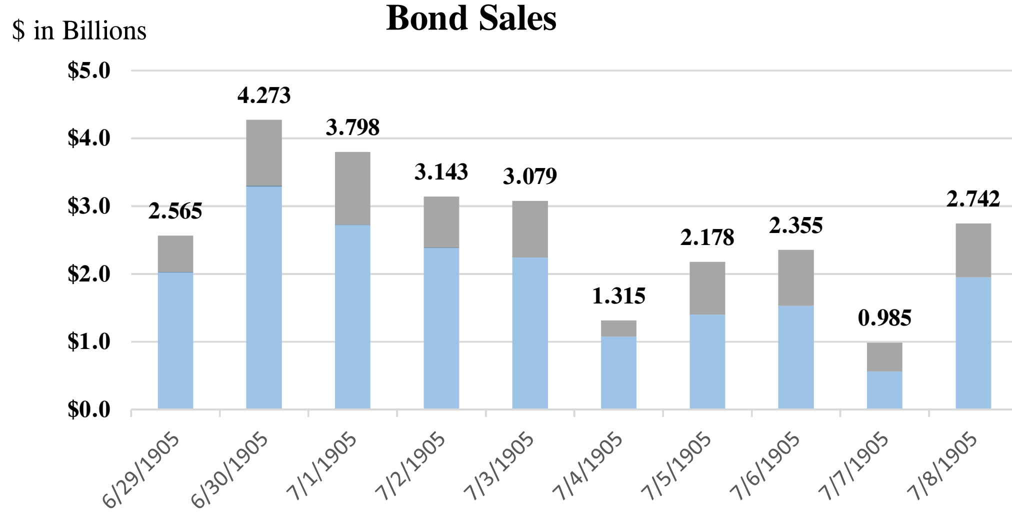
Fitch downgraded

City Colleges of Chicago	from AA-	to A+

Bond Sales: Chart 19 shows that combined bond sales for authorities and universities were in the $3 billion - $4 billion range from FY 2008 to FY 2011. Bond sales in FY 2012 decreased by 58% from the previous fiscal year to $1.3 billion. Bond sales were back in the $2 billion range in FY 2013 and FY 2014, but dropped again in FY 2015 to just under $1 billion mainly because the IFA annual issuance dropped by over 50%. FY 2016 bond sales were back up to $2.74 billion due to the IFA making-up for the previous fiscal years lower issuance.

Chart 19

Non-State Supported Debt
Bond Sales



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
User Charge	0.539	0.973	1.073	0.754	0.837	0.24	0.777	0.828	0.425	0.791
Moral Obligation	0.002	0.009	0.002	0.004	0	0	0	0	0	0
Conduit Debt	2.024	3.291	2.723	2.385	2.242	1.075	1.401	1.527	0.56	1.951

There were only six issuers of conduit debt in FY 2016:

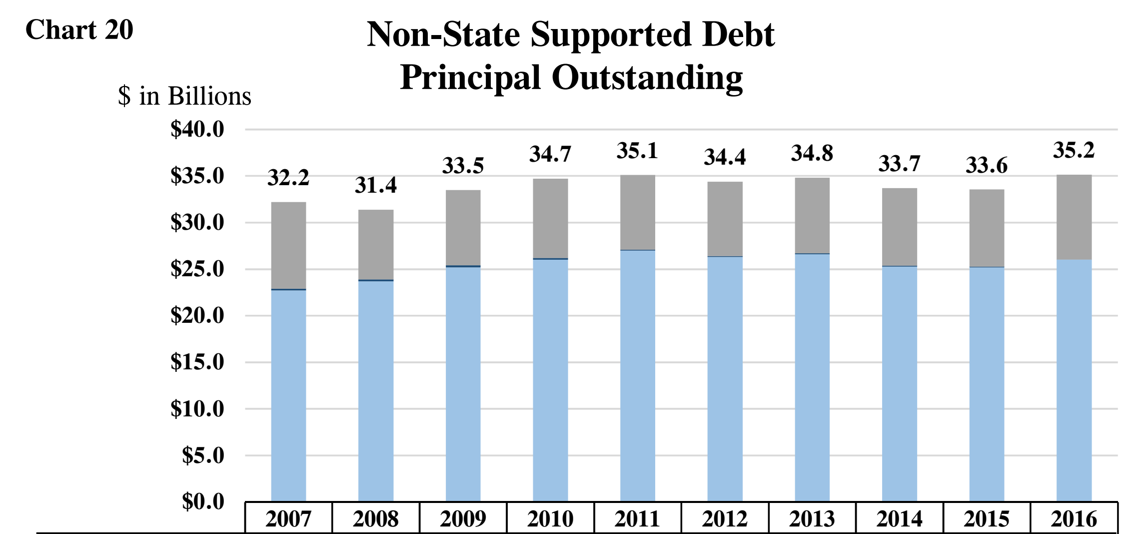
- Illinois Finance Authority with $1.706 billion,
- Beginner Farmer Bonds (under the IFA) of $4 million,
- Regional Transportation Authority of $96 million,
- SWIDA issuance of $106 million,
- Tri-County River Valley Development Authority for $8 million, and
- Western Illinois Economic Development Authority for $32 million.

There were no moral obligation bond issuances.

There were only three issuers of user charge debt:

- Illinois State Toll Highway Authority for $700 million,
- Illinois Housing Development Authority for $70 million, and
- University of Illinois for $21 million.

Principal Outstanding: Chart 20 shows the level of outstanding principal for non-state supported bonds as reported by the issuing authorities and universities. While combined principal outstanding rose in FY 2009 through FY 2011, principal outstanding slowly decreased from FY 2012 to FY 2015 due to fewer bond sales by authorities. FY 2016 principal outstanding increased to $35.2 billion with higher bond issuance.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
User Charge	9.3	7.5	8.1	8.5	8	8	8.1	8.3	8.3	9.1
Moral Obligation	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.08	0.07	0.05
Conduit Debt	22.7	23.7	25.2	26	27	26.3	26.6	25.3	25.2	26

- Conduit principal outstanding declined through FY 2015 due to lower levels of bond sales over the preceding three years. The FY 2016 level bumped up due to increased bond sales from the Illinois Finance Authority.

- The principal outstanding in the Moral Obligation category has steadily decreased, due to no new moral obligation bonds being sold.

- The option to offer Moral Obligation has been removed from QCREDA, UIRVDA, WKRDA, WIEDA and Tri-County River Valley Development Authority.

- User Charge principal outstanding remained in the low $8 billion level from FY 2009 – FY 2015. The FY 2016 increase came from a higher amount of bond sales from the Toll Highway Authority.

The table below gives a more detailed breakout of principal outstanding and bond sales for FY 2016 by each bonding authority.

TABLE 26 NON-STATE SUPPORTED DEBT BY AUTHORITY			
Authority	Type of Debt	Outstanding Principal FY 2016	Bonds Issued in FY 2016
Central IL Economic Development Authority	conduit	$12,461,000	$0
Eastern IL Economic Development Authority	conduit	$21,000,000	$0
IL Finance Authority	conduit	$21,825,478,774	$1,709,859,225
IL Development Finance Authority (predecessor)	conduit	$1,126,753,728	$0
IL Education Facilities Authority (predecessor)	conduit	$459,193,000	$0
IL Farm Development Authority (predecessor)	conduit	$13,436,353	$0
IL Health Facilities Authority (predecessor)	conduit	$617,984,999	$0
IL Rural Bond Bank (predecessor)	conduit	$0	$0
IL Environmental Facilities (under IFA)	conduit	$115,320,000	$0
Quad Cities Regional Economic Development Authority	conduit	$68,200,000	$0
Regional Transportation Authority (non SCIP)	conduit	$718,915,000	$95,470,000
Southeastern IL Economic Development Authority	conduit	$4,635,000	$0
Southwestern IL Development Authority	conduit	$864,331,000	$106,173,000
Tri-County River Valley Development Authority	conduit	$7,500,000	$7,500,000
Upper IL River Valley Development Authority	conduit	$78,379,000	$0
Western IL Economic Development Authority	conduit	$49,540,000	$32,000,000
Will-Kankakee Regional Development Authority	conduit	$14,970,000	$0
CONDUIT TOTAL		**$25,998,097,854**	**$1,951,002,225**
IL Housing Development Authority	moral	$104,703	$0
IL Rural Bond Bank (predecessor)	moral	$0	$0
IL Finance Authority	moral	$34,885,000	$0
IL Development Finance Authority (predecessor)	moral	$0	$0
Southwestern IL Development Authority	moral	$8,884,000	$0
Upper IL River Valley Development Authority	moral	$12,700,000	$0
MORAL OBLIGATION TOTAL		**$56,573,703**	**$0**
Chicago State University	usercharge	$12,000,000	$0
Eastern IL University	usercharge	$10,860,000	$0
Governors State University	usercharge	$25,750,000	$0
IL Housing Development Authority	usercharge	$1,023,556,743	$70,115,000
IL State University	usercharge	$78,265,000	$0
IL Student Assistance Commission-IDAPP	usercharge	$226,761,305	$0
IL State Toll Highway Authority	usercharge	$5,931,925,000	$700,000,000
Northeastern IL University	usercharge	$14,935,000	$0
Northern IL University	usercharge	$187,774,000	$0
Southern IL University	usercharge	$243,418,644	$0
University of IL	usercharge	$1,272,816,616	$20,630,000
Western IL University	usercharge	$63,960,000	$0
USERCHARGE TOTAL		**$9,092,022,308**	**$790,745,000**
TOTAL OF CONDUIT & USERCHARGE		**$35,090,120,162**	**$2,741,747,225**
TOTAL CONDUIT, USERCHARGE, & MORAL		**$35,146,693,865**	**$2,741,747,225**

Source: Information received from the Authorities and Universities.

APPENDICES

- **Appendix A - School Construction Projects Completed Since**
- **IL Jobs Now Began**
- **Appendix B - School Construction Projects Pending**
- **Appendix C - Capital Plans of State Universities**
- **Appendix D - Regional Transportation Authority & Service Boards' Capital Plans**
- **Appendix E - Authorities and State Universities: Boards of Directors**

APPENDIX A
School Construction Projects Completed Since IL Jobs Now Began

May 10, 2010	State Share	Local Share	Issued
COOK			
Chicago Public School (CPS) District 299	$29,703,661	$55,163,941	May 10
Matteson Elementary School District 162	$1,145,241	$837,589	May 10
Northbrook School District 27	$1,543,711	$2,866,892	May 10
West Northfield School District 31	$1,780,688	$3,306,991	May 10
Westchester School District 92½	$26,237	$48,726	May 10
DEKALB			
Hinckley-Big Rock Community Unit School District 429	$1,939,944	$3,602,752	May 10
DUPAGE			
Community Consolidated School District 93, Carol Stream	$1,554,822	$1,656,148	May 10
Villa Park School District 45	$980,545	$1,821,012	May 10
Westmont Community Unit School District 201	$1,217,000	$2,260,143	May 10
Winfield School District 34	$2,312,480	$4,294,606	May 10
FRANKLIN			
Benton Community Consolidated School District 47	$2,464,790	$821,597	May 10
KANKAKEE			
Bradley School District 61	$2,096,220	$1,088,329	May 10
Manteno Community Unit School District 5	$2,184,621	$3,269,640	May 10
LAKE			
Big Hollow School District 38	$251,812	$467,652	May 10
MADISON			
Bethalto Community School District 8	$4,278,782	$1,956,726	May 10
PERRY			
DuQuoin Community Unit School District 300	$10,452,155	$3,625,667	May 10
ROCK ISLAND			
Silvis School District 34	$12,277,541	$4,092,514	May 10
SANGAMON			
Rochester Community Unit School District 3A	$10,183,033	$8,325,206	May 10
SHELBY			
Stewardson-Strasburg Community Unit District 5A	$2,046,533	$1,127,373	May 10
ST. CLAIR			
Central School District 104	$415,622	$363,953	May 10
East St. Louis School District 189	$29,025,628	$9,675,209	May 10
WAYNE			
Fairfield Public School District 112	$3,898,926	$1,299,642	May 10
WILL			
Joliet Public Schools District 86	$26,774,854	$10,440,563	May 10
WILLIAMSON			
Johnston City Community Unit School District 1	$528,822	$176,274	May 10
MAY 11, 2010			
LASALLE			
Ottawa Elementary School District 141	$10,418,004	$12,458,219	May 10
ST. CLAIR			
Belle Valley School District 119	$4,288,458	$1,617,769	May 10
JUNE 29, 2010			
CLARK			
Martinsville Community Unit School District 3C	$2,336,090	$778,697	June 10
OCTOBER 14, 2010			
MACOUPIN			
Gillespie Community Unit School District 7	$18,960,509	$6,320,170	Oct 10

OCTOBER 20, 2010 (continued)	State Share	Local Share	Issued
ALEXANDER			
Cairo School District 1	$3,661,784	$1,220,594	Oct 10
COLES			
Oakland Community Unit School District 5	$5,696,658	$2,941,160	Oct 10
COOK			
Chicago Public Schools (CPS) District 299	$54,119,583	$100,507,797	Oct 10
North Palos School District 117	$1,746,169	$3,242,886	Oct 10
South Holland School District 151	$15,268,113	$9,910,548	Oct 10
DEKALB			
DeKalb Community Unit School District 428	$21,156,874	$39,291,338	Oct 10
DUPAGE			
Bensenville Elementary School District 2	$8,258,197	$15,336,652	Oct 10
LAKE			
Waukegan Community Unit School District 60	$28,292,668	$9,430,889	Oct 10
LAWRENCE			
Lawrence County Community Unit School District 20	$18,575,126	$6,191,709	Oct 10
MACON			
Warrensburg-Latham Community Unit School District 11	$10,394,749	$9,471,144	Oct 10
PEORIA			
Peoria School District 150	$17,380,303	$13,448,492	Oct 10
PERRY			
Pinckneyville Community High School District 101	$14,030,186	$4,692,680	Oct 10
WHITESIDE			
Prophetstown-Lyndon-Tampico Community Unit School District 3	$14,014,204	$4,786,865	Oct 10
WILLIAMSON			
Carterville Community Unit School District 5	$22,535,952	$16,495,655	Oct 10
FEBRUARY 16, 2012			
BUREAU			
Spring Valley Elementary 99	$12,237,983	$4,079,328	Feb 12
CASS			
Virginia Community Unit School District 64	$12,264,876	$5,461,023	Feb 12
CLINTON			
Wesclin Community Unit School District 3	$18,870,170	$13,195,889	Feb 12
COOK			
Berwyn North Elementary District 98	$7,592,482	$2,530,827	Feb 12
Brookfield –LaGrange Park School District 95	$3,119,368	$4,069,359	Feb 12
Burbank School District 111	$9,870,618	$18,331,147	Feb 12
Calumet Township School District 132	$12,360,578	$4,120,192	Feb 12
Chicago Public Schools (CPS) District 299	$114,635,906	$212,895,254	Feb 12
Hazel Crest School District 152.5	$32,227,721	$11,759,500	Feb 12
Orland School District 135	$5,330,793	$9,900,043	Feb 12
Skokie School District 69	$1,322,496	$2,456,063	Feb 12
DUPAGE			
Community Unit School District 200 (Wheaton)	$14,462,317	$26,858,588	Feb 12
EDGAR			
Paris Cooperative High School	$24,227,956	$12,989,767	Feb 12
FAYETTE			
Ramsey Community Unit School District 204	$3,929,883	$1,309,961	Feb 12
JEFFERSON			
Mt. Vernon Township High School District 201	$47,629,722	$24,481,239	Feb 12
KANE			
St. Charles Community Unit School District 303	$7,667,754	$14,240,115	Feb 12

FEBRUARY 16, 2012 (continued)	State Share	Local Share	Issued
KNOX			
Knoxville Community Unit School District 202	$20,294,950	$11,397,884	Feb 12
LAKE			
Warren Township High School District 121	$11,538,154	$21,428,001	Feb 12
MCHENRY			
Harvard Community Unit School District 50	$13,814,761	$13,719,530	Feb 12
Huntley Consolidated School District 158	$39,417,589	$34,586,456	Feb 12
MONTGOMERY			
Panhandle Community Unit School District 2	$3,862,854	$1,766,291	Feb 12
OGLE			
Rochelle Community Consolidated School District 231	$12,646,104	$6,188,871	Feb 12
PEORIA			
Peoria School District 150	$34,618,757	$17,480,269	Feb 12
ST. CLAIR			
Millstadt Consolidated School District 160	$4,299,840	$3,806,672	Feb 12
STARK			
Stark County Community Unit School District 100	$3,697,957	$2,412,602	Feb 12
UNION			
Shawnee Community Unit School District 84	$2,044,849	$1,534,373	Feb 12
WILL			
Crete-Monee School District 201-U	$23,282,632	$38,748,585	Feb 12
Homer Community Consolidated School District 33C	$4,546,568	$8,443,627	Feb 12
Manhattan School District 114	$5,848,028	$4,983,720	Feb 12
Wilmington Community Unit School District 209-U	$9,283,266	$16,126,048	Feb 12
WILLIAMSON			
Marion Community Unit School District 2	$56,625,289	$65,806,448	Feb 12
AUGUST 22, 2013			
ADAMS			
Mendon Community Unit School District 4	$1,301,639	$433,879	Aug 13
BOONE			
North Boone Community Unit School District 200	$13,621,051	$12,050,671	Aug 13
CLAY			
Flora Community Unit School District 35	$22,493,512	$7,497,837	Aug 13
COOK			
Board of Education City of Chicago	$59,181,904	$109,909,250	Aug 13
Calumet City School District 155	$3,536,220	$1,337,889	Aug 13
Elementary School District 159, Matteson	$9,300,174	$14,440,022	Aug 13
Maine Township High School District 207	$2,190,994	$4,068,989	Aug 13
Riverside Brookfield High School District 208	$8,907,494	16,542,490	Aug 13
Thornton School District 154	$444,968	$826,368	Aug 13
DEKALB			
Indian Creek Community Unit School District 425	$3,154,399	$3,560,817	Aug 13
KENDALL			
Yorkville Community Unit School District 115	$7,638,648	$11,927,745	Aug 13
LAKE			
Emmons School District 33	$1,543,703	$2,866,878	Aug 13
Fremont School District 79	$10,992,301	$20,414,274	Aug 13
Mundelein High School District 120	$8,286,402	$15,389,032	Aug 13
Wauconda School District 118	$19,583,008	$36,368,444	Aug 13
LASALLE			
Grand Ridge Community Consolidated School District 95	$2,305,504	$1,436,888 Aug 13	
Peru Elementary School District 124	$11,714,229	$8,239,047	Aug 13

AUGUST 22, 2013			
MACON			
Meridian Community Unit School District 15	$29,186,955	$15,769,745	Aug 13
MARION			
South Central Community Unit School District 401	$10,200,580	$3,908,288	Aug 13
MONROE			
Waterloo Community Unit School District 5	$20,123,972	$37,373,091	Aug 13
SANGAMON			
Pleasant Plains Community Unit School District 8	$6,297,057	$8,806,878	Aug 13
Riverton Community Unit School District 14	$7,988,990	$3,700,307	Aug 13
TAZEWELL			
East Peoria School District 86	$17,487,882	$13,168,518	Aug 13
WAYNE			
Wayne City Community Unit School District 100	$19,788,352	$6,596,117	Aug 13
JANUARY 16, 2014			
RANDOLPH			
Chester Community Unit School District 139	$4,372,058	$1,502,942	Jan 14
April 10, 2014			
PULASKI			
Meridian Community Unit School District 101	$6,405,000	$2,135,000	April 14
2017			
JEFFERSON			
Bluford Unit School District 318	TBA	TBA	TBA

APPENDIX B
School Construction Projects Pending

FY04 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY04 APPLICATION CYCLE ENDED APRIL 1, 2003

	SCHOOL DISTRICT	COUNTY	H	S
1	ALDEN-HEBRON SD 19	MCHENRY	063	32
2	BLOOMINGTON PSD 87	MCLEAN	088	44
3	CENTRAL SD 51	TAZEWELL	088	44
4	CHANEY MONGE SD 88	WILL	086	43
5	CHESTER CUSD 139	RANDOLPH	116	58
6	CICERO ELEM SD 99	COOK	024	12
7	COLLINSVILLE CUSD 10	MADISON	112	56
8	COLUMBIA CUSD 4	MONROE	116	58
9	COMMUNITY UNIT SD 300	KANE	043	22
10	CYPRESS ELM SD 64	JOHNSON	118	59
11	DUNLAP CUSD 323	PEORIA	073	37
12	ELVERADO CUSD 196	JACKSON	115	58
13	FRANKFORT CCSD 157-C	WILL	080	40
14	GARDNER CCSD 72-C	GRUNDY	079	40
15	GERMANTOWN HILLS SD 69	WOODFORD'	073	37
16	HAWTHORN CCSD 73	LAKE	059	30
17	HERSCHER CUSD 2	KANKAKEE	079	40
18	HINSDALE CCSD 181	DUPAGE	082	41
19	ILLINI CENTRAL CUSD 189	MASON	093	47
20	IROQUOIS CO. CUSD 9	IROQUOIS	106	53
21	JACKSONVILLE SD 117	MORGAN	100	50
22	LEMONT-BROMBEREK 113A	COOK	082	41
23	LOCKPORT TWP HSD 205	WILL	085	43
24	MARSHALL CUSD C-2	CLARK	110	55
25	MIDLAND CUSD 7	MARSHALL	073	37
26	MILLER TWP CCSD 210	LASALLE	075	38
27	MOLINE SD 40	ROCK ISLAND	072	36
28	MT PROSPECT SD 57	COOK	053	27
29	MT PULASKI CUSD 23	LOGAN	087	44
30	NORTH MAC CUSD 34	MACOUPIN	095	48
31	NEW LENOX SD 122	WILL	037	19
32	NORTHBROOK SD 27	COOK	057	29
33	OAK LAWN-HOMETOWN 123	COOK	036	18
34	O'FALLON TWP HSD 203	ST CLAIR	114	57
35	OPDYKE-BELLRIVE CCSD 5	JEFFERSON	115	58
36	OSWEGO CUSD 308	KENDALL	097	49
37	PINCKNEYVILLE CHSD 101	PERRY	116	58
38	PRAIRIE CENTRAL CUSD 8	LIVINGSTON	105	53
39	PRAIRIE GROVE CSD 46	MCHENRY	052	26
40	PROVISO TWP HSD 209	COOK	007	04
41	ROCKRIDGE CUSD 300	ROCK ISLAND	072	36
42	SANDOVAL CUSD 501	MARION	107	54
43	SHELBYVILLE CUSD 4	SHELBY	102	51
44	SPRINGFIELD PUBLIC SD 186	SANGAMON	099	50
45	TAFT SD 90	WILL	085	43
46	TROY SD 30C	WILL	097	49
47	VALLEY VIEW CUSD 365U	WILL	085	43
48	WEST FRANKFORT CUSD 168	FRANKLIN	117	59
49	WEST PRAIRIE CUSD 103	MCDONOUGH	093	47
50	WILLOW SPRINGS EL SD 108	COOK	031	16
51	WOOD DALE SD 7	DUPAGE	045	23
52	ZION-BENTON TWP HSD 126	LAKE	061	31

Note: Updated applications are underlined.

FY05 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS

FY05 APPLICATION CYCLE ENDED APRIL 1, 2004

	SCHOOL DISTRICT	COUNTY	H	S
1	AURORA EAST SD 131	KANE	083	42
2	BATAVIA CUSD 101	KANE	049	25
3	BELLE VALLEY SD 119	ST CLAIR	114	57
4	BELVIDERE CUSD 100	BOONE	069	35
5	BERWYN SOUTH SD 100	COOK	024	12
6	BLOOM TWP HSD 206	COOK	080	40
7	BLOOMINGDALE SD 13	DUPAGE	045	23
8	BRADLEY-BOURBONNAIS 307	KANKAKEE	079	40
9	BREMEN CHSD 228	COOK	030	15
10	BROOKWOOD CCSD 167	COOK	029	15
11	CAHOKIA CUSD 187	ST CLAIR	114	57
12	CALHOUN CUSD 40	CALHOUN	097	49
13	CARTHAGE ELEM SD 317	HANCOCK	094	47
14	CASEY WESTFIELD CUSD C-4	CLARK	110	55
15	CENTRAL COMM HSD 71	CLINTON	108	54
16	CENTRAL SD 51	TAZEWELL	088	44
17	CENTRAL SD 104	ST CLAIR	112	56
18	CHICAGO HEIGHTS HSD 170	COOK	080	40
19	COAL CITY CUSD 1	GRUNDY	079	40
20	COMM CSD 46 GRAYSLAKE	LAKE	062	31
21	CCSD 168	COOK	033	17
22	COMMUNITY HSD 218	COOK	036	18
23	COUNTRY CLUB HILLS 160	COOK	038	19
24	DALLAS ELEM SD 327	HANCOCK	094	47
25	DR CRK MCKNW. CUSD 701	TAZEWELL	088	44
26	DOLTON SD 148	COOK	030	15
27	DOLTON SD 149	COOK	034	15
28	EDWARDSVILLE CUSD 7	MADISON	112	56
29	FOX LAKE SD 114	LAKE	064	32
30	FREEBURG CHSD 77	ST CLAIR	114	57
31	FREMONT SD 79	LAKE	051	26
32	GALATIA CUSD 1	SALINE	118	59
33	GAVIN SD 37	LAKE	062	31
34	GENOA-KINGSTON CUSD 424	DEKALB	070	35
35	GERMANTOWN ELEM SD 60	CLINTON	108	54
36	GLEN ELLYN SD 41	DUPAGE	048	24
37	GOLF SD 67	COOK	015	08
38	GOREVILLE CUSD 1	JOHNSON	118	59
39	GRANITE CITY CUSD 9	MADISON	113	57
40	GRIGGSVILLE-PERRY USD 4	PIKE	100	50
41	HAMILTON CCSD 328	HANCOCK	094	47
42	HAMILTON CUSD 10	HAMILTON	118	59
43	HARMONY EMGE SD 175	ST CLAIR	113	57
44	HERRIN CUSD 4	WILLIAMSON	117	59
45	HIAWATHA CUSD 426	DEKALB	070	35
46	HINSDALE CCSD 181	DUPAGE	082	41
47	ILLINI WEST HSD 307	HANCOCK	094	47
48	JS MORTON HSD 201	COOK	024	12
49	LAHARPE CSD 347	HANCOCK	094	47
50	LEBANON CUSD 9	ST CLAIR	114	57
51	MANNHEIM SD 83	COOK	077	39
52	MANTENO CUSD 5	KANKAKEE	034	17
53	MARISSA CUSD 40	ST CLAIR	116	58
54	MASSAC CUSD 1	MASSAC	118	59
55	MATTESON ELEM SD 162	COOK	038	19
56	MCHENRY CCSD 15	MCHENRY	063	32
57	MINOOKA CCSD 201	GRUNDY	075	38
58	MOMENCE CUSD 1	KANKAKEE	034	17
59	NAUVOO-COLUSA CUSD 325	HANCOCK	094	47
60	NORTH CLAY CUSD 25	CLAY	108	54
61	N.PEKIN-MARQTTE HTS 102	TAZEWELL	091	46
62	OAK LAWN CHSD 229	COOK	036	18
63	OTTAWA TWP. HSD 140	LASALLE	076	38
64	PANA CUSD 8	CHRISTIAN	095	48
65	PARIS UNION SD 95	EDGAR	102	51
66	PRK FRST-CHICAGO HTS 163	COOK	080	40
67	PLANO CUSD 88	KENDALL	075	38
68	PRAIRIE GROVE CCSD 46	MCHENRY	052	26
69	RACCOON CUSD 1	MARION	107	54
70	RICH TOWNSHIP HSD 227	COOK	038	19
71	RICHLAND GRADE SD 88A	WILL	098	49
72	RIDGELAND SD 122	COOK	031	16
73	ROUND LAKE CUSD 116	LAKE	062	31
74	ROXANA CUSD 1	MADISON	111	56
75	SAVANNA CUSD 300	CARROLL	071	36
76	SOUTH CENTRAL CUSD 401	MARION	107	54
77	SOUTHWEST COOK COOP	COOK		
78	ST CHARLES CUSD 303	KANE	065	33
79	ST JO-OGDEN CHSD 305	CHAMPAIGN	102	51
80	THOMSON SD 301	CARROLL	071	36
81	TREMONT CUSD 702	TAZEWELL	087	44
82	WASHINGTON GRADE SD 52	TAZEWELL	088	44
83	WATERLOO CUSD 5	MONROE	116	58
84	WEST CHICAGO SD 33	DUPAGE	049	25
85	WEST WASHINGTON CO 10	WASHINGTON	108	54
86	WESTMONT CUSD 201	DUPAGE	047	24
87	WOOD RIVER/HARTFORD 15	MADISON	111	56

FY06 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS

FY06 APPLICATION CYCLE ENDED APRIL 1, 2005

	SCHOOL DISTRICT	COUNTY	H	S
1	AURORA EAST SD 131	KANE	083	42
2	BENTON CHSD 103	FRANKLIN	117	59
3	CENTRALIA CITY SD 135	MARION	107	54
4	CLINTON CUSD 15	DEWITT	087	44
5	CREVE COEUR SD 76	TAZEWELL	091	46
6	CUSD SD 16 (NEW BERLIN)	SANGAMON	099	50
7	DANVILLE CCSD 118	VERMILION	104	52
8	E. RICHLAND CUSD 1	RICHLAND	109	55
9	HIGHLAND CUSD 5	MADISON	108	54
10	HUNTLEY CONS SD 158	MCHENRY	066	33
11	INDIAN PRAIRIE CUSD 204	DUPAGE	084	42
12	LAKE VILLA CCSD 41	LAKE	064	32
13	LINCOLN-WAY CHSD 210	WILL	037	19
14	MILLBURN CCSD 24	LAKE	061	31
15	MT VERNON CITY SD 80	JEFFERSON	115	58
16	NORTH WAYNE CUSD 200	WAYNE	108	54
17	ODIN SD 122	MARION	107	54
18	PINCKNEYVILLE CHSD 101	PERRY	116	58
19	PLAINFIELD CCSD 202	WILL	097	49
20	POPE CUSD 1	POPE	118	59
21	PRAIRIE CENTRAL CUSD 8	LIVINGSTON	105	53
22	PRINCETON SD 115	BUREAU	074	37
23	SAUNEMIN CCSD 438	LIVINGSTON	106	53
24	SOUTHWESTERN CUSD 9	MACOUPIN	095	48
25	TAYLORVILLE CUSD 3	CHRISTIAN	095	48
26	TRIAD CUSD 2	MADISON	108	54
27	VIENNA SD 55	JOHNSON	118	59
28	WALLACE CCSD 195	LASALLE	076	38
29	WALTHAM CCSD 185	LASALLE	076	38
30	YORKVILLE CUSD 115	KENDALL	050	25

FY07 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS

FY07 APPLICATION CYCLE ENDED APRIL 1, 2006

	SCHOOL DISTRICT	COUNTY	H	S
1	ANTIOCH CCSD 34	LAKE	061	31
2	BEECHER CUSD 200U	WILL	034	17
3	BLUE RIDGE CUSD 18	DEWITT	101	51
4	BRADLEY SD 61	KANKAKEE	079	40
5	BRADLEY-BOURB.CHSD 307	KANKAKEE	079	40
6	BYRON CUSD 226	OGLE	090	45
7	CARTERVILLE CUSD 5	WILLIAMSON	117	59
8	CASEY-WESTFIELD CUSD 4C	CLARK	110	55
9	CATLIN CUSD 5	VERMILION	104	52
10	CHAMPAIGN CUSD 4	CHAMPAIGN	103	52
11	CUSD 200	MCHENRY	063	32
12	DUPO CUSD 196	ST CLAIR	116	58
13	ELMHURST CUSD 205	DUPAGE	047	24
14	GARDNER-S.W. THSD 73	GRUNDY	079	40
15	HARRISON ESD 36	MCHENRY	063	32
16	HIGHLAND CUSD 5	MADISON	108	54
17	JAMAICA CUSD 12	VERMILION	102	51
18	KINGS CSD 144	OGLE	090	45
19	LANSING EL. SD 158	COOK	033	17
20	MAROA-FORSYTH CUSD 2	MACON	101	51
21	MILFORD THSD 233	IROQUOIS	106	53
22	NORTHFIELD THSD 225	COOK	017	09
23	OAKWOOD CUSD 76	VERMILION	104	52
24	PONTIAC / W.H. 105	ST CLAIR	113	57
25	ST GEORGE CCSD 258	KANKAKEE	079	40
26	SUMMIT HILL SD 161	WILL	080	40
27	TAYLORVILLE CUSD 2	CHRISTIAN	095	48
28	TOLONO CUSD 7	CHAMPAIGN	102	51
29	TOWNSHIP HSD 211	COOK	054	27
30	TRIAD CUSD 2	MADISON	108	54
31	UNITED CUSD 304	WARREN	094	47
32	WEST CENTRAL CUSD 235	HENDERSON	094	47

FY08 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS

FY08 APPLICATION CYCLE ENDS APRIL 1, 2007

	SCHOOL DISTRICT	COUNTY	H	S
1	BALL-CHATHAM CUSD 5	SANGAMON	099	50
2	BELLEVILLE PUBLIC SD 118	ST CLAIR	113	57
3	BUNKER HILL CUSD 8	MACOUPIN	095	48
4	DEER CREEK-MAC CUSD 701	TAZEWELL	088	44
5	EWING-NORTHERN CCS 115	FRANKLIN	117	59
6	FIELDCREST CUSD 6	WOODFORD	106	53
7	GENEVA CUSD 304	KANE	065	33
8	GRASS LAKE SD 36	LAKE	064	32
9	HILLSBORO CUSD 3	MONTGOMERY	095	48
10	IROQUOIS WEST CUSD 10	IROQUOIS	105	53
11	JAMP SPECIAL EDUCATION	PULASKI	118	59
12	LAKE BLUFF ESD 65	LAKE	058	29
13	MASCOUTAH CUSD 19	ST CLAIR	114	57
14	MILFORD CCSD 280	IROQUOIS	106	53
15	OLYMPIA CUSD 16	MCLEAN	088	44
16	PRAIRIEVIEW-OGDEN CC 197	CHAMPAIGN	104	52

FY09 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY09 APPLICATION CYCLE ENDED APRIL 1, 2008

	SCHOOL DISTRICT	COUNTY	H	S
1	BRIMFIELD CUSD 309	PEORIA	073	37
2	CARTERVILLE CUSD 5	WILLIAMSON	117	59
3	CHRISTOPHER USD 99	FRANKLIN	117	59
4	GRANT CHSD 124	LAKE	064	32
5	GURNEE SD 56	LAKE	060	30
6	ILLINI WEST HSD 307	HANCOCK	094	47
7	JERSEY CUSD 100	JERSEY	100	50
8	KINNIKINNICK CCSD 131	WINNEBAGO	069	35
9	MARION CUSD 2	WILLIAMSON	117	59
10	NEW ATHENS CUSD 60	ST CLAIR	116	58
11	RIDGEWOOD HSD 234	COOK	020	10
12	SEDOL (used dist. 121 H & S)	LAKE	061	31
13	SMITHTON CCSD 130	ST CLAIR	114	57
14	SPARTA CUSD 140	RANDOLPH	116	58
15	WATERLOO CUSD 5	MONROE	116	58
16	WHITESIDE SD 115	ST CLAIR	114	57

FY10 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY10 APPLICATION CYCLE ENDED APRIL 1, 2009

	SCHOOL DISTRICT	COUNTY	H	S
1	BELLWOOD SD 88	COOK	007	04
2	CCSD 168	COOK	033	17
3	ESWOOD CCGS 269	OGLE	090	45
4	EAST PEORIA CHSD 309	TAZEWELL	091	46
5	KENILWORTH SD 38	COOK	018	09
6	OLYMPIA CUSD 16	MCLEAN	088	44
7	RIVER TRAILS SD 26	COOK	057	29
8	SCHUYLER-INDUSTRY USD 5	SCHUYLER	093	47
9	ST CHARLES CUSD 303	KANE	065	33
10	THORNTON THSD 205	COOK	029	15
11	WILMETTE SD 39	COOK	017	09
12	WINNETKA SD 36	COOK	018	09

FY11 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY11 APPLICATION CYCLE ENDED APRIL 1, 2010

	SCHOOL DISTRICT	COUNTY	H	S
1	CRYSTAL LAKE CCSD 47	MCHENRY	064	32
2	DELAVAN CUSD 703	TAZEWELL	087	44
3	ELMWOOD CUSD 322	PEORIA	073	37
4	EVANSTON SKOKIE SD 65	COOK	018	09
5	GALESBURG CUSD 205	KNOX/WARREN	074	37
6	LAGRANGE ESD 102	COOK	007	04
7	MONMOUTH-ROSEVILLE CUSD 238	WARREN	094	47
8	NEW TRIER TWP HSD 203	COOK	018	09
9	PRAIRIE HILLS ESD 144	COOK	038	19
10	TOWNSHIP HSD 214	COOK	053	27
11	URBANA SD 116	CHAMPAIGN	103	52
12	WESTERN SPRINGS PSD 101	COOK	047	24

FY12 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY12 APPLICATION CYCLE ENDED APRIL 1, 2011

	SCHOOL DISTRICT	COUNTY	H	S
1	DECATUR SD 61	MACON	096	48
2	DIXON SD 170	LEE	090	45
3	EL PASO-GRIDLEY CUSD 11	WOODFORD	106	53
4	GIBSON CITY-MELVIN-SIBLEY 5	FORD	106	53
5	LASALLE PUBLIC ESD 122	LASALLE	076	38
6	LIBERTY CUSD 2	ADAMS	094	47
7	WASHINGTON CHSD 308	TAZEWELL	088	44
8	WINCHESTER CUSD 1	SCOTT	100	50

FY13 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY13 APPLICATION CYCLE ENDED APRIL 1, 2012

	SCHOOL DISTRICT	COUNTY	H	S
1	COUNTY OF WOODFORD SD 122	WOODFORD	073	37
2	MADISON CUSD 12	MADISON	113	57
3	ROANOKE-BENSON CUSD 60	WOODFORD	106	53
4	SANGAMON-VALLEY CUSD 9	MACON	096	48

FY14 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY14 APPLICATION CYCLE ENDED APRIL 1, 2013

	SCHOOL DISTRICT	COUNTY	H	S
1	CHESTER CUSD 139	RANDOLPH	116	58
2	HALL HSD 502	BUREAU	076	38
3	LADD CCSD 94	BUREAU	076	38
4	PRINCEVILLE CUSD 326	PEORIA	073	37
5	QUINCY PUBLIC SD 172	ADAMS	094	47
6	ROCKFORD PSD 205	WINNEBAGO	067	34
7	TRI CITY CUSD 1	SANGAMON	087	44

FY15 SCP APPLICATION CYCLE
ALPHABETICAL LIST OF PENDING APPLICATIONS
FY15 APPLICATION CYCLE ENDED APRIL 1, 2014

	SCHOOL DISTRICT	COUNTY	H	S
1	ARTHUR CUSD 305	DOUGLAS	102	51
2	HARVEY SD 152	COOK	118	59
3	INDIAN VALLEY VOC CENTER	DEKALB	090	45
4	MERIDIAN CUSD 101	PULASKI	030	15

APPENDIX C: Capital Plans of State Universities

The following tables list capital projects for the nine State universities as received by the Commission.

CHICAGO STATE UNIVERSITY

Project Type:	Approval Status by Board/Agency	Project Start Date	Est Proj End Date	Total Cost (thousands)	FY18 Budget Request	Final Yr of Funding	Financing
Master Plan Update	Board (Y)	2017	2018	530.5			Operating
Nursing Lab (Simulated Hospital in addition to)	Board (Y)/ State (Pending)	2017	2019	12,024.0			State Request
Library Exterior Water Infiltration	Board (Y)/ State (Pending)	2017	2019	4,306.0			State Request
Campus Perimeter Lighting	Board (Y)/ State (Pending)	2017	2019	2,491.4			State Request
Funds to Complete Library Plaza	Board (Y)/ State (Pending)	2017	2019	1,474.4			State Request
ChildCare Center (escalation/equipment/play yard)	Board (Y)/ State (Pending)	2018	2019	3,582.0			CDB
Robinson University Center (Interior Buildout)	CDB (Y-planning)	2018	2021	52,536.0			CDB
Construction of a Data Center	Board (Y)/ State (Pending)	2017	2019	573.0			State Request
OnCampus Track & Field Indoor/Outdoor renovation	Board (Y)/ State (Pending)	2017	2019	1,300.0			State Request
Aquaponics	Board (Y)/ State (Pending)	2017	2019	6,482.0			State Request
Douglas Hall Renovation	Board (Y)/ State (Pending)	2013	2014	15,112.5			State Grant
Site Improvements (roadways/entrance/turnaround)	Board (Y)/ State (Pending)	2017	2019	4,954.3			Operating
Replacement of Basketball Court	Board (Y)/ State (Pending)	2017	2018	257.5			State Request
On-campus Soccer Field	Board (Y)/ State (Pending)	2017	2018	360.5			State Request
Remodeling of the Breakey Theater	Board (Y)/ State (Pending)	2017	2019	2,000.0			State Request
Remodeling of the Radio and Television Facilities	Board (Y)/ State (Pending)	2017	2019	2,000.0			State Request
Expansion of the 2nd Floor O&M for Police	Board (Y)/ State (Pending)	2017	2019	771.0			State Request
Science Building Laboratory (Remodel SE Wing)	Board (Y)/ State (Pending)	2017	2020	13,112.7			State Request
College of Business Building Planning	Board (Y)/ State (Pending)	2017	2018	819.6			State Request
New Science Building Planning	Board (Y)/ State (Pending)	2017	2019	1,092.7			Grant
Construction of New Science Building	Board (Y)/ State (Pending)	2019	2022	190,962.0			State Request
Residence Hall Expansion Planning	Board (Y)	2017	2018	848.7			State Request
Student Financial Outreach (escalation/underfunding)	Board (Y)/ State (Pending)	2017	2019	5,797.0			State Request
Westside Campus	Board (Y)/ State (Pending)	2017	2020	61,280.0			State Grant
Capital Renewal	various stages of approval	2017	2020	33,221.0			State Request
TOTAL				$417,888.8	-		

EASTERN ILLINOIS UNIVERSITY							
Project Type:	**Approval Status by Board/Agency**	**Project Start Date**	**Est Proj End Date**	**Total Cost (thousands)**	**FY18 Budget Request**	**Final Yr of Funding**	**Financing**
New Science Building					$112,190.8		State Funds
Rehabilitate Life Science/Coleman HVAC and Plumbing, Escalation					$1,932.2		State Funds
Repurpose Steam Production Facilities					$47,943.0		State Funds
Fire Alarm Upgrades					$5,340.5		State Funds
Upgrade Utilities Infrastructure					$30,116.7		State Funds
Energy Conservation - upgrade fume hoods					$6,611.9		
Upgrade Electrical					$7,932.4		State Funds
Rehab Klehm Hall HVAC & plumbing					$3,596.0		State Funds
Energy Efficient upgrades HVAC-Physical Sciences/Klehm hall					$1,888.0		State Funds
Replace Campus compresses air distribution piping					$1,513.0		State Funds
Physical Sciences emergency generator					$698.0		State Funds
TOTAL					$219,762.5		

GOVERNORS STATE UNIVERSITY							
Project Type:	**Approval Status by Board/Agency**	**Project Start Date**	**Est Proj End Date**	**Total Cost (thousands)**	**FY18 Budget Request**	**Final Yr of Funding**	**Financing**

Governors State University states they have no capital budget at this time, due to the State's budget impasse.

TOTAL				$0.0			

ILLINOIS STATE UNIVERSITY Project Type:	Approval Status by Board/Agency	Project Start Date	Est Proj End Date	Total Cost (thousands)	FY18 Budget Request	Final Yr of Funding	Financing
Milner Library Rehabilitation				$ 84,494.0	$ 84,494.0		State Funding
Mennonite College of Nursing Building				$ 28,933.0	$ 28,933.0		State Funding
College of Education Facilities Rehab/Construction				$ 86,948.0	$ 86,948.0		State Funding
University High School Replacement				$ 57,861.0	$ 57,861.0		State Funding
Williams Hall Renovation				$ 31,309.0	$ 31,309.0		State Funding
Capital Renewal Projects				$ 3,064.0	$ 3,064.0		State Funding
Fine Arts Complex - Planning		*		$ 54,300.0			State Funding/CDB
Schroeder Hall Phase II Enhancement		*		$ 1,900.0			State Funding/CDB
Capen Auditorium Rehab		*		$ 1,564.0			Capital Renewal
Felmley Hall Steam Conversion		*		$ 3,000.0			Capital Renewal & University Funds
Watterson Commons Expansion				$ 8,500.0			Campus Dining Services Reserves
Bone Student Center Revitalization - Phase 1	IBHE 2013			$ 32,900.0			Bond Revenue Reserves; Institutional
Parking Lot Resurfacing				$ 1,400.0			Bond Revenue Reserves
Campus Recration - Gregory St. Phase I				$ 2,150.0			Recreation Facilities Reserves; Student Activity Fees
Roof Replacements - Julian Hall; Nelson Smith Building; Hovey Hall				$ 1,900.0			Institutional; COPs
ResNet Network Upgrades				$ 1,800.0			Residence Hall Reserves
Redbird Arena Scoreboard				$ 950.0			Corporate Sponsorship
West Campus Fire Alarms				$ 940.0			Bond Revenue Reserves
TOTAL				$403,913.0	$292,609.0		

* CDB suspended all projects, effective July 1, 2015, until further notice

NORTHEASTERN ILLINOIS UNIVERSITY							
Project Type:	**Approval Status by Board/Agency**	**Project Start Date**	**Est Proj End Date**	**Total Cost (thousands)**	**FY18 Budget Request**	**Final Yr of Funding**	**Financing**
Education Building	Board (yes)/ CDB(yes)			$72,977.2			State Financing/CDB
Education Building equipment	Board (yes)/ CDB(no)			$9,850.0			State Financing/CDB
Carruthers Center for Inner City Studies renovation	Board (yes)/ CDB(no)			$20,068.6			State Financing/CDB
Science Buidling planning, construction, equipment	Board (yes)/ CDB(no)			$130,289.0			State Financing/CDB
Building F Performing Arts remodel and expansion	Board (yes)/ CDB(no)			$23,753.1			State Financing/CDB
Lech Walesa Hall remodeling	Board (yes)/ CDB(no)			$13,238.7			State Financing/CDB
Ronald Williams Library renovation	Board (yes)/ CDB(no)			$30,660.0			State Financing/CDB
Capital Renewal - electric cable replacements, roof replacements, exterior entrances and walkways, Building D & E exterior window wall replacement	Board (yes)/ CDB(no)			$14,039.4			State Financing/CDB
TOTAL				$314,876.0			

NORTHERN ILLINOIS UNIVERSITY							
Project Type:	**Approval by Board/ Agency**	**Project Start Date**	**Est Proj End Date**	**Total Cost (thousands)**	**FY18 Budget Request**	**Final Yr of Funding**	**Financing**
Computer Science, Health Informatics & Technology Center				$62,476.30			State Funds
Davis Hall Renovation				$38,357.0			State Funds
Roadway Configuration and Repair				$6,802.6			State Funds
Wirtz Hall Renovation				$18,233.0			State Funds
TOTAL				$125,868.9	$0.0		

SOUTHERN ILLINOIS UNIVERSITY

Project Type:	Approval Status by Board/Agency	Project Start Date	Est Proj End Date	Total Cost (thousands)	FY18 Budget Request	Final Yr of Funding	Financing
Southern Illinois University states they have no capital budget at this time, due to the State's budget impasse.							
subtotal				unknown	$0.0		

UNIVERSITY OF ILLINOIS

Project Type:	Approval Status by Board/Agency	Project Start Date	Est Proj End Date	Total Cost (thousands)	FY18 Budget Request	Final Yr of Funding	Financing
Urbana - Champaign							
Memorial Stadium	request FY 2018			$137,000.0			Revenue Bond 30 yr
Illinois Street Residence Hall	request FY 2017			$69,760.0			Revenue Bond 30 yr
Chicago							
No project at this time							
Springfield							
No project at this time							
TOTAL				$137,000.0	$0.0		

WESTERN ILLINOIS UNIVERSITY

Project Type:	Approval Status by Board/Agency	Project Start Date	Est Proj End Date	Total Cost (thousands)	FY18 Budget Request	Final Yr of Funding	Financing
Western Illinois University states they have no plans for major capital projects at this time, due to the State's budget impasse. There are projects under review, but no funding sources have been identified.							
TOTAL				$0.0			

APPENDIX D: RTA & Service Boards Capital Plans

Capital projects for the Chicago Transit Authority, METRA and PACE under the Regional Transportation Authority, based on the RTA's 2017-2021 five-year Capital Program (in millions).

CHICAGO TRANSIT AUTHORITY **Projects Remaining from FY 2017-2019:**	**Five Yr Cost**	**2017**	**2018**	**2019**
BUS				
Rolling Stock - Bus overhauls and new purchases	**$167.3**	$39.9	$28.3	$37.3
RAIL				
Rolling Stock - Rail Car overhaul and purchases	**$343.4**	$62.5	$50.1	$46.2
Rail Line Modernization and Improvements	**$1,822.3**	$970.2	$412.2	$111.5
Track & Structure	**$79.1**	$17.1	$16.9	$15.0
Electrical, Signal & Communications	**$36.7**	$19.7	$8.5	$8.5
Support Facilities and Equipment	**$75.0**	$17.9	$15.0	$8.4
Stations & Passenger Facilities	**$73.1**	$60.2	$2.9	$2.0
SYSTEMWIDE				
Electrical, Signal & Communications	**$37.6**	$9.6	$7.0	$7.0
Support Facilities and Equipment	**$114.7**	$26.2	$21.0	$33.8
Miscellaneous	**$21.8**	$0.0	$6.4	$15.5
Contingencies & Administration	**$32.9**	$6.1	$6.7	$6.7
TOTAL (in millions)	**$2,803.9**	$1,229.4	$575.0	$291.9

METRA **Projects Remaining from FY 2017-2019:**	**Five Yr Cost**	**2017**	**2018**	**2019**
Rolling Stuck - Commuter Cars & Electric Cars	**$591.9**	$90.5	$96.7	$98.8
Track & Structure	**$184.8**	$49.0	$24.8	$28.8
Electrical, Signal & Communications	**$135.2**	$61.8	$42.5	$19.1
Support Facilities and Equipment	**$120.2**	$41.0	$17.6	$29.4
Stations & Passenger Facilities	**$79.4**	$17.1	$8.8	$17.0
Miscellaneous - System Security, Engineering, capital	**$9.8**	$2.5	$2.0	$2.0
Contingencies & Administration	**$84.9**	$17.8	$19.1	$19.7
TOTAL (in millions)	**$1,206.2**	$279.7	$211.5	$214.8

PACE **Projects Remaining from FY 2017-2019:**	**Five Yr Cost**	**2017**	**2018**	**2019**
BUS				
Rolling Stock - Buses, Paratransit, Community Vehicles purchases	**$209.1**	$77.5	$30.4	$34.8
Electrical, Signal & Communications	**$5.2**	$1.7	$1.7	$1.8
Support Facilities and Equipment	**$108.1**	$57.2	$10.0	$10.3
Stations & Passenger Facilities	**$18.0**	$2.5	$4.8	$4.3
Miscellaneous - unanticipated capital	**$1.3**	$0.3	$0.3	$0.3
TOTAL (in millions)	**$341.7**	**$139.2**	**$47.2**	**$51.5**

RTA - System **Projects Remaining from FY 2017-2019:**	**Five Yr Cost**	**2017**	**2018**	**2019**
Stations & Passenger Facilities	**$0.5**	$0.5	$0.0	$0.0
TOTAL (in millions)	**$0.5**	**$0.5**	**$0.0**	**$0.0**
RTA GRAND TOTAL (in millions)	**$4,352.3**	**$1,648.8**	**$833.7**	**$558.2**

2017-2021 Funding Available (in million)

	State Bonds - Transportation B	**IDOT**	**Federal**	**RTA/ Service Boards/ Local**	**RTA Bonds**	**CTA Bonds| Pace Bonds**	**TOTAL**
CTA	$0.0	$0.0	$2,352.0	$743.2	$154.0	$287.2	**$3,536.4**
METRA	$0.0	$0.0	$891.5	$176.0	$138.6	$0.0	**$1,206.1**
PACE	$0.0	$78.1	$221.4	$17.7	$15.4	$9.0	**$341.6**
RTA System	$0.0	$0.0	$0.0	$0.5	$0.0	$0.0	**$0.5**
TOTAL	**$0.0**	**$78.1**	**$3,464.9**	**$937.4**	**$308.0**	**$296.2**	**$5,084.6**

Appendix E

Authorities and State Universities: Boards of Directors

AUTHORITIES	Terms	City	County
Central Illinois Economic Development Authority			
Jim Hahn, Chair	-2020	Taylorville	Christian
Ruth Stauffer, Vice Chair	-2013	Clinton	DeWitt
Andy Goleman, Treasurer	-2019	Divernon	Sangamon
Jay Dunn, Secretary	-2016	Decatur	Macon
Ben Denney		Springfield	Sangamon
Dale Hagen	-2015	Brussels	Calhoun
Heather Hampton-Knodle	-2020	Fillmore	Montgomery
Edward Heck	2011-2019	Nokomis	Montgomery
Rachel Joy	2011-2015	Decatur	Macon
Everett Allen Lash	2011-2014	Jerseyville	Jersey
Rhonda Linders		Grafton	Jersey
Shirley McCombs	-2016	Petersburg	Menard
Sandra Schmidt	-2015	Greenfield	Greene
Anthony Wiggins		Carlinville	Macoupin
Tim Dudley, DCEO, ex-officio			
Eastern Illinois Economic Development Authority			
Ken Barragree	2016-2019	Watseka	Iroquois
Ben Denney		Springfield	Sangamon
Jeff Lahr	2009-2015	Charleston	Coles
Todd Lee	2008-2018	Danville	Vermillion
George Levi	2008-2013	Sullivan	Moultrie
David McCabe	2009-2015	Bethany	Moultrie
Jim Mikeworth		Robinson	Douglas
Frank Mullholland		Shelbyville	Shelby
Elynor Stagen	2012-2018	Gibson City	Ford
Mitch Swim	2013-2019	Mahomet	Champaign
Pete Templeton	2010-2016	Paris	Edgar
Donna Dalton, DCEO, ex-officio		Champaign	Champaign
Vacancy			
Vacancy			
Illinois Finance Authority			
R. Robert Funderburg, Jr., Chair	2014-2019	Rockford	Winnebago
Gila J. Bronner, Vice Chair	2010-2017	Highland Park	Lake
Eric Anderberg	2015-2019	Rockford	Winnebago
James J. Fuentes	2005-2018	South Barrington	Cook
Michael W. Goetz	2005-2014	Springfield	Sangamon
Robert Home	2015-2018	Winnetka	Cook
Arlene Juracek	2015-2019	Mt. Prospect	Cook
Lerry Knox	2012-2019	Chicago	Cook
Lyle McCoy	2015-2019	Lake Forest	Lake
George Obernagel	2016-2018	Waterloo	Monroe
Terrence M. O'Brien	2004-2017	Glenview	Cook
Roger E. Poole	2009-2017	Smithton	St. Clair
Beth Smoots	2016-2019	River Forest	Cook
John Yonover	2015-2017	Chicago	Cook
Bradley A. Zeller	2005-2015	Alexander	Morgan

AUTHORITIES	Terms	City	County
Illinois Housing Development Authority			
King Harris, Chair	2016-2019	Chicago	Cook
Karen A. Davis, Vice Chair	2005-2017	Maryville	Madison
Mary Kane, Treasurer	2005-2017	Edwardsville	Madison
Sam Tornatore, Secretary	2013-2019	Roselle	DuPage
Harlan Karp	2013-2017	Northbrook	Cook
William Malleris	2011-2017	Naperville	DuPage
Luz Ramirez	2017-2021		
Alyssa Rapp	2015-2019	Winnetka	Cook
Jeff Tinervin	2017-2021		
Illinois Sports Facilities Authority			
Manny Sanchez, Chair	2015-2017	Lisle	DuPage
Rosemarie Andolino	2015-2018	Chicago	Cook
Norman R. Bobins	2011-2019	Chicago	Cook
Richard Price	2012-2017	Chicago	Cook
Timoty Rand	2015-2019	Chicago	Cook
James Reynolds, Jr.	2011-2018	Chicago	Cook
Jeffrey Yordon	2015-2018	Inverness	Cook
Illinois State Toll Highway Authority			
Robert Schillerstrom, Chair	2015-2017		DuPage
James J. Banks	1993-2017	Chicago	Cook
Corey Brooks	2015-2019		Cook
Earl Dotson, Jr.	2013-2017	Roscoe	Winnebago
Joseph Gomez	2015-2019		Cook
David A. Gonzales	2011-2019	Chicago Heights	Cook
Craig Johnson	2015-2019		Cook
Neli Vazquez Rowland	2016-2019		DuPage
James M. Sweeney	2011-2017	Chicago	Cook
Governor Bruce Rauner, ex officio			
IDOT Secretary Randall S. Blankenhorn, ex officio			
Illinois Student Assistance Commission			
Kevin Huber, Chair	2011-2021	Libertyville	Lake
Miguel del Valle	2011-2013	Chicago	Cook
Asaf Bar-Tura	2017-2017		
Niketa Brar	2017-2021		
Mark Donovan	2011-2013	Chicago	Cook
Kendall Griffin	2011-2015	Brookfield	Cook
Claudia Quezada	2017-2017		
Kim Savage	2011-2019	Darien	DuPage
Joliet Arsenal Development Authority			
Walter Strawn, Chair	1995-2015	Jackson Township	
Wayne McMillan, Vice Chair	2001-2005		Will
Mattie Becker, Secretary/Treasurer	1995-2015	Manhattan Village	
Chris Adler	2011-2013		
Tim Brophy	2011-2013		
Mayor Alan Darr	1999-2015	Village of Symerton	
Warren Dorris	1997-2007	Joliet	Will
William Koehler	2006-2009	Joliet	Will
Jay Plese	2003-2007	Wilmington	Cook
Roy Strong	2009-2013	Wilmington	Cook

AUTHORITIES	Terms	City	County
Metropolitan Pier and Exposition Authority			
Brett Hart, Chair	2016-2020	Chicago	Cook
Robert Reiter, Vice Chair	2012-2016	Orland Park	Cook
Julie Chavez, Secretary/Treasurer	2012-2017	Chicago	Cook
Olga Camargo	2015-2019	Chicago	Cook
Daniel Hynes	2012-2020	Chicago	Cook
David Kahnweiler	2015-2019	Winnetka	Cook
Roger J. Kiley	2012-2018	Chicago	Cook
Terrance McGann	2013-2017	Darien	DuPage
Ronald E. Powell	2012-2015	Mundelein	Lake
Quad Cities Regional Economic Development Authority			
James P. Jacobs, Chair	2002-2013	Rock Island	Rock Island
Ann DeSmith, Vice-Chair	2009-2015	Atkinson	Henry
Mark A. Appleton, Treasurer	1997-2003	Aledo	Mercer
Scott Verschoore, Secretary	2000-2008	Moline	Rock Island
Robert Anderson	2002-2004	Moline	Rock Island
Kurt Brunner	2012-2015	Mount Carroll	Carroll
Harry S. Coin	2014-2017	Moline	Rock Island
Salvador Garza		Galesburg	Knox
Jeff McWhorter	2013-2016	Aledo	Mercer
Ken Springer		Galesburg	Knox
Betty Steinert	2014-2016	Morrison	Whiteside
John Thompson	2015-2017	Dixon	Lee
Bill Tonne	2015-2017	Hanover	Jo Daviess
Theresa Wittenauer	2013-2014	Rock Falls	
David Young	2014-2016	Freeport	Stephenson
Bob Westover, DCEO, ex officio		Springfield	Sangamon
Railsplitter Tobacco Settlement Authority			
Tim Nuding, Budget Director			DuPage
Rory Hoskins	2010-		Cook
Jennifer Woodard	2010-		Cook
Regional Transportation Authority			
Kirk W. Dillard, Chair	2014-2019	Hinsdale	
Anthony Anderson	2012-2018	Chicago	Cook
James Buchanan	2007-2017	Chicago	Cook
William R. Coulson	2006-2016	Glenview	Cook
Donald P. DeWitte	2013-2017	St. Charles	Kane
Patrick J. Durante	1999-2019	Addison	DuPage
John Frega	2011-2016	Riverside	Cook
Philip Fuentes	2008-2017	Chicago	Cook
Ryan S. Higgins	2016-		
Blake Hobson	2013-2018	Lakewood	McHenry
Michael W. Lewis	2013-2018	Olympia Fields	Cook
Dwight A. Magalis	1999-2019	Libertyville	Lake
Christopher C. Melvin, Jr.	2012-2018	Chicago	Cook
Sarah Pang	2012-2017	Chicago	Cook
J.D. Ross	2008-2018	Joliet	Will
Douglas M. Troiani	1995-2015	Chicago Heights	Cook

AUTHORITIES	Terms	City	County
Southeastern Illinois Economic Development Authority			
D.R. Smith, Chair	2005-2010	Robinson	Crawford
Jeffrey Beckman	2012-	Vandalia	Fayette
Heather Cooper	2012-2014	Mt. Vernon	Jefferson
Charles A. Crowder	2012-2013	Flora	Clay
John Evans			Wabash
Larry Flach	2012-2014	Montrose	Cumberland
Todd Hull	2012-	Effingham	Effingham
Larry Kramer	2012-2013	Flora	Clay
Todd Kuhn		Marshall	Clark
Eric Seitzinger		Sumner	Lawrence
Gary Stuessel	2012-2014	Mt. Carmel	Wabash
Tom Web		Toledo	Cumberland
Bill Weber	2012-	Ingraham	Jasper
Vacancy, ex officio			Lawrence
13 Vacancies			
Southern Illinois Economic Development Authority			
Hervey Davis	2012-2014		Franklin
Willam Dill	2012-2013		Franklin
Kathy Lively	2013-2017		Williamson
Robert Mees	2012-2015		Williamson
Joseph Moore	2012-2016		Williamson
Kelly Stewart	2012-2013		Franklin
J.D. Williams	2012-		Saline
Pete Witkewiz	2013		Franklin
Jim Schultz, DCEO, ex-officio			
12 Vacancies			
Southwestern Illinois Development Authority			
James S. Nations, Chair	2000-2017	Swansea	St. Clair
Reggie Sparks, Vice-Chair	1997-2018	Dorsey	Madison
John Hipskind	2011-2014	Fairview Heights	St. Clair
Thomas Hoechst	2015-2017	Alton	Madison
Barbara S. Johnson	2004-2007	Swansea	St. Clair
Kevin Kaufhold	2011-2013	Belleville	St. Clair
Gregory Kuehnel	2011-2014	Bethalto	Madison
David A. Miller	2006-2007	Belleville	St. Clair
Jim Sullivan	2003-2014	Trenton	Clinton
Rickie Thomas	2016-2019	Washington Park	St. Clair
Kennard Tucker	2011-2014	Fairview Heights	St. Clair
Dave Willey	2007-2011	Greenville	Bond
Erika Kennett, DCEO, ex officio	2016-	O'Fallon	St. Clair
Kevin Jemison, DOT, ex officio	2016-	Troy	Madison
Tri-County River Valley Development Authority			
Russ Crawford, Chair	2010-2016	East Peoria	Tazewell
Jimmy Dillon, Vice-Chair		West Peoria	Peoria
John Abel		Pekin	Peoria
Laraine Bryson	2012-2014	Peoria	Peoria
Michael Everett	2012-2015	Washington	Tazewell
Martin J. Helfers	2013-2016	Normal	McLean
Ty Livingston		East Peoria	Tazewell
Tim Schoon		Washburn	Woodford
Christopher Setti		Peoria	Peoria
Wayne Rosenthal, DNR, ex officio		Springfield	Sangamon
Tony Rolando, DCEO, ex officio		Canton	Fulton

AUTHORITIES	Terms	City	County
Upper Illinois River Valley Development Authority			
Kevin Olson, Chair	2000-2013	Morris	Grundy
Dennis Hackett, Treasurer	2003-2004	Morris	Grundy
William Steep, Secretary	2002-2005	Ottawa	LaSalle
Robert Bakewell	2009-2017	Wenona	Marshall
James Ghiglieri, Jr.	2002-2004	Toluca	Marshall
Michael Guilfoyle	1998-2016	Mendota	LaSalle
Deb Ladgenski	2009-2012	Spring Valley	Bureau
Phillip McCully	2002-2005	Toluca	Marshall
William Meagher	2002-2004	LaSalle	LaSalle
Greg Meyers	2000-2016	Aurora	Kane
Terry Schierholz		Springfield	Sangamon
Kurt Schneider	2012-2015	Crystal Lake	McHenry
Thomas Setchell	2002-2005	Ottawa	LaSalle
John Shaw	2002-2004	Yorkville	Kendall
Gilbert Tonozzi	2009-2015	Hennepin	Putnam
Jeffrey Wilkins	2002-2014	Aurora	Kendall
Carrie Zethmayr		Chicago	Cook
Vacancy, CMS, ex officio		Springfield	Sangamon
Vacancy, DCEO, ex officio		Evanston	Cook
Vacancy			
Western Illinois Economic Development Authority			
H.O. Brownback, Chair	2007-2019	Ashland	Cass
Rober Bucher	-2015	Lewistown	Fulton
Tiffany Cole	-2006	Monmouth	Warren
Terry Denison		Jacksonville	Morgan
Salvador Garza		Galesburg	Knox
Monte Graham	2005-2006	Havana	Fulton
Robin Allen Johnson	2010-2017	Monmouth	Warren
Mike McLaughlin	2006-2016	Quincy	Adams
Travis Pence		Biggsville	Henderson
Terry Pope		Carthage	Hancock
Shawn Rennecker	-2015	Winchester	Pike
Bob Schafer		Murrayville	Scott
Terry Schierholz		Springfield	Sangamon
L. Scott Schwerer	2010-2016	Blandinsville	McDonough
Hubert G. Staff	2005-2009	Quincy	Adams
Ed Teefey	2008-2014	Mount Sterling	Brown
Ken Walker		Havana	Mason
Vacant, CMS, ex officio			
Vacant, DCEO, ex officio			
2 Vacancies			
Will Kankakee Regional Development Authority			
Nelson Collins, Chair	2013-2017	Beecher	Will
Alice Argyelan, Vice-Chair	2009-2015	Bourbonnais	Kankakee
Phillip Williams, Treasurer	2008-2017	Lockport	Will
Debbie Lucas	2014-2017	Bourbonnais	Kankakee
Vic Narusis		Chicago	Cook
Barbara Peterson	1997-2003	Beecher	Will
Vacancy, DCEO, ex officio		Evanston	Cook
3 Vacancies			

STATE UNIVERSITIES	Terms	City	County
Chicago State University			
Kambium Buckner	2017-2023		Cook
Nicholas Gowen	2017-2023		Cook
Tiffany Harper	2017-2023		Cook
Dr. Marshall Hatch, Sr.	2015-2019		Cook
Dr. Horace Smith	2013-2019		Cook
Paul Vallas	2017-2023		Cook
Nikki M. Zollar, Esq.	2011-2019		Cook
Paris Griffin, Student Trustee	2016-2017		Cook
Larry Owens, Ex-Officio			
Cecil B. Lucy, Ex-Officio			
Eastern Illinois University			
Joseph R. Dively, Chair	2011-2023	Charleston	Coles
Kristopher Goetz, Vice-Chair	2011-2017	Lombard	DuPage
Timothy Burke, Secretary	2015-2019	Evanston	Cook
Dan Caulkins, pro tem	2015-2023	Decatur	Macon
Jan Spivey Gilchrist	2013-2019	Olympia Fields	Cook
Carl Mito	2016-2019	Arlington Heights	Cook
Phillip Thompson	2017-2023		
Maralea Negron, Student Representative	2016-2017	Elgin	Cook
Governors State University			
Patrick Ormsby, Chair	2012-2023	Flossmoor	Cook
Lorraine Tyson, Vice Chair	2013-2019	Chicago	Cook
Bruce Friefeld, Secretary	1996-2019	Mokena	Will
Carney Barr	2017-2023		Cook
Corenelius Griggs	2017-2023		Cook
Masah Renwick	2017-2023		Cook
Anibal L. Taboas	2013-2019	Woodridge	DuPage
Yolanda Pitts, Student Member	2016-2017	Chicago	Cook
Illinois State University			
Rocky Donahue, Chair	2011-2019	Orland Park	Cook
Mary Ann Louderback, Secretary	2015-2021	Cary	McHenry
Robert Churney	2002-2019	Bartlett	DuPage
Robert Dobski	2015-2023	Bloomington	McLean
Julie A. Jones	2017-2023		
John Rauschenberger	2017-2023		
Sharon Rossmark	2017-2023		
Ryan Powers, Student Trustee	2016-2017	Mundelein	Lake
Northeastern Illinois University			
Carlos Azcoitia, Chair	2006-2023	Morton Grove	Cook
Jonathan J. Stein, Vice Chair	2011-2017	Wilmette	Cook
Barbara Fumo, Secretary	2011-2019	River Forest	Cook
Robert A. Biggins	2011-2019	West Chicago	DuPage
Sherry Eagle	2017-2023		
Marvin Garcia	2009-2019	Chicago	Cook
Eduardo Garza	2017-2021		
Jim Palos	2017-2023		
George Vukotich	2016-2021	River Forest	Cook
Olivia Clark, Student Trustee	2016-2017	Chicago	Cook

STATE UNIVERSITIES	Terms	City	County
Northern Illinois University			
John R. Butler, Vice-Chair	2007-2019	Chicago	Cook
Timothy Struthers, Secretary	2015-2023	DeKalb	DeKalb
Dennis Barsema	2017-2023		
Robert T. Boey	1996-2019	DeKalb	DeKalb
Wheeler G. Coleman	2011-2019	Chicago	Cook
Veronica Herrero	2017-2023		
Eric Wasowicz	2017-2023		
Matthew W. Holmes, Student Trustee	2016-2017	DeKalb	DeKalb
Southern Illinois University			
Randal Thomas, Chair	2013-2019	Springfield	Sangamon
Phil Gilbert, Vice Chair	2011-2021	Carbondale	Jackson
Joel Sambursky, Secretary	2013-2019	Carbondale	Jackson
Donna Manering	2011-2017	Makanda	Jackson
Shirley Portwood	2013-2019	Godfrey	Madison
Marsha Ryan	2017-2023		
Amy Sholar	2015-2021	Alton	Madison
Ryan Johnson, Student Trustee, SIUE	2016-2017	Washington	Tazewell
Naomi Tolbert, Student Trustee, SIUC	2016-2017	Carbondale	Jackson
Christopher Koch - ex-officio			
University of Illinois			
Edward L. McMillan, Chair	2009-2021	Greenville	Bond
Ramon Cepeda	2015-2021	Darien	DuPage
Ricardo Estrada	2011-2017	Chicago	Cook
Patrick J. Fitzgerald	2013-2019	Chicago	Cook
Karen A. Hasara	2009-2017	Springfield	Sangamon
Patricia Brown Holmes	2011-2017	Chicago	Cook
Dr. Timothy N. Koritz	2009-2019	Roscoe	Winnebago
James D. Montgomery, Sr.	2007-2019	Chicago	Cook
Jill B. Smart	2015-2021	Downers Grove	DuPage
Collin T. Schumock, UIUC Student Rep.	2016-2017	Geneva	Kane
Jauwan Hall, UIC Student Rep.	2016-2017	Chicago	Cook
Nathan C. Hoffman, UIS Student Rep.	2016-2017	Springfield	Sangamon
Bruce Rauner, Governor of Illinois, ex-officio			
Western Illinois University			
Cathy E. Early, Chair	2012-2023	Macomb	McDonough
Yvonne Savala, Vice Chair	2013-2019	East Moline	Rock Island
Roger Clawson, Secretary	2013-2019	Moline	Rock Island
Lyneir R. Cole	2011-2023	Chicago	Cook
Carolyn J. Ehlert Fuller	1998-2019	Milan	Rock Island
Todd Lester	2016-2023	Macomb	McDonough
Steven Nelson	2016-2023	Moline	Rock Island
Wil Gradle, Student Trustee	2016-2017	St. Charles	

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a not-for-profit bipartisan, joint legislative research commission, that provides the Illinois General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

1) Preparation of annual revenue estimates with periodic updates;
2) Analysis of the fiscal impact of revenue bills;
3) Preparation of State debt impact notes on legislation which would appropriate bond funds or increase bond authorization;
4) Periodic assessment of capital facility plans;
5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes research reports each year, a sample of which are listed below. In addition to a “Monthly Briefing”, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The “Legislative Capital Plan Analysis” examines the State's capital appropriations plan and debt position. “The Financial Conditions of the Illinois Public Retirement Systems” provides an overview of the funding condition of the State’s retirement systems. Also published are an Annual Fiscal Year “Budget Summary”; “Report on the Liabilities of the State Employees’ Group Insurance Program”; and “Report of the Cost and Savings of the State Employees’ Early Retirement Incentive Program”. The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. For a listing of all reports published, visit the Commission’s website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
(217) 782-3513 (FAX)

http://cgfa.ilga.gov