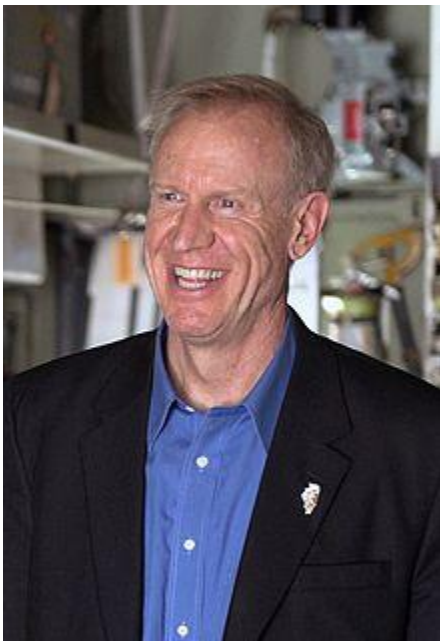


Gov. Rauner signs FY 2019 budget into law, he says holds line on taxes

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CHICAGO – Gov. Bruce Rauner today signed into law a \$38.5 billion bipartisan compromise budget that holds the line on taxes, increases funding for education, curbs spending, and creates a new adoption tax credit that will make it less costly for Illinois parents to adopt children.

“For the first time in years, we have an opportunity to manage our way into balance, and we don’t have to dip into the pockets of overtaxed Illinoisans to do it,” Rauner said.

“Balance is in reach because we were able to accomplish \$445 million of pension reform and the economy is stronger thanks to federal tax reform, and we are benefiting from an unexpected boost in tax receipts.”

“I’m signing this legislation because it is a step in the right direction, but it is not perfect,” he said. “We have a lot of work to do before we fully restore the state’s fiscal

integrity. We still need to enact reforms that bring down the cost of government, make the state friendlier to job creators, and ignite our state economy so it grows faster than government spending.”

The bulk of the FY19 plan was laid out months ago when the Governor gave his budget address to the General Assembly on Valentine’s Day. It was there that he framed his chief goals for the upcoming fiscal year: spending within our means, and no new taxes.

“I commend Governor Rauner for his leadership in helping get us a budget we can balance,” said Senate Republican Leader Bill Brady.

"This balanced budget was a bipartisan compromise that contains no new taxes and includes full year funding with appropriations for those who rely upon us - schools, universities, corrections, seniors, families, children and the underprivileged," House Republican Leader Jim Durkin said. "I have always said we can achieve great things when we respect the priorities and principles of our counterparts, and with this new framework I look forward to accomplishing more reforms for the state of Illinois."

“While not a perfect budget, the bipartisan, bicameral process led to a truly balanced budget that can help restore confidence and a foundation for greater fiscal stability,” said Sen. Heather Steans (D-Chicago).

"This year's balanced budget is the result of bipartisan negotiations," said Rep. Tom Demmer (R-Dixon). "It's a realistic and workable plan that supports schools, social services, and critical programs that serve the people of Illinois. However, our work isn't done. We still need to push for real reforms that will improve our economic outlook and provide more opportunities and jobs for families across Illinois."

The General Assembly adopted many of the Governor’s key agenda items. He listed some of them during a press conference attended by legislative leaders, sponsors and budget negotiators.

Blocked New Spending. Rauner and the Republican leaders staved off \$1 billion in spending increases by aggressively managing agency budgets and tabling \$500 million in spending increase proposals. That’s a billion and a half dollars in much-needed spending restraint.

Education Funding. The budget fully funds the new evidence-based formula the administration introduced in 2015 and signed into law last summer. There’s \$350 million in new K-12 dollars, which is up \$1.4 billion since 2015, and \$50 million for Early Childhood Education, which is up \$200 million since 2015. AIM HIGH scholarships get \$50 million to encourage Illinois high grads to attend Illinois

universities. The MAP grant program is funded for four years. Colleges get \$25 million of new money and the tuition tax credit program stays intact.

Pension Reform. The legislature addressed pension costs by making some modest reforms that will reduce long-term liabilities and save \$445 million this year.

Adoption Tax Credit. Rauner said he was “particularly proud” of the work on his measure to create tax credits to encourage more adoptions by Illinois parents. Parents who can provide stable, loving homes for needy children can qualify for tax credits up to \$5000 per child.

Illinois Innovation Network. The budget gives the University of Illinois System \$500 million to fund the Governor’s signature economic development program. The initial step is to get the Discovery Partners Institute up and running. DPI envisions a research and business public-private partnership that involves the entire Illinois university system and business innovators. U of I System estimates that the effort could spark \$4 billion in annual invested capital for Illinois and create hundreds of thousands of jobs.

Quincy Veterans’ Home. There is \$53 million in FY19 budget to get underway with the administration’s plan to construct a new veteran’s home in Quincy.

"This budget cuts more than a billion dollars in spending while investing in critical components of Illinois future, like: K-12 and higher education,” said Sen. Chapin Rose (R-Mahomet). “While more work remains to put Illinois on a path to true fiscal health, a balanced budget with no more tax hikes is a good start.”

“I am glad we were able to work across the aisle to pass a bipartisan, balanced budget again this year,” said budgeteer Rep. Greg Harris (D-Chicago). “I’m even more glad that our human services agencies, colleges, universities, cities, towns and school districts can provide quality services to Illinoisans without interruption.”

While hailing the advances, Rauner struck several cautionary notes. He said that the budget would require aggressive bipartisan management to achieve balance.

“Our office and the General Assembly have to monitor revenues closely, so we can manage spending, and they can manage appropriations,” he said. “That is key to bringing this budget into true balance.”

Finally, Rauner is concerned that the gusher of bipartisanship would “lull us to sleep” when it comes to urgent long-range fiscal needs.

“The compromise comes up short on key reforms,” he said. “Pensions, the bill back log, and property taxes loom large despite what good we may have done today. We have to find ways to address them or the state’s fiscal situation will continue to deteriorate.”

The Governor was surrounded at his press conference by legislators from both sides of the aisle. Each expressed their support for the bipartisan, bicameral effort.

“For too long, Illinois has been plagued with tax increases and out-of-balance budgets, which is why in the 15 years that I have served in the Illinois Senate I have never been able to support a budget until now,” said Sen. Pamela Althoff (R-McHenry). “This is by far the most responsible budget we’ve seen in quite some time. It’s amazing what can be accomplished with compromise and cooperation. However, it’s going to take a lot of hard work moving forward to ensure this budget stays balanced.”

Sen. Jacqueline *Collins* (D-Chicago) remarked, “Today's agreement is proof that both sides of the aisle can come together to compromise in the spirit of democracy on behalf of the people when we lay aside ego, theatrics, and ideology. A budget is a moral document, and this budget shares the sacrifices that will get us closer to fiscal responsibility, while ensuring that we care for the most vulnerable in Illinois.”

"This budget is good for the people of Illinois," said Rep. Patti Bellock (R-Hinsdale). "We achieved our main priorities of a full-year balanced budget and no tax increase. This budget also meets our strong commitment to mental health and combating opioid, alcohol and substance abuse addiction."

"The pension reforms included in this budget will offer serious savings to Illinois taxpayers for years to come," said Rep. Mark Batinick (R-Plainfield). "But this should be just the first in a number of steps that we must take to address the skyrocketing pension debt at all levels of government in Illinois. Only then will we be able to properly invest in programs that we need while providing much-needed tax relief to taxpayers and businesses across the state."

Sen. Dale Righter (R-Mattoon) said, “Today is a good day for Illinois. This budget is a true, bipartisan effort that respects taxpayer dollars and sets Illinois on a better fiscal path. Illinois still must address the need to pass pro-growth, pro-jobs reforms that can fundamentally change Illinois' fiscal and economic future for the better.”

“This budget is good for Illinoisans from Chicago and East Dubuque in the north to Cairo in the south, and from Quincy in the west to Danville in the east,” said Rep. Randy Frese (R-Paloma), “and especially for Quincy and the Illinois Veterans Home for which Gov. Rauner has been a true champion during his tenure in office.”

“It feels good to pass this budget. I’m glad my colleagues and I were able to work together in a bipartisan manner to craft a balanced spending plan that prioritizes the success of our young people in at-risk communities, invests in education and improves the quality of life for citizens across our state,” said Sen. Elgie R. Sims Jr. (D-Chicago), a Senate budget negotiator. “This budget will help put Illinois on the road to fiscal stability and make a difference in the lives of the people of the 17th Senate District and across the state of Illinois.”