

# Gov. Pritzker Hails Illinois' First Ratings Upgrade In Two Decades

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SPRINGFIELD – Governor JB Pritzker hailed the state’s improved bond rating from Moody’s Investor Service on Tuesday, the first such rating upgrade from a credit rating agency in more than 20 years. Since taking office, Gov. Pritzker has tirelessly focused on strong and responsible fiscal management, working with the General Assembly to hold the line on spending while making key investments to strengthen Illinois’ outlook.

Moody’s last upgraded the state’s bonds in June of 1998 and today’s upgrade credited “material improvements,” with only “constrained use of federal aid,” including increased pension payments, repayment of federal borrowing and keeping the bill backlog in check.

“I promised to restore fiscal stability to Illinois, and Moody’s ratings upgrade demonstrates that Illinois’ finances are heading in the right direction for the first time in two decades. A ratings upgrade pays momentous dividends for taxpayers, and the people of Illinois deserve credit for their incredible resilience and determination,” said Governor JB Pritzker. “This upgrade is the result of many leaders working together on a strong fiscal plan and putting that plan in place, and I would like to especially thank Speaker Welch, President Harmon, Leader Greg Harris, Senator Sims, Comptroller Mendoza and Treasurer Frerichs for their partnership. I also applaud Moody’s for answering our request to take a fresh look at the State and their willingness to listen to our progress and our plans.”

Moody’s upgraded Illinois’ rating on its General Obligation bonds from Baa3 with a stable outlook to Baa2 with a stable outlook, and also upgraded the Metropolitan Pier and Exposition Authority ratings to Baa3 from Ba1 based on the state’s support. Build Illinois bonds were upgraded to Baa2 from Baa3.

The rating of a state’s bonds is a measure of their credit quality. A higher bond rating generally means the state can borrow at a lower interest rate, saving taxpayers millions of dollars.

Today’s upgrade is the second positive rating action for the State of Illinois in a week, following an outlook improvement from Fitch.

### Key Actions – Responsible Fiscal Management

- After years of mismanagement under previous administrations, the Fiscal Year 2022 budget is Governor Pritzker’s third consecutive balanced budget. Two of those budgets were balanced during the once-in-a-lifetime global pandemic.

- The Pritzker administration worked with the General Assembly to seek and secure significant additional ongoing funding, particularly in generating more than \$500 million annually in federal Medicaid matching dollars and closing \$650 million in tax loopholes. This significantly reduces the state's structural budget deficit.
- The Fiscal Year 2022 budget is a responsible spending plan that is balanced, protects the state's most vulnerable Illinoisans, pays down the state's debts, and rebuilds the state stronger than ever as Illinois comes out of the pandemic. It:
- is balanced independent of the federal American Rescue Plan.
- fully funds the \$9.8 billion General Funds pension contribution.
- repays \$2 billion emergency Federal Reserve loan early, saving taxpayers tens of millions of dollars.
- repays funds Illinois borrowed from itself to ease cash flow.
- stays current on the state's bills, with bill payment delays at their lowest levels in years.