**State of Illinois**
Pat Quinn, Governor

# Illinois Capital Budget

## Fiscal Year 2010

# Illinois Jobs Now!

## Pat Quinn, Governor

# *THE FY 2010 CAPITAL BUDGET*

**STATE OF ILLINOIS**
**Pat Quinn**
**Governor**

Printed/Created by the Authority of the State of Illinois

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**State of Illinois**

For the Fiscal Year Beginning

**July 1, 2008**

President

Executive Director

*The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the* ***State of Illinois****, for its annual budget for the fiscal year beginning July 1, 2008 (fiscal year 2009). According to GFOA, this award "reflects the highest form of recognition in governmental budgeting." In order to receive this award, a governmental unit must satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the entity's budget serves as a policy document, as an operations guide, as a financial plan, and as a communications device.*

*The Government Finance Officers Association's Distinguished Budget Presentation Awards Program, established in 1984, recognizes exemplary budget documentation by state, provincial and local governments, as well as public universities and colleges. Entities participating in the program submit copies of their operating budgets for review. Each budget document is evaluated using a comprehensive evaluation checklist and those judged proficient receive the award.*

*We are very pleased to have received this national recognition. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.*

# TABLE OF CONTENTS

The Governor's Letter of Transmittal

**A READER'S GUIDE TO THE STATE OF ILLINOIS CAPITAL BUDGET ..... 1**
Introduction ..... 3
Budget Documents ..... 3
Budget Document Organization ..... 3
Constitutional Requirements of the Budgetary Process ..... 3
What Is a Capital Budget? ..... 3
How Is a Capital Budget Created? ..... 4
The Appropriation Process ..... 5
Differences between Capital and Operating Budgets ..... 6
Submission of a Separate Capital Budget ..... 6
Impact of Capital Expenditures on the Operating Budget ..... 6
Funding Sources for the Capital Budget ..... 7
Bond Authorization ..... 7

**THE FISCAL YEAR 2010 CAPITAL BUDGET: OVERVIEW ..... 8**
Illinois Jobs Now! ..... 10
Illinois Jobs Now! Highlights ..... 10
Illinois Jobs Now! Funding ..... 12
Historical Perspective ..... 13

***CHAPTERS: AGENCIES BY AREA***

**ECONOMIC DEVELOPMENT ..... 14**
Department of Commerce and Economic Opportunity ..... 16
Illinois Finance Authority ..... 17

**TRANSPORTATION ..... 19**
Illinois Department of Transportation ..... 21
Roads and Bridges (IDOT Road Program) ..... 21
Transit ..... 22
Rail ..... 24
Aeronautics ..... 25
Illinois State Toll Highway Authority ..... 25

**EDUCATION ..... 28**
Pre-K-12 Schools ..... 30
Public Universities ..... 30
Private Universities ..... 32
Community Colleges ..... 32

**ENVIRONMENT, ENERGY AND TECHNOLOGY ..... 35**
Department of Natural Resources ..... 37
Illinois Environmental Protection Agency ..... 38
Department of Commerce and Economic Opportunity ..... 39

**STATE FACILITIES ..... 46**

**DEBT MANAGEMENT ..... 51**
Initiatives ..... 53

State-Supported Indebtedness ..... 54
Other State-Supported Indebtedness ..... 59
State-Related Indebtedness ..... 59
Debt Management Appendix ..... 61

## *APPENDICES*

**APPROPRIATION PERSPECTIVE** ..... **68**
**APPENDICES**
Appendix A: Fiscal Year 2010 Capital Budget Supporting Charts ..... 69
Table 1: Differences between Capital and Operating Budgets ..... 69
Chart 1: 5-Year Savings Impact on the Operating Budget ..... 70
Chart 2: 5-Year Cost Impact on the Operating Budget ..... 70
Chart 3: Sources of Fiscal Year 2010 New Appropriations ..... 71
Chart 4: Uses of Fiscal Year 2010 New Appropriations ..... 71
Chart 5: Sources of Fiscal Year 2010 Reappropriations ..... 71
Chart 6: Uses of Fiscal Year 2010 Reappropriations ..... 71
Appendix B: Capital Budget Cash Flows ..... 72
Summary of Appropriated Capital Budget Funds ..... 72
Road Fund ..... 74
Motor Fuel Tax Fund ..... 75
Appendix C: Fiscal Year 2010 General Obligation Bonds Capital Expenditure Plan ..... 76

***GLOSSARY*** ..... **77**

# Office of the Governor

207 State Capitol, Springfield, Illinois 62706

Pat Quinn
Governor

March 18, 2009

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

I respectfully submit to you the fiscal year 2010 capital budget, which addresses Illinois' desperate need for a large-scale public works program. *Illinois Jobs Now!* is a $26 billion plan that will help jump-start the economy and support 340,000 Illinois jobs - the first critical step on our road to economic recovery. It is important that we take this step quickly, and do not delay in passing this plan. The longer we wait, the more Illinois will feel the effects of the historic recession that we are experiencing.

On top of the need for jobs, it has been over a decade since Illinois has had a major capital plan, and it shows. Our roads and bridges are crumbling. Many communities need new or repaired schools and health centers, and mass transit systems are in dire need of new investment. This is an aggressive plan that will meet all of those needs, while also making major new investments in energy and the environment.

I look forward to working with each of you to pass *Illinois Jobs Now!* quickly and get Illinois on the road to recovery. Let's work together and make the Land of Lincoln a stronger state for future generations.

Sincerely,

Pat Quinn

Pat Quinn
Governor, State of Illinois

**The State of Illinois fiscal year 2010 budget book can be accessed online at**

***www.state.il.us/budget***

# CHAPTER 1

## *Reader's Guide*

# Reader's Guide

## INTRODUCTION

This chapter is to help readers understand the organization and content of the State of Illinois Capital Budget, which sets forth the governor's budget recommendations. It includes the following sections:

- Budget documents
- Budget document organization
- Constitutional requirements
- What is a capital budget?
- How is a capital budget created?
- The appropriation process
- Differences between capital and operating budgets
- Submission of a separate capital budget
- Impact of capital expenditures on the operating budget
- Funding sources for the capital budget
- Bond authorization

## BUDGET DOCUMENTS

This document presents the Fiscal Year 2010 Illinois Capital Budget, Illinois Jobs Now! It includes details of capital appropriations for the period July 1, 2009 through June 30, 2010.

While state capital and operating budgets are subject to the same procedures, the Fiscal Year 2010 Illinois Capital Budget is presented in a separate document in an effort to facilitate transparency and understandability. Both documents are available at www.state.il.us/budget.

## BUDGET DOCUMENT ORGANIZATION

The State of Illinois Capital Budget Document is organized as follows:

- The Governor's Letter of Transmittal to the General Assembly and the residents of the state
- Table of Contents
- Chapter 1: The Reader's Guide
- Chapter 2: Overview - Information on the state's overall capital budget priorities and a summary of fiscal year 2010.
- Chapters 3 through 7: Budget recommendations for agencies grouped by capital program components:
  3. Economic Development
  4. Transportation
  5. Education
  6. Environment, Energy & Technology
  7. State Facilities
- Chapter 8: Debt Management - The state's affordability model, borrowing activities and financing schedule.
- Chapter 9: Appendices - Tables and charts of the governor's capital budget recommendations. Also included are tables displaying an expenditure plan for the proposed budget, cash-flows for all capital-supporting funds and debt service requirements for bond funds.
- Chapter 10: Glossary

## CONSTITUTIONAL REQUIREMENTS OF THE BUDGETARY PROCESS

The Illinois Constitution requires the governor to prepare and present a budget recommendation for the State of Illinois to the General Assembly.

The constitution also requires a balanced budget that includes recommended spending levels for state agencies, estimated funds available from tax collections and other sources, and state debt and liabilities.

The Governor's Office of Management and Budget (GOMB), a part of the Governor's Office by statute, is responsible for estimating revenues and developing budget recommendations that reflect the governor's programmatic and spending priorities.

## WHAT IS A CAPITAL BUDGET?

A capital budget is a spending blueprint that identifies capital projects that generate assets with a long economic life, such as roads and bridges, transit facilities, schools, economic development projects, environmental infrastructure, energy programs and state facilities.

Types of expenditures in the capital budget include financial and physical planning, land acquisition, architecture and engineering, construction, purchases of durable equipment, and grants and loans to other entities for capital purposes. The capital budget also recommends funding sources including bond proceeds, federal funds and current revenues.

The goal is to maximize benefits to Illinois by strategically investing in state capital assets, as well as in grant and loan programs and to strategically invest in improving the economy and create jobs within the limits of available resources. The focus is

on maintaining existing assets in order to avoid unnecessary expensive new commitments, to minimize future maintenance and repair costs. This is in conjunction with the discipline of allowing available revenue to determine the amount of affordable debt needed to support investments.

This document spells out the governor's proposed Fiscal Year 2010 Illinois Capital Budget. Every line item of capital appropriation, including re-appropriations and new programs, is included in this budget document.

## HOW IS A CAPITAL BUDGET CREATED?

GOMB works with state agencies to review potential capital investments. The Illinois Department of Transportation (IDOT), Department of Commerce and Economic Opportunity (DCEO), Department of Natural Resources (DNR), Illinois Environmental Protection Agency (IEPA), Capital Development Board (CDB), Illinois Board of Higher Education (IBHE), local schools and other agencies, authorities, and commissions have different roles in this process, as described.

CDB provides technical evaluation of the requests. Teams of architects and engineers verify the project scope and cost estimates. CDB develops a statewide list that ranks requested projects based on the following criteria:

- **Life and safety factors.** Examples include fire alarms, removal of hazardous materials and repairing dangerous conditions.
- **Code compliance.** This includes the Americans with Disabilities Act and other building codes.
- **Infrastructure maintenance.** Examples include repairing roofs before water damage occurs to structures, and reducing deferred maintenance to hold down future years costs.
- **Targeted new construction.** New or substantially converted or expanded space may be necessary to meet new programmatic needs, or to make operations more efficient and less costly.

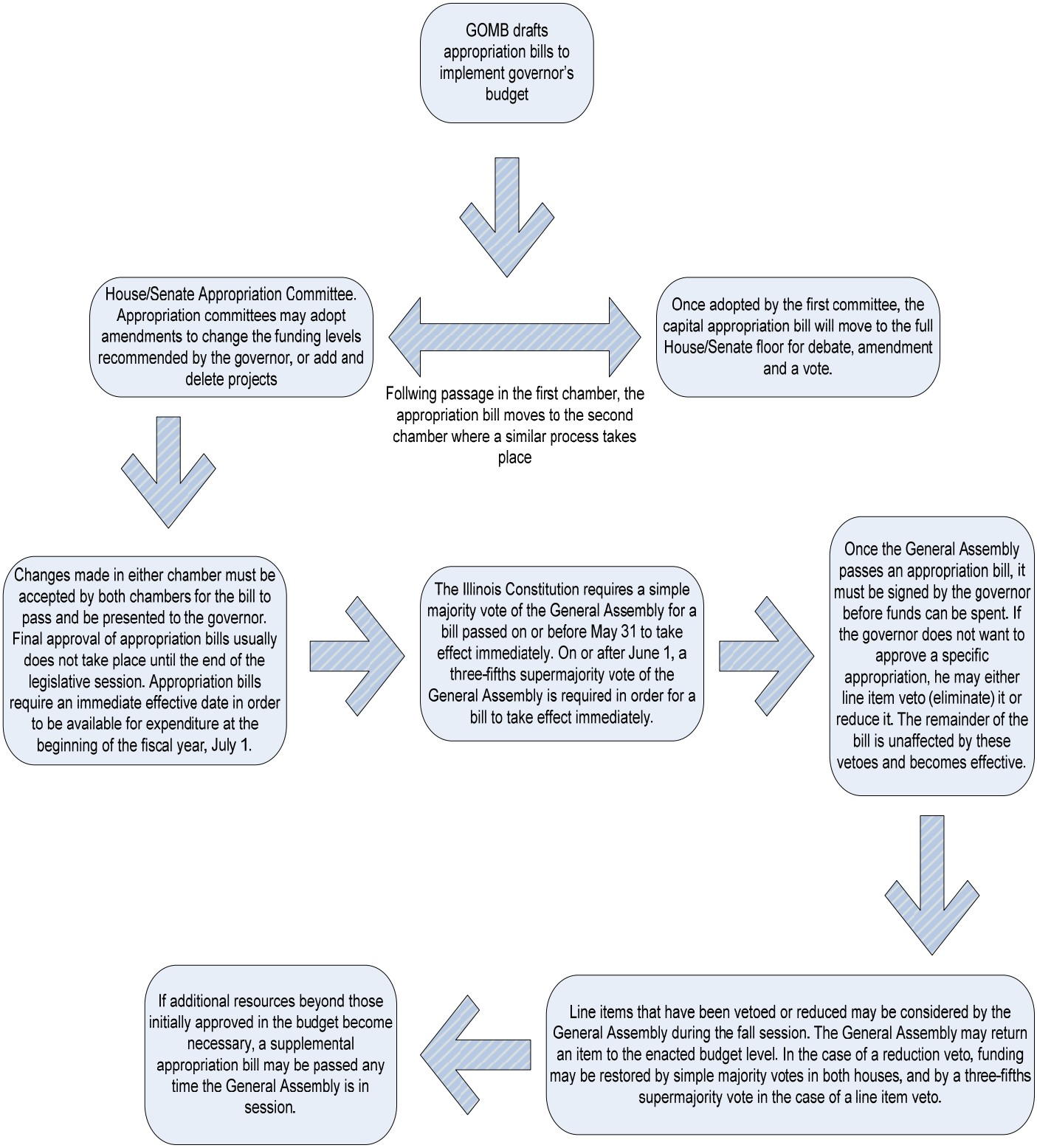
GOMB, CDB, and requesting agencies evaluate the CDB-combined agency priority list. Because of the growing backlog of deferred maintenance, GOMB currently gives preference to maintenance or renovation of existing state facilities over new construction. GOMB also factors in broader considerations, using different criteria for different types of projects, including:

- **Deferred maintenance impacts:** when spending a smaller amount of money will prevent the need for more expensive repairs in the future.
- **Facility condition:** impact on the state's long term capital condition and financing structure.
- **Agency program needs:** including caseload or enrollment trends.
- **Future operating costs:** a determination is made as to whether or not costs, such as utilities and staffing, can be decreased by investing capital dollars judiciously.
- **Matching support:** from federal, local or private sources.
- **Statewide space needs:** developing efficiencies for improved space utilization in state facilities
- **Long term plans:** for demolition, sale or disposition of assets; avoidance of investments in structures that will not be needed in a few years.
- **Strategic priorities:** whether the investment supports state government core missions such as economic development and job creation, education, public safety, and health.
- **Debt service impacts of spending**: taking into account that spending, and therefore bond issuance is spread over several years.
- **Energy efficiency:** impact on utility usage in state owned facilities
- **Green design:** All new state-funded building construction and major renovations of existing state facilities are required to meet the current Leadership in Energy and Environmental Design (LEED) standard.

Agencies under the governor occupy approximately 60 million square feet of space. The diversity of these facilities is significant, with various building types, such as office buildings, hospitals, state fairgrounds, laboratories, prisons and residential care facilities, garages for heavy construction equipment, state park lodges and historic structures.

Other capital investments, such as highways, public transit, airport facilities and school facilities, are reviewed by the responsible state agencies. Ongoing programs, such as revolving loan funds for local government water and sewer infrastructure, are managed by other agencies.

# THE APPROPRIATION PROCESS



## DIFFERENCES BETWEEN CAPITAL AND OPERATING BUDGETS

The operating budget provides annual funding for the day-to-day services, programs, and operations of the state. In contrast, the capital budget provides funding for the construction of buildings, roads and other infrastructure. These projects require multi-year appropriations.

Capital spending and operating spending have different timeframes, financial sources and assumptions. Operating revenues and appropriations are received and spent respectively within a given year. Capital funding sources and appropriations are received and spent over a longer time period, typically a number of years, reflecting activities such as architectural and engineering planning that precede actual construction of infrastructure.

Other differences between capital and operating budgets include the time period for spending, the funding sources and the means of financing. Some of the major differences between capital and operating are summarized in Appendix A Table 1.

## SUBMISSION OF A SEPARATE CAPITAL BUDGET

Key advantages of a separate submission include:

- **Accountability and disclosure.** Allows the public and legislators to clearly see how all of the capital dollars are spent.
- **Project monitoring.** Facilitates tracking of projects over multiple years.
- **Clarification of re-appropriations.** Quantifies the amount of capital spending each year from funds originally appropriated in prior years and re-appropriated for ongoing projects.
- **Definition of balance.** Clarifies that capital appropriations are not balanced annually in the way operating appropriations are; rather, capital sources and uses are balanced over multiple years.
- **Comparability.** Better informs the public by not erroneously adding money spent in one year (operating appropriations) and money spent over several years (capital appropriations) together.
- **Identification of revenue source.** Sources used to pay for capital projects that would not be included in a 12-month operating budget as presented in Charts 3 through 6.

## IMPACT OF CAPITAL EXPENDITURES ON THE OPERATING BUDGET

The state's capital and operating budget share many interconnections. This is most evident in the annual debt service appropriations contained in the operating budget for bonds to support capital budget projects. Another connection between the two budgets is the impact that a capital project has on the operating budget by way of increasing operational efficiencies. Increased operational efficiencies produced by the capital project can benefit the operating budget by introducing cost-saving measures and improved facilities.

The impact of capital expenditures in total on the operating budget is carefully considered before capital appropriations are made. The debt service needed to support bonds is calculated, and the need for new revenues determined. This capital budget is designed to fit within the limits of available new revenues in order to support the debt service on bonds issued for capital appropriations.

Investments in state facilities and the regular Multi-Year Road Program are heavily weighted towards repair and renovation of existing facilities. These investments reduce the backlog of deferred maintenance, lowering future maintenance and repair costs by forestalling structural deterioration and by avoiding inflationary increases. Other areas focus on investments in the communities that will create jobs and stimulate the economy.

Appendix A, Chart 1 summarizes the five-year impact of state facilities' projects proposed for fiscal year 2010 on the operating budget. Capital projects can result in either savings (for example, energy and maintenance costs) or increased costs (for example, costs to staff and operate a new or expanded facility). The methodology used to calculate the operating impact involves modeling key drivers like prevailing energy costs and consumption levels at the various state facilities.

For fiscal year 2010, several projects that result in operating savings are proposed. These projects and their estimated annual and five-year savings are shown in Chart 1 in Appendix A. Facility expansions are being included for fiscal year 2010. The impact of these facilities on the operating budget is shown in Chart 2 in Appendix A. The construction of the Metro-East Forensic Lab in Belleville for the Illinois State Police will have an impact on personnel cost in the amount of approximately $100,000 per year, and an annual utility cost of approximately $250,000. The total impact per year on the operating budget for this

capital project will be approximately $350,000. Total operational savings for fiscal year 2012 to 2016 is anticipated to be $1.6 million. The impact on total operating costs from 2011 to 2015 from construction of new facilities is anticipated to be $2 million.

Much of the rest of the capital budget is targeted towards grants and loans to other entities, including local governments, businesses, and non-profits. This allows the state to leverage the efforts of these entities to achieve key goals in education, transportation, preservation of the environment, economic development and job creation, without taking on the liability of future maintenance or replacement of the assets financed.

## FUNDING SOURCES FOR THE CAPITAL BUDGET

Capital appropriations are a combination of new appropriations for capital projects that will be initiated starting in fiscal year 2010, but may require two or more years to complete, and reappropriations of projects and programs first appropriated in prior years and not yet completed.

GOMB's role includes evaluating and making recommendations on the overall size of the capital program, the projects and programs submitted by each agency responsible for capital investments, and on the appropriate balance of investments between these competing demands for scarce capital resources.

Funding of capital investments can be thought of in two broad categories: bond proceeds and pay-as-you-go (i.e. current revenues). Capital spending in a given year is financed either by borrowing money (bond proceeds/debt financed) or by using current revenues (pay-as-you-go financed). Debt financing takes the form of bonded debt, whereby the state borrows money from the capital markets through issuance of General Obligation or Build Illinois Bonds (see Debt Management Chapter for more details). Current revenues can include state sources, existing user fees such as the Motor Fuel Tax, and federal funds. The Pay-As-You-Go Capital Program is funded out of current revenues, including certain portions of the road program and many environmental programs funded primarily from dedicated revenue streams or from federal monies. While in some instances (for example, the Water Revolving Fund) the state has leveraged these proceeds by bonding, in most cases, the spending in these categories is limited by the revenues projected for the coming year and the available fund balance.

Bond-funded programs (including state and higher education facilities, school construction grants, portions of the road program, transit and aviation funding to match federal monies, many economic development programs, coal development, and some of the environmental programs) are also constrained by available revenues. Debt service implications of proposed bond issuances are calculated and, along with existing debt service from past bond issues, are used to evaluate the debt service amount that must be paid out of funds that also support the state's operating budget, unless dedicated revenues are insufficient.

Bond funds and their purposes are described in more detail in the Debt Management chapter. With the exception of Transportation A Bonds (which are used for highways, roads and bridges), the debt service on General Obligation Bonds is repaid from the state's general revenues. Transportation A Bonds' debt service is paid from the Road Fund. Debt service on Build Illinois Bonds is paid from a dedicated allocation of sales tax.

## BOND AUTHORIZATION

The State of Illinois is authorized to issue, sell and provide for the retirement of General Obligation Bonds and Build Illinois Bonds that pay for the capital program. The total amount of bonds the state may issue for a given purpose is limited by legislatively determined maximums for each of several bond authorization categories or purposes.

# CHAPTER 2

## *FISCAL YEAR 2010*
## *CAPITAL BUDGET OVERVIEW*

## ILLINOIS JOBS NOW!

The governor's $26 billion capital program provides projects in communities throughout the state to stimulate job growth and the Illinois economy. Illinois Jobs Now! will support nearly 340,000 jobs. The construction plan will provide funding to build critically needed schools, build and improve roads, repair bridges, protect natural resources, improve public transit, make investments in energy and the environment, and provide access to capital for economic development, affordable housing and community health centers throughout the state.

**Illinois Jobs Now! Capital Plan by Component**

*dollars in millions*

| Purpose | State | Federal | Local | Stimulus | Total |
|---|---|---|---|---|---|
| Multiyear Road Program (FY 10 - 15) | $ 1,898 | $ 7,499 | $ 725 | $ - | 10,122 |
| Road and Bridge Programs | $ 3,000 | $ - | $ - | $ 936 | 3,936 |
| Education | $ 2,546 | $ - | $ 1,600 | $ 25 | 4,170 |
| Environmental/Energy/ Technology | $ 506 | $ 1,023 | $ 50 | $ 375 | 1,954 |
| Transportation | $ 1,520 | $ 3,020 | $ - | $ 564 | 5,104 |
| State Facilities | $ 251 | $ 15 | $ - | $ - | 266 |
| Economic Development | $ 875 | $ - | $ - | $ 96 | 971 |
| Total | $ 10,596 | $ 11,557 | $ 2,375 | $ 1,995 | 26,523 |

The $14 billion highway portion of Illinois Jobs Now! funds bridge repair needs; maintenance and improvements to the state's system of roads, highways and interstates; provides for new system expansion projects; and provides direct assistance to local communities to make improvements to transportation infrastructure.

Illinois Jobs Now! includes $1.625 billion in state funds and $1.6 billion in local matching funds for construction and maintenance of schools. This includes $1.5 billion in school construction projects and $100 million for school construction maintenance projects, a continuation for three years of the existing school construction program. The prioritization list remains the same and those schools pending awards since 2002 will be funded first. In addition, $25 million is set aside to fund a new early childhood facilities program.

The program proposes $662 million to expand and make capital improvements and repairs at the state's public universities, $100 million to support the capital needs of the state's private colleges and universities, and $158 million for the state's community college system.

Illinois Jobs Now! will reduce Illinois' dependence on foreign oil, stabilize gasoline and home heating prices, create jobs, and reduce energy use, while protecting the environment.

Funding for rail totals $96 million in federal recovery funds, which will be used to improve rail tracks and signals, enhance Amtrak stations, purchase new rail passenger equipment, and make improvements to rail freight facilities. Funding for airport projects total more than $380 million for airport improvements throughout Illinois.

Illinois Jobs Now! invests $4.6 billion in funding for mass transit agencies to purchase buses and rail cars, build train stations, bus garages and rail yards, and reconstruct commuter rail bridges and elevated rail structures, among other projects.

Over $971 million will go towards providing access to capital in communities throughout Illinois to stimulate job growth, provide affordable housing, improve community healthcare centers, make investments in energy, improve infrastructure, develop new industries and technologies, and attract new businesses to Illinois.

Illinois Jobs Now! will put people to work with a plan that will support nearly 340,000 jobs. The economic activity and jobs created by this spending will have a ripple effect, stimulating the Illinois economy during a time of economic challenge.

## ILLINOIS JOBS NOW! HIGHLIGHTS

### Transportation

- $14 billion for bridge repair needs, maintenance and improvements to the state's system of roads, highways and interstates.
- $4.6 billion in funding for mass transit agencies to purchase buses and rail cars, build train stations, bus garages and rail yards, and reconstruct commuter rail bridges and elevated rail structures.
- $96 million to improve rail tracks and make improvements to rail freight facilities.
- $380 million for airport improvements throughout Illinois.

### Economic Development

- $971 million to provide access to capital in communities around Illinois to stimulate job growth, provide affordable housing, improve community healthcare, and develop new industries and technologies.

### Education

***Higher Education***

- Over $662 million for public university capital projects.

- Over $158 million in community college capital project funding.
- $100 million in private universities and colleges capital funding.

***Pre K-12***

- $1.5 billion in school construction matching grants statewide.
- $100 million in school maintenance matching grants statewide.
- $25 million in pre-k capital grants.

**Energy, Environment and Technology**

***Department of Commerce and Economic Opportunity***

- $60 million to Petascale computing facility.
- $2 million to the University of Illinois Information Trust Institute.
- $17 million to the Fermi National Accelerator Lab.
- $13 million to Argonne National Laboratory.

***Department of Natural Resources***

- $45 million for the Illinois Conservation Reserve Enhancement Program.
- $42 million to Waterway Improvement Programs.
- $50 million for the Open Space Program.

**State Facilities**

- $4.1 million for renovation of HVAC systems at the James R. Thompson Center.
- $15 million for the design and planning of a new veterans' home in Chicago.
- $2.5 million to complete planning and designing of the Belleville Forensic Lab for the Illinois State Police.

**FEDERAL RECOVERY OVERVIEW**

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for capital programs supplementing the Illinois Jobs Now! plan. This federal recovery funding affects the Department of Commerce and Economic Opportunity, Illinois Department of Transportation, Illinois Environmental Protection Agency, Department of Natural Resources and state facilities.

**Department of Commerce and Economic Opportunity**

- The ARRA includes programs promoting renewable energy, energy efficiency, clean coal technology, broadband deployment, job retraining, community development, electric grid expansion, and science and technology research. Grants for these programs will be distributed on a competitive basis by the governing federal agency.

**Illinois Department of Transportation**

***Highways***

- Illinois Department of Transportation (IDOT) share of highway funds is $936 million and is split $627 million for state IDOT projects, $28 million for transportation enhancements and $281 million for local projects.

***Aeronautics***

- $1.1 billion is available nationally for airport improvement grants and will be awarded at the discretion of the Federal Aviation Administration (FAA).

***Transit***

- Nationally, $8.4 billion is available for public transportation systems. The vast majority of Illinois' share will be distributed directly to transit service providers through existing formulas and discretionary grants. This funding is allocated between Transit Capital Assistance, Fixed Guideway Infrastructure and Capital Investment Grants (New Starts).
  - Transit Capital Assistance. Illinois' expected share is $371 million ($350 million for urbanized areas and $21 million for non-urbanized areas).
  - Fixed Guideway Infrastructure. A total of $750 million for fixed guideway modernization projects will be distributed via formula. Illinois' expected share is $96 million.
  - Capital Investment Grants (New Starts). A total of $750 million available for capital investment grants under the New Starts program. The FTA will competitively award these grants to service providers.

***Rail***

- $8 billion is available for the development of intercity passenger rail service and for high-speed passenger rail service projects in designated high-speed rail corridors. Illinois will compete aggressively to secure a share of these funds.

**Illinois Environmental Protection Agency**

***Wastewater and Drinking Water Infrastructure Funding***

- Illinois will receive $180 million for wastewater infrastructure projects and $80 million for drinking water projects.

- 20 percent is to be reserved for green infrastructure.

***Brownfields***
- Illinois anticipates receiving $5 million for Brownfields projects.

***Leaking Underground Storage Tanks***
- Illinois anticipates receiving $7.1 million. Illinois will compete aggressively to secure a share of these funds.

***Diesel Emissions Reduction Act***
- 30 percent allocated to states via federal formula; Illinois will receive $1.7 million.
- 70 percent allocated via competitive grants; Illinois anticipates receiving up to $12 million for diesel emissions reduction projects. Illinois will compete aggressively to secure a share of these funds.

***Superfund***
- United States Environmental Protection Agency (USEPA) is evaluating all National Priority List sites. USEPA will consider two categories: (1) ongoing remedial actions and (2) new start remedial actions. USEPA, Region 5 is proposing two sites in Illinois: Jennison Wright in Madison County and Outboard Marine Corporation in Lake County. Illinois will compete aggressively to secure a share of these funds.

**Department of Natural Resources**

***Forestry***
- Illinois anticipates receiving $20 million in fiscal year 2009 and 2010 ARRA funds for advancing forestry.
- IDNR plans to use the ARRA funding for projects such as ecosystem restoration, creation and restoration of wildlife habitat, remediation of forest damage on public lands and urban tree replacement due to Emerald Ash Borer damage.

***Other Projects***
- The ARRA appropriates federal funds for many projects relating to the IDNR's mission at a national level. These projects include flood control and waterway improvements; roadway improvements; public health and safety infrastructure repairs at state park and recreational facilities; habitat enhancements that provide long-term environmental protection, recreation, and economic development benefits; fish and wildlife enhancements through federal aid program funding; and law enforcement and related public safety initiatives.

**State Facilities**

***Military Affairs***
- Discretionary funds are available to U.S. military branches for construction of defense facilities. Projects will be selected by the U.S. military branch in coordination with the Secretary of Defense.

***Veterans Affairs***
- The U.S. Department of Veterans Affairs will receive discretionary funds for grants to assist states with construction of state extended care facilities for veterans. Projects will be selected by the U.S. Department of Veterans Affairs. These funds will reimburse eligible projects already completed.

## ILLINOIS JOBS NOW! FUNDING

Funding for Illinois Jobs Now! will be provided by a combination of state, federal and local funds. The debt service will be supported by:

- **Road Fund Supported Bonds** – Road and bridge construction will be funded by increases in the motor vehicle registration, driver's license fees and, in part, by monies received by the Road Fund.

- **Transit Bonding** – State-wide transit projects will be funded by increases in the motor vehicle title fees.

- **Tax System Restructuring and Reform** – School, environmental protection and conservation, economic development, and higher education will be funded from increases in corporate income tax and a 10 percent of a portion of the increases in individual and corporate income taxes and additional corporate income tax as needed.

Sources of funds for other capital appropriations and re-appropriations include user fees, such as the motor fuel taxes and related fees, General Obligation Bonds (including Transportation A bonds, which fund major road improvements and where debt services are supported by the Road Fund, as well as other categories of General Obligation bonds where debt service is supported by the General Revenue Fund), Build Illinois Bonds (whose debt service is supported

by sales tax) and federal funds. Taxes and other sources such as investment income, legal settlements, sale of land, loan repayments and lease revenues, are much smaller sources.

## HISTORICAL PERSPECTIVE

Charts A and B give some historical perspective on the proposed Fiscal Year 2010 Capital Budget. Two views are presented: one shows the breakout of total capital appropriations (both new appropriations and re-appropriations) since 2001 by major funding source, and the other shows the new capital appropriations each year by major funding source. The following observations can be drawn from those charts:

- In 2005, 2007 and 2008, minimal new bonded capital was appropriated.
- In 2006 and 2007, bonded appropriations allowed spending on critical needs for basic state facilities and grant programs. Total fiscal year 2006 and 2007 bonded appropriations remained well below total bonded appropriations for fiscal years 2001-2004.
- Proposed new appropriations under Illinois Jobs Now! for fiscal year 2010 use bonded debt to fund new programs for school construction, public transit, higher education projects, energy programs and economic development.

**Chart A**

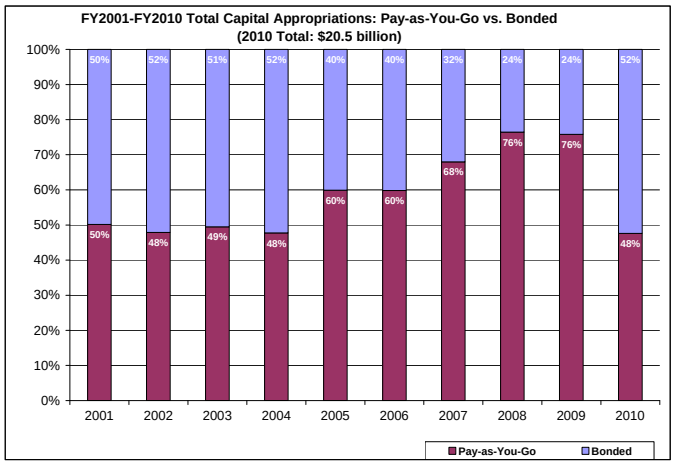
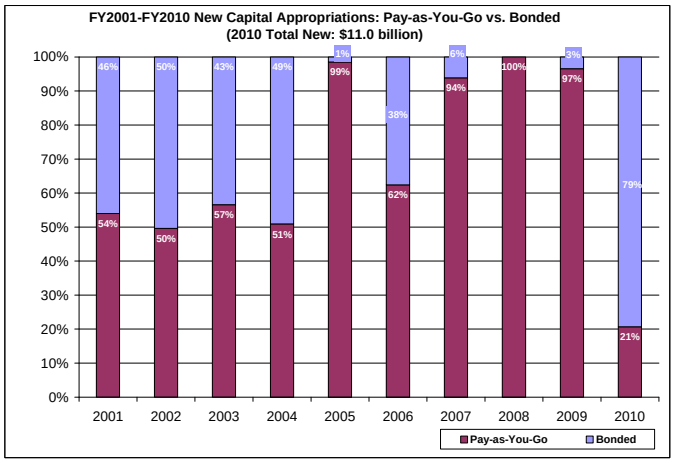


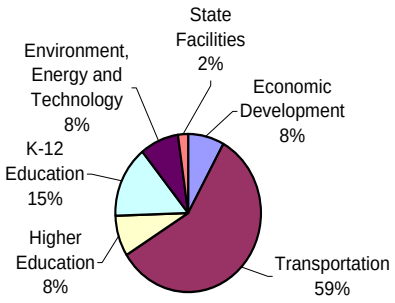

**Chart B**




**New Bonded and Pay-As-You-Go Capital Appropriations by Capital Component ($ millions)**

| | |
|---|---|
| Economic Development | 888.0 |
| Transportation | 6,351.8 |
| Higher Education | 920.7 |
| K-12 Education | 1,625.0 |
| Environment, Energy and Technology | 930.3 |
| State Facilities | 252.1 |
| **Total New Appropriations** | 10,967.9 |

**Distribution of Projects**



# CHAPTER 3

## *Economic Development*

# Economic Development

## OVERVIEW

### AGENCIES

*(Appropriations in thousands.)*

**Department of Commerce and Economic Opportunity (DCEO)**
- $878,000 in new appropriation
- $325,396 in existing appropriation
- ➢ *Total Appropriation: $1,203,396*

**Illinois Finance Authority (IFA)**
- $10,000 in new appropriation
- $14,631 in existing appropriation
- ➢ *Total Appropriation: $24,631*

### ECONOMIC DEVELOPMENT'S MISSION

To improve Illinois' competitiveness in the global economy by administering a wide range of economic and workforce development programs, services and initiatives designed to create and retain high-quality jobs and build strong communities. This is achieved in partnership with Illinois businesses, local governments, workers and families.

## DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Regional Economic Development | $ 325,396 | $ 750,000 | $ 1,075,396 |
| Affordable Housing | $ - | $ 25,000 | $ 25,000 |
| Healthcare Facilities | $ - | $ 100,000 | $ 100,000 |
| Port Development | $ - | $ 3,000 | $ 3,000 |
| Total: | 325,396 | 878,000 | 1,203,396 |

### MAJOR ACCOMPLISHMENTS

- **Expanded workforce and job development services.** DCEO has launched a new workforce development system, Illinois WorkNet that integrates physical locations with online resources to better assist prospective employees and employers.

*Four Illinois communities ranked in the top 50 housing markets nationwide for affordability.*

- **Fostered construction of regional/national distribution centers.** Illinois assists in promoting and financing construction of corporate warehousing facilities in the state. Currently, there are over 200 Fortune 500 companies operating regional or national distribution centers in Illinois.

### PROGRAM HIGHLIGHTS

#### NEW APPROPRIATION HIGHLIGHTS

***Community Revitalization - $450 million***
This program will provide funds for governmental entities and non-profits for access to capital aimed at promoting the creation or retention of jobs, business development, economic development and commercial revitalization within communities.

***Economic Development - $300 million***
This program includes funds for Prime Sites, River's Edge, Community Reinvestment and land acquisition.

***Affordable Housing - $25 million***
These funds will be used for grants and loans to construct and maintain affordable housing for low-income families.

***Healthcare Facilities - $100 million***
This program provides grants and loans for hospitals to improve their facilities and equipment.

***Port Development - $3 million***
This program provides loans to Illinois port districts to facilitate and enhance the development and utilization of Illinois navigable waterways.

#### REAPPROPRIATION HIGHLIGHTS

***Fostering economic development - $325.4 million***
This funding will be used for making loans to small businesses and investments in small businesses, acquiring real properties for industrial and commercial development, and for expenses for small business incubator facilities and other purposes intended to foster economic development and increase employment.

# Economic Development

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for several programs within DCEO.

**Economic Development**

- The ARRA has programs promoting job retraining and community development.

- While the stimulus act channels most funding to states through existing formula allocations, other program funding will be distributed through competitive grant processes. Illinois will compete aggressively to insure the state secures the maximum funding available.

*Women-owned firms in Illinois employ more than 316,217 people and generate $51 billion in sales.*

## ILLINOIS FINANCE AUTHORITY

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Loans to Local Fire Departments | $ 14,631 | $ 10,000 | $ 24,631 |
| **Total:** | **14,631** | **10,000** | **24,631** |

## MAJOR ACCOMPLISHMENTS

- **Supported renewable energy development in Illinois.** IFA supported development of renewable energy in the state by financing *Blackhawk Biofuels*, a biodiesel facility in Danville; *Illinois River Energy,* an ethanol facility in Rochelle; and *Agriwind*, a wind turbine installation in Tiskilwa.

- **Supported 780 projects.** Since 2004, IFA has supported 780 projects that represent over $15 billion in capital projects.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATION HIGHLIGHTS

***Fire Truck Revolving Loan Program - $6 million***
Provides financing for local fire departments and emergency responders to purchase fire trucks.

***Ambulance Revolving Loan Program - $4 million***
Provides financing for local fire departments and emergency responders to purchase ambulances.

*A new fire engine can cost over $550,000. A ladder truck can cost over $1 million.*

### REAPPROPRIATION HIGHLIGHTS

***Fire Truck Revolving Loan Program - $10.6 million***
Provides financing for local fire departments and emergency responders to purchase fire trucks.

***Ambulance Revolving Loan Program - $4 million***
Provides financing for local fire departments and emergency responders to purchase ambulances.

## Fiscal Year 2010 New Appropriations for Economic Development

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Economic Development** | | |
| **Department Of Commerce And Economic Opportunity** | **878,000.0** | |
| **Illinois Jobs Now Fund** | **875,000.0** | |
| Community Revitalization | 450,000.0 | |
| Statewide - Community Reinvestment Fund | 250,000.0 | |
| Healthcare Facilities | 100,000.0 | |
| Statewide - Affordable Housing | 25,000.0 | |
| Statewide - Prime Sites grants and loans pursuant, but not limited to, Article 8, Article 9 or Article 10 of the Build Illinois Act | 25,000.0 | |
| Statewide- River Edge - Brownfield Redevelopment Program | 25,000.0 | |
| **Port Development Revolving Loan Fund** | **3,000.0** | |
| Statewide - Port Development Revolving Loan Program - For grants and loans pursuant to 30 ILCS 750/9-11 | 3,000.0 | |
| **Illinois Finance Authority** | **10,000.0** | |
| **Ambulance Revolving Loan Fund** | **4,000.0** | |
| Statewide-Loans to Fire Departments, Fire Protection Districts, Township Fire Departments or Non-Profit Ambulance Services Pursant to the Rural Bond Bank Act, Section 3-27 | 4,000.0 | |
| **Fire Truck Revolving Loan Fund** | **6,000.0** | |
| Statewide-Loans to Fire Departments, Fire Protection Districts and Township Fire Departments Pursant to the Rural Bond Bank Act, Section 3-27 | 6,000.0 | |
| **Economic Development Total** | **888,000.0** | |

# CHAPTER 4

## *Transportation*

# Transportation

## OVERVIEW

### AGENCIES

*(Appropriations in thousands.)*

**Illinois Department of Transportation (IDOT)**
- $6,457,566 in existing appropriation
- $6,351,833 in new appropriation
- ➢ *Total Appropriation: $12,809,399**

* Includes $1.5 billion Federal Recovery

### TRANSPORTATION'S MISSION

To create a foundation for economic vitality and job creation by providing a modern, efficient and safe transportation infrastructure.

To improve safety, enhance mobility, and preserve the intermodal infrastructure and make the best use of available funds, while leveraging federal and private funds to advantage all of Illinois.

To utilize the fall 2005 federal transportation bill called the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users SAFETEA-LU). This bill contains state highway and transit earmarks for individual projects, as well as formula funding. SAFETEA-LU provides nearly $7.5 billion in earmarks and formula funds to Illinois for highway and transit through federal fiscal year 2009.

To keep the state's more than 16,000-mile network of interstate, primary and secondary highways in safe working order, IDOT adds lanes, improves bridges and maintains roadways at key points of congestion.

*Illinois has more that 2,169 miles of interstate highways.*

To evaluate repair needs and prioritize projects using detailed ratings of road and bridge conditions.

To create and support tens of thousands of private sector jobs each year with countless more jobs and businesses dependent on the state transportation infrastructure.

## ILLINOIS DEPARTMENT OF TRANSPORTATION

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Roads and Bridges | $ 4,513,544 | $ 4,655,088 | $ 9,168,631 |
| Transit | $ 177,818 | $ 1,516,000 | $ 1,693,818 |
| Rail | $ 1,194,713 | $ 23,745 | $ 1,218,458 |
| Aeronautics | $ 571,492 | $ 157,000 | $ 728,492 |
| Total: | 6,457,566 | 6,351,833 | 12,809,399 |

## *ROADS AND BRIDGES (IDOT ROAD PROGRAM)*

### OVERVIEW

IDOT is responsible for designing, building, maintaining and operating the state's system of roads, highways and bridges. To plan for statewide maintenance and capital improvement needs, the department annually produces a multi-year capital improvement plan, called the Multi-Year Highway Program (MYP).

The MYP seeks to realize several strategic priorities:
- Preservation and modernization of the interstate highway system
- Preservation and modernization of U.S. and Illinois route marked highways
- Expansion and improvements that reduce congestion
- Construction of new arterial routes and bridge improvements to enhance mobility, safety and economic development

### FUNDING

| Funding | Revenues |
|---|---|
| Transportation A Fund | General Obligation Bonds |
| State Construction | Motor Fuel Tax<br>Motor Vehicle Registration Fees<br>Interest and Investment Income |
| Road Fund | Motor Fuel Tax<br>Motor Vehicle Registration Fees<br>Interest and Investment Income<br>Federal Revenues<br>Local Revenues |
| Federal Funds | SAFETEA - LU |

Resources for the Road Program come from state, federal and local sources with state funding from motor-fuel revenues and vehicle license fees accounting for a majority of the state supported program.

Federal funds are authorized over a six-year period and allocated on an annual basis. The current federal

authorization bill (SAFETEA-LU), has authorized more than $7.4 billion for Illinois highways and highway safety programs for federal fiscal year 2004 through federal fiscal year 2009. IDOT is basing the current revenues forecast on SAFETEA-LU funding levels. Local funds will round out highway funding. Congress will be working through this year on reauthorization proposals.

Current revenue projects are expected to translate into nearly $1.8 billion for the Illinois Road Program in fiscal year 2010. The Road Fund Supported Bonds for roads and bridge construction will be funded by increases in the motor vehicle registration, increases in the driver's license fees and monies received by the Road Fund.

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for highway programs.

**Highways**

- Illinois Department of Transportation (IDOT) share is $936 million and is split $627 million for IDOT, $28 million for transportation enhancements and $281 million for locals.
- Highway and Bridge projects include, but are not limited to, construction, reconstruction, rehabilitation, resurfacing, restoration and operational improvements for highways (including Interstate highways) and bridges.

## MAJOR ACCOMPLISHMENTS

- **Completed 1,306 projects.** In fiscal year 2008, the 1,306 projects in the Published Highway program cost $1,875 million. This includes 792 construction projects on:
  - 800 miles of roadway
  - 117 safety improvements
  - 302 structures
  - 515 for engineering, land acquisition and utility improvements

- **Continued to improve more miles** of pavement and managed more safety improvement projects overall than in 2006, 2007 or 2008.

*Three coast-to-coast interstates cross through Illinois.*

- **Stepped up schedules for statewide bridge inspections.** These inspections have continued into calendar 2009.

- **Maintained a bridge condition rating of more than 90 percent.** IDOT maintained a bridge condition rating of more than 90 percent of state bridges in acceptable condition with the rest targeted for assortment repairs, repaving and rehab.

- **Moved forward with a new scholarship program.** This scholarship program is designed to attract and support women and minorities interested in careers in engineering.

## PROGRAM HIGHLIGHTS

Selected programs to be completed through the Multi-Year Road Program include:

***REGION 1***
IL 59/US 30, IL 126 (West Lockport Street) to US 52 (Jefferson Street), additional lanes, new structures, retaining wall and landscaping

***REGION 2***
IL 2, South of Mud Creek to Fair Street at Oregon, Ogle County – Reconstruction

***REGION 3***
IL 8, Branch of Farm Creek to East of Sunrise Avenue - Additional Lanes, Intersection Improvement, Retaining Wall

***REGION 4***
I-57, I-70 to the Shelby County Line - Resurfacing and Bridge Repairs

***REGION 5***
I-64 Over the Metrolink Bridge 0.8 Miles East of Baugh Avenue in East St. Louis

# *TRANSIT*

## OVERVIEW

The state makes major investments in public transportation infrastructure helping more people get to their jobs and to other destinations across Illinois while reducing traffic congestion on roads and bridges. Public transportation projects address: 1) statewide capital needs for preserving and rehabilitating transit facilities and for replacing over-aged passenger rail cars and buses, 2) transit needs

of rural areas, including the retention of basic service in areas where needed and coordinating state and federal funding programs, and 3) the expansion of public transportation where necessary and logical.

The public transit capital program typically is divided into two parts: one for Northeast Illinois and one for Downstate Illinois. In Northeast Illinois, IDOT provides capital funding for the Regional Transportation Authority (RTA). The RTA distributes this funding to its three service boards: the Chicago Transit Authority (CTA), the Metra commuter rail service and the PACE suburban bus system.

*The Division of Public and Intermodal Transportation provides technical assistance and administers state and federal funding to 50 public transit systems throughout the state.*

The RTA's capital program emphasizes modernizing the existing system. Capital improvements have generally included: purchase of rolling stock (i.e., rapid transit cars, locomotives, rail cars and buses); reconstruction of track; and station improvements.

In Downstate Illinois, the transit capital program includes rolling stock replacement and facility construction. The program addresses mobility needs with funding to support the operation of public transportation in rural and downstate urban areas and to purchase rolling stock for transit systems serving persons with disabilities and the elderly. The expansion of transit systems in Downstate Illinois also helps serve additional or growing markets, including the extension of the MetroLink light rail transit system in St. Clair County.

Funding for public transit capital comes from state, federal and local sources. The majority of state support is funded with General Obligation bonds. IDOT typically uses these Transportation B (Tran B) bonds to leverage an 80 percent federal match. The federal surface transportation funding act (currently SAFETEA-LU) provides the formula and funds for the Illinois public transit capital budget in 2010. SAFETEA-LU is due to expire on Sept. 30, 2009. All projections for fiscal year 2010 public transportation funding are based on current funding formulas in SAFETEA-LU. The federal transit capital program consists of three categories: formula apportionments for rail modernization, discretionary grants for new starts, and discretionary grants for major bus capital needs.

Federal rail modernization funds are used for preservation and improvements on commuter rail and CTA rapid transit lines in northeastern Illinois, as well as for the MetroLink light rail line in the St. Louis region. Funding for new mass transit projects across the state will better meet the needs of employers and workers by improving efficiency, reliability and affordability. The proposed state capital program for fiscal year 2010 includes a bonding component of $1.5 billion for Mass Transportation, which is expected to match $2.66 billion in federal funds and create or maintain tens of thousands of jobs. The transit bonding component will be funded by increases in the motor vehicle title fees. This level of funding will allow Illinois' mass transportation districts to compete for grants to purchase buses and rail cars; build train stations, bus garages and rail yards; and reconstruct commuter rail bridges and elevated rail structures.

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for transit programs.

**Transit**

- Nationally, $8.4 billion is available nationally for public transportation systems. The vast majority of Illinois' share will be distributed directly to transit service providers through existing formulas and discretionary grants. This funding is allocated between Transit Capital Assistance, Fixed Guideway Infrastructure and Capital Investment Grants (New Starts).
  - Transit Capital Assistance. Illinois' expected share is $371 million ($350 million for urbanized areas and $21 million for non-urbanized areas).
  - Fixed Guideway Infrastructure. A total of $750 million for fixed guideway modernization projects will be distributed via formula. Illinois' expected share is $96 million.
  - Capital Investment Grants (New Starts). A total of $750 million available for capital investment grants under the New Starts program. The Federal Transit Authority (FTA) will competitively award these grants to service providers.

## MAJOR ACCOMPLISHMENTS

- **Increased ridership in northeastern Illinois.** Overall, bus and rail ridership for northeastern Illinois in 2009 increased by more than 6 percent

from 2008, which had an increase of 3 percent from 2007, as higher fuel prices and highway congestion issues influenced more people to use public transportation. Ridership continued to increase even after the decline in gas prices. There were 25 million additional riders on CTA and Metra systems in 2008 compared to 2006.

- **Increased ridership in public transportation.** Overall public transit riders on buses downstate increased by more than 13.7 percent in 2008, as more than 32.3 million riders used public transportation compared to about 28.3 million in both 2006 and 2007. IDOT has been working with downstate transit providers for several years to help coordinate and plan ways to increase ridership through improved service and access in downstate counties.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***State Improvements - $1.5 billion***
Public transportation infrastructure for Northeast Illinois and Downstate Illinois will receive $1.5 billion for state improvements, through the Illinois Jobs Now!

***Chicago Transit Authority***
Preliminary engineering on the Chicago Transit Authority's planned Circle Line – adding a circumferential loop and connecting all CTA and Metra rail lines in Chicago. Modernizing and replacing Chicago Transit Authority railcars.

***Metra's STAR***
Preliminary engineering on Metra's STAR line connecting four Metra rail lines and providing direct access to O'Hare airport.

***MetroLink***
Funding for MetroLink light rail system expansion in St. Clair County.

***New transit facilities***
New transit facilities in various downstate public transit districts.

***New buses***
New buses in various downstate public transit districts.

# *RAIL*

## OVERVIEW

IDOT plays an integral role in planning statewide passenger and freight rail projects by: mitigating the negative impacts of rail abandonment, attracting more riders to Amtrak, and supporting the development of high-speed rail.

*The state sponsors 20 passenger train routes between Chicago and Springfield, Champaign and Urbana, and Quincy and Milwaukee.*

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for rail programs.

**Rail**

- $8 billion is available for the development of intercity passenger rail service and for high-speed passenger rail service projects in designated high-speed rail corridors.
- The Intercity Passenger Rail Service program provides grants on a discretionary basis to states to fund necessary capital improvements to improve intercity passenger rail service as well as maintaining existing passenger rail corridors. These grants also make funding available for AMTRAK and the Chicago Region Environmental and Transportation Efficiency (CREATE) program.

## MAJOR ACCOMPLISHMENTS

- **Doubled riders on Amtrak.** Amtrak passenger rail ridership on the four Illinois routes more than doubled from about 644,000 riders in 2002 to 1.47 million riders in 2008. This included a nearly 25 percent increase in overall ridership from 2007 to 2008. Through second quarter 2009, more than 850,000 riders used Amtrak, up from 733,000 riders in the same quarter of 2008, a 16.3 percent increase for the quarter.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***Chicago Region Environmental and Transportation Efficiency (CREATE) program - $20 million***
A groundbreaking public-private partnership involving Illinois, the City of Chicago and several private railroads in a long-term effort to improve rail facilities to help relieve freight congestion and speed the delivery of cargo through the Chicago area.

# *AERONAUTICS*

## OVERVIEW

Funding and technical assistance for the state's system of public airports is provided through the Airport Improvement Program (AIP). This plan provides a road map for preserving, modernizing and expanding Illinois' regional system of airports. The AIP has been developed to address the following goals:

*Illinois' airport system is the second largest in the nation and includes 138 airports, 280 heliports and 9 balloon ports.*

- Resolving congestion problems at large metropolitan airports
- Maximizing opportunities for economic development and job creation
- Improving aviation safety

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for aeronautics programs.

**Aeronautics**

*There are more than 9,600 miles of railway in Illinois.*

- $1.1 billion is available nationally for airport improvement grants and will be awarded at the discretion of the Federal Aviation Administration. Illinois will compete aggressively to secure a share of these funds.

## MAJOR ACCOMPLISHMENTS

- **Increased commercial airline ridership**. Illinois increased ridership by more than 4 percent in calendar 2007, as enplanements totaled more than 49 million, up from about 47 million in 2006. These ridership totals are based on the latest information released by the Federal Aviation Administration.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***State and Local Airport Improvements throughout Illinois - $20 million***
$20 million for state and local airport improvements throughout Illinois.

# ILLINOIS STATE TOLL HIGHWAY AUTHORITY

## OVERVIEW

The Illinois State Toll Highway Authority (ISTHA), also commonly referred to as the Illinois Tollway, maintains and operates 286 miles of interstate tollways in 12 counties in Northern Illinois. ISTHA is dedicated to providing and promoting a safe and efficient system of toll highways. The Tollway is working to make the system convenient, reliable and technologically advanced. In addition, the Tollway is committed to providing the highest level of service to its customers.

## FUNDING

The ISTHA is a pay-as-you-go system funded by those who use it. Daily maintenance and operations are predominantly supported by revenues received from toll collections and evasion recoveries. Additional income is derived from concessions and fuel sales at Illinois Tollway Oases, permit revenues and investment income. No state or federal tax dollars are used to maintain and operate the Illinois Tollway System. The projected 2009 revenues for ISTHA are $680 million.

# Transportation

## PROGRAM HIGHLIGHTS

The fiscal year 2010 ISTHA capital budget reflects the Tollway's pledge to maintain and upgrade the existing facilities and infrastructure of the system. The budget includes funding for the fifth year of the multi-year $6.3 billion Congestion-Relief Program (CRP) – Open Roads for a Faster Future - the largest capital improvement program in its 50 year history. In fiscal year 2010, $977.1 million is allocated to the CRP and $118.6 million is allocated to support other needs such as roadway equipment and vehicles, building repair and improvements, and technological equipment and enhancements.

The CRP is broken into six corridors for reporting purposes: Tri-State Tollway (I-94/I-294/I-80), Jane Addams Memorial Tollway (I-90), Reagan Memorial Tollway (I-88), Veterans Memorial Tollway (I-90), Open Road Tolling, and Systemwide Improvements. Other capital needs are divided into Building Repairs and Maintenance, Equipment, Professional Services, and Roadway.

***Tri-State Tollway (I-80/I-294/I-94)***

The 2010 capital budget for the Tri-State Tollway corridor is $562.9 million. The Tri-State Tollway (I-294) is the main by-pass around the Chicago-Metro Area, starting from an intersection with Interstate 80/294/IL Route 394, near South Holland, to just south of the Wisconsin State Line. As part of the Congestion-Relief Program (CRP), the Tollway is planning to invest nearly $2.1 billion to improve the Tri-State Tollway. By mid-2010, 76 miles of the 78.5 mile I-94/I-294/I-80 Tollway will have four lanes in each direction. By the end of 2008, all of the contracts required to complete this work were obligated and nearly $1.3 billion has been earned since the start of the CRP program in 2005.

***Jane Addams Memorial Tollway (I-90)***

The current CRP budget for the Jane Addams Memorial Tollway is $777.3 million. The Jane Addams Memorial Tollway runs in a northwest direction from near O'Hare International Airport to near South Beloit. By the end of 2008, an estimated $177.1 million was expended, which includes approximately $140.3 million expended solely in 2008. The 2009 capital budget for the Jane Addams Memorial Corridor is $121.6 million.

***Reagan Memorial Tollway (I-88)***

The current CRP budget for the Reagan Memorial Tollway (I-88) is $1,027.4 million. In 2008, an estimated $296.5 million was expended bringing total spending to approximately $605 million. The 2009 capital budget for the Reagan Memorial Tollway Corridor is $140.2 million. The Reagan Memorial Tollway runs east-west from Hillside to Rock Falls.

***Veterans Memorial Tollway (I-355)***

The Veterans Memorial Tollway is the newest of the four Tollways in Illinois with the section from Addison to I-55 opening in 1989. On Veterans' Day 2007, a new 12.5 mile extension opened connecting I-55 to I-80, lengthening the tollway to 29.8 miles. By the end of 2008 an estimated $736.4 million was spent on widening, rehabilitating and extending the original portion of the Veterans Memorial Tollway as part of the Congestion-Relief Program. The 2009 capital budget for the Veterans Memorial corridor is $40.9 million.

## Fiscal Year 2010 New Appropriations for Transportation

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Transportation** | | |
| **Transportation** | **6,351,832.7** | |
| **Federal Local Airport Fund** | **137,000.0** | |
| Statewide - Financial Assistance to Airports (Federal and Local share) | 137,000.0 | |
| **Federal Mass Transit Trust Fund** | **16,000.0** | |
| Statewide - Grant for the Federal Share of Capital, Operating, Consultant Services, and Technical Assistance | 16,000.0 | |
| **Grade Crossing Protection Fund** | **24,750.0** | |
| Statewide - Installation of Grade Crossing Protection or Grade Separations | 24,750.0 | |
| **Rail Freight Loan Repayment Fund** | **1,045.0** | |
| Statewide - Rail Freight Loan Repayment Program (Federal) | 1,045.0 | |
| **Road Fund** | **720,337.7** | |
| State Wide Road Improvements- Local Share of Road fund/Road Program | 499,185.7 | |
| Statewide - Transportation and Related construction | 95,000.0 | |
| Statewide - Maintenance, Traffic and Physical Research/Formal Contract (A) | 30,129.1 | |
| Statewide - Apportionment to Counties Under One Million in Population | 21,800.0 | |
| Northeastern Illinois - Federal Pass Through Funding for C.R.E.A.T.E Program | 20,000.0 | |
| Statewide - Township Bridge | 15,000.0 | |
| Statewide - Maintenance, Traffic and Physical Research/Formal Contract (B) | 13,150.0 | |
| Statewide - Apportionment to Needy Road Districts And Townships | 10,014.3 | |
| Statewide - Motorist Damage to Highway Structures | 5,500.0 | |
| Statewide - Permanent Improvements to IDOT facilities | 5,400.0 | |
| Statewide - Apportionment to High Growth Cities | 4,000.0 | |
| Statewide - Disposal of Hazardous Materials | 1,158.6 | |
| **State Construction Account Fund** | **930,000.0** | |
| Statewide - Transportation and Related construction | 930,000.0 | |
| **State Rail Freight Loan Repayment Fund** | **2,700.0** | |
| Statewide - Rail Freight Loan Repayment Program (State) | 2,700.0 | |
| **Transportation Bond, Series A Fund** | **3,000,000.0** | |
| Statewide - Transportation and Related Construction | 3,000,000.0 | |
| **Transportation Bond, Series B Fund** | **1,520,000.0** | |
| Public Transit - Transportation Grants | 1,275,000.0 | |
| Downstate - Public Transit - Transportation Grants | 225,000.0 | |
| Statewide - Grants for Air Navigation | 20,000.0 | |
| **Transportation Total** | **6,351,832.7** | |

# CHAPTER 5

## *Education*

# Education

## OVERVIEW

### AGENCIES

*(Appropriations in thousands.)*

**Pre-K-12 Schools**
- $32,673 in existing appropriation
- $1,625,000 in new appropriation
- ➢ *Total Appropriation: $1,657,673*

**Public Universities**
- $322,041 in existing appropriation
- $662,803 in new appropriation
- ➢ *Total Appropriation: $984,844*

**Community Colleges**
- $130,691 in existing appropriation
- $157,860 in new appropriation
- ➢ *Total Appropriation: $288,552*

**Private Universities**
- $100,000 in new appropriation
- ➢ *Total Appropriation: $100,000*

### EDUCATION'S MISSION

To provide safe, productive, and efficient educational facilities in order to meet the learning needs of the children of Illinois.

To enhance students' success by assisting both public and private universities and community colleges develop and maintain educational facilities.

## PRE-K-12 SCHOOLS

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| School Construction | $ 32,673 | $ 1,500,000 | $ 1,532,673 |
| School Maintenance | $ - | $ 100,000 | $ 100,000 |
| Preschool Capital | $ - | $ 25,000 | $ 25,000 |
| **Total:** | **32,673** | **1,625,000** | **1,657,673** |

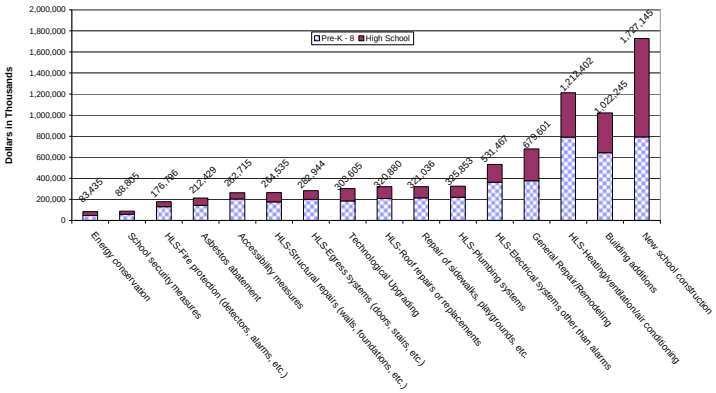
### MAJOR ACCOMPLISHMENTS

- **Completed $3.1 billion in school construction grants.** The School Construction Grant Program has provided over $3.1 billion in matching grants, benefitting 502 school districts since 1998.

- **Capital Needs Assessment**. More than 450 elementary, secondary and unit school districts reported over $7.6 billion in capital needs for new schools, building additions, and general repair work for the next two years.

*The state's 868 school districts educate nearly 2.4 million Illinois students.*

Capital Needs Assessment Survey




## PROGRAM HIGHLIGHTS

### NEW APPROPRIATION HIGHLIGHTS

***School Construction Program - $1.5 billion***
Matched $1.5 billion in grants with local funding will support over $3 billion in new school construction and maintenance to districts with fast-growing educational and aging infrastructure needs through a continually successful state/local partnership.

***School Maintenance Grants - $100 million***
A dollar-for-dollar match to local funding will be used for small repair and maintenance projects at every school district in the state.

***Pre-K Capital Program - $25 million***
This consists of matching grants to assist in providing necessary renovations and additions for school districts and not-for-profit organizations to support preschool programs.

## PUBLIC UNIVERSITIES

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| New Construction | $ 86,693 | $ 374,424 | $ 461,117 |
| Renovation | $ 166,379 | $ 247,487 | $ 413,866 |
| Capital Renewal | $ 68,969 | $ 40,893 | $ 109,862 |
| **Total:** | **322,041** | **662,803** | **984,844** |

# Education

## MAJOR ACCOMPLISHMENTS

- **Opened Simmons Cooper Cancer Institute**. In an effort to reach central Illinois communities for cancer care, the Southern Illinois University's (SIU) School of Medicine at the Springfield campus opened the newly constructed Simmons Cooper Cancer Institute.

- **Completed the Doudna Fine Arts Center**. This 105,000 square foot new architectural landmark at Eastern Illinois University houses the renewed fine arts education program.

- **Updated chilled water plants.** Illinois State University has enhanced two residential buildings: Watterson and Stevenson Towers, which no longer hold outdated mechanical equipment; a satellite facility for the new energy efficient chillers is now housed across the street.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATION HIGHLIGHTS

**All higher education projects will meet Leadership in Energy and Environmental Design (LEED) certification standards.**

***Southern Illinois University-Edwardsville Science Laboratory - $78.9 million***
Renovations to the university's science lab will ease student over-crowding and provide a state-of-the-art, effective learning environment for students.

***Northeastern Illinois University Education Building - $73 million***
This new 190,000 square foot building will provide modern facilities for teacher training and centralize all education departments into one building. Northeastern has one of the largest teacher preparation programs for Chicago Public Schools.

***Southern Illinois University-Carbondale Transportation Education Building - $56.7 million***
Funding will support construction of a 272,000 square foot Transportation Education Center at the Southern Illinois airport, including classrooms, laboratories, plane hangar and engine testing equipment. SIU teaches 728 aviation/transportation students per year.

***University of Illinois at Urbana-Champaign Lincoln Hall - $57.3 million***
Historic Lincoln Hall houses numerous programs on campus and this major remodeling project will allow the university to efficiently use existing space for current and new academic programs. Funds are included to achieve LEED Gold certification.

***Western Illinois University Performing Arts Center - $67.8 million***
Conceptual plans have been proposed to bring the campus a new arts building, which will house the university's College of Fine Arts and Communication classes and production needs.

*Illinois has 209 degree-granting institutions.*

***Illinois Mathematics and Science Academy (IMSA) - $6.3 million***
State assistance will provide new residence halls for the IMSA campus, in addition to updating infrastructure to the Main Building.

### REAPPROPRIATION HIGHLIGHTS

***Governors State University - $14.6 million***
Funding will be provided for remodeling of the Teaching and Learning Complex, affecting nearly 8,000 students at the university.

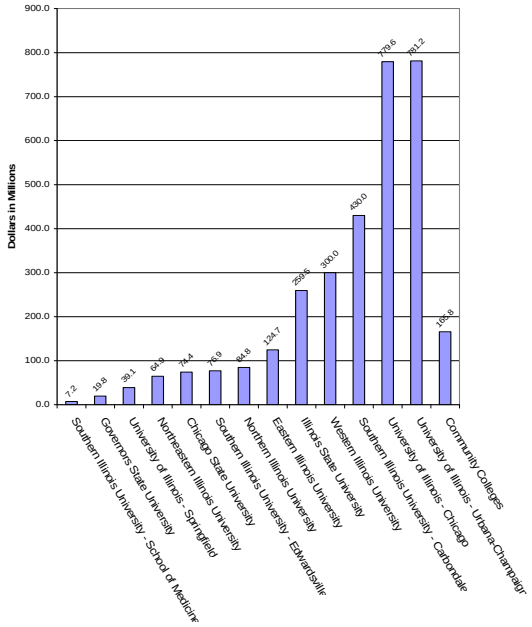
***Western Illinois University - $9.5 million***
Funding will include site improvements for Memorial Hall, including upgrades to HVAC, electrical, and mechanical systems throughout the building, as well as space reconfiguration and equipment to make Memorial Hall more energy efficient and provide cost savings.

# Education

### DEFERRED MAINTENANCE

***Deferred Maintenance - $3.3 billion***
Public universities and community colleges statewide report a deferred maintenance backlog of over $3.3 billion. Funding in the Illinois Now! Program will help bring down this backlog.

Public Higher Education
Deferred Maintenance Needs




## PRIVATE UNIVERSITIES

***Private Universities - $100 million***
Funding will support cost of construction, renovations, modernizations and maintenance to non-public universities.

## COMMUNITY COLLEGES

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| New Construction | $ 6,488 | $ 101,462 | $ 107,951 |
| Renovation | $ 79,213 | $ 47,291 | $ 126,503 |
| Capital Renewal | $ 44,990 | $ 9,108 | $ 54,098 |
| **Total:** | **130,691** | **157,860** | **288,552** |

## MAJOR ACCOMPLISHMENTS

- **Began construction for Truman College.** Provided $15 million of state assistance to the City Colleges of Chicago for Harry Truman College for the construction of its new student services center, which will consolidate various student services and open up more classroom space.
- **Completed construction on N.O. Nelson Center.** State assistance helped restore the N.O. Nelson Center at Lewis and Clark College in Edwardsville, which now houses a new teaching center for the college as well as the local high school.
- **Completed the new Workforce Development Center** at Southwestern Illinois College in Belleville, which will support employment training and opportunities in the educational arena.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATION HIGHLIGHTS

***Lake Land College (Effingham) - $2.4 million***
Funds will be used for the construction of a multi-story addition to the Student Services Building to meet the demands of a growing student population and to consolidate services under one roof.

***Triton College (River Grove) - $10.7 million***
Provides for rehabilitation of the Technology Building to address outdated infrastructure, along with moisture penetration and other deterioration.

***Joliet Junior College - $4.5 million***
State assistance will go towards renovation of utilities at the college, including: major improvements to the college's high voltage distribution system; funding for a reinforced concrete tunnel to house steam and condensate piping; chilled water loop; and an electrical distribution system for current and future communication needs.

***Rock Valley College (Rockford) - $26.7 million***
Funding will support the creation of an Arts Instructional Center. Expansion of the center will consolidate the program as well as provide for future growth in student population.

***William Rainey Harper College (Palatine) - $40.6 million***
Funds provide for the construction of a new One Stop/Admissions Center and a new Campus/Student Life Center. This project will centralize growing student service functions and facilitate student traffic between buildings by connecting to existing buildings.

### REAPPROPRIATION HIGHLIGHTS

***Community Colleges (statewide)***
Remodeling and improvements to meet requirements of the Americans with Disabilities Act (ADA).

## Fiscal Year 2010 New Appropriations for Education

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Higher Education** | | |
| **Capital Development Board** | **165,892.6** | |
| **Illinois Jobs Now Fund** | **165,892.6** | |
| Statewide - For Miscellaneous Capital Improvements Including Construction, Capital Facilities, Cost of Planning, Supplies, Equipment, Materials, and All Other Expenses Required to Complete Work at the Various Private Colleges and Universities | 100,000.0 | |
| Higher Education Capital Renewal Program | 40,892.6 | |
| Statewide - Higher Education Escalation and Emergencies | 25,000.0 | |
| **Chicago State University** | **19,500.0** | |
| **Illinois Jobs Now Fund** | **19,500.0** | |
| Chicago State University - Cook County - Renovation of Douglas Hall (via CDB) | 19,500.0 | G |
| **Eastern Illinois University** | **6,407.1** | |
| **Illinois Jobs Now Fund** | **6,407.1** | |
| Eastern Illinois University - Coles County - HVAC Life Sciences and Coleman Hall (via CDB) | 4,757.1 | G |
| Eastern Illinois University - Coles County - Equipment for Fine Arts Center (via CDB) | 1,650.0 | |
| **Governors State University** | **10,028.0** | |
| **Illinois Jobs Now Fund** | **10,028.0** | |
| Governors State University - Will County - Teaching/Learning Complex (via CDB) | 8,000.0 | G |
| Governors State University - Will County - Campus Roadway Improvements (via CDB) | 2,028.0 | G |
| **Illinois Community College Board** | **157,860.3** | |
| **Illinois Jobs Now Fund** | **157,860.3** | |
| William Rainey Harper College - Cook County - One Stop/Admissions and Campus/Student Life Center (via CDB) | 40,623.9 | G |
| Rock Valley College- Arts Instructional Building (via CDB) | 26,711.9 | G |
| William Rainey Harper College - Cook County - Engineering and Technology Center Renovations (via CDB) | 20,336.8 | G |
| Illinois Valley Community College - Community Instructional Center (via CDB) | 16,323.1 | G |
| Parkland College - Champaign County - Student Services Center Addition (via CDB) | 15,442.1 | G |
| Triton College - River Grove - Cook County - Rehabilitating the Technology Building (via CDB) | 10,666.1 | G |
| Statewide- Illinois Community College Board- Capital Renewal (via CDB) | 9,107.6 | |
| Lakeland College - Mattoon - Coles County - Rural Development Technology Center (via CDB) | 7,524.1 | G |
| Joliet Junior College - Will County - Utilities Renovation (via CDB) | 4,522.9 | G |
| Lakeland College - Mattoon - Coles County - Student Services Building Addition (via CDB) | 2,361.1 | G |
| Elgin Community College - Kane County - Spartan Drive Extension (via CDB) | 2,244.8 | G |
| College of DuPage - DuPage County - Instructional Center Noise Abatement (via CDB) | 1,544.6 | G |
| Rend Lake College - Jefferson County - Art Program Addition (via CDB) | 451.3 | G |
| **Illinois Mathematics And Science Academy** | **9,860.0** | |
| **Illinois Jobs Now Fund** | **9,860.0** | |
| Illinois Math and Science Academy - Aurora - Kane County - Main Building Addition and Residence Halls' renovations (via CDB) | 6,260.0 | G |
| Illinois Math and Science Academy - Aurora - Kane County - "A" Wing Laboratories Remodeling (via CDB) | 3,600.0 | G |
| **Illinois State University** | **54,250.1** | |
| **Illinois Jobs Now Fund** | **54,250.1** | |
| Illinois State University - Mc Clean County - Renovation of the Visual Arts Center (via CDB) | 54,250.1 | G |
| **Northeastern Illinois University** | **72,977.2** | |
| **Illinois Jobs Now Fund** | **72,977.2** | |
| Northeastern Illinois University - Cook County - Construct Education Building (via CDB) | 72,977.2 | G |
| **Northern Illinois University** | **25,305.0** | |
| **Illinois Jobs Now Fund** | **25,305.0** | |
| Northern Illinois University - De Kalb County - Renovation and Expansion of Stevens Building (via CDB) | 22,517.6 | G |
| Northern Illinois University - DeKalb County - Plan Computer Science and Technology Center (via CDB) | 2,787.4 | G |

## Fiscal Year 2010 New Appropriations for Education

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Higher Education** | | |
| **Southern Illinois University** | **157,405.9** | |
| **Illinois Jobs Now Fund** | **157,405.9** | |
| SIU - Edwardsville - Madison County - Construct Science Lab (via CDB) | 78,867.3 | G |
| SIU - Carbondale - Jackson County - Construct Transportation and Education Center (via CDB) | 56,718.8 | G |
| SIU - Carbondale - Jackson County - Morris Library Equipment (via CDB) | 17,564.4 | |
| SIU - Carbondale - Jackson County - Communications Building (via CDB) | 4,255.4 | G |
| **University Of Illinois** | **157,478.0** | |
| **Illinois Jobs Now Fund** | **157,478.0** | |
| University of Illinois - Urbana/Champaign - Champaign County - Renovate Lincoln Hall (via CDB) | 57,304.0 | G |
| University of Illinois - Urbana/Champaign - Champaign County - Construct Computer and Engineering Facility (via CDB) | 44,520.0 | G |
| University of Illinois - Chicago - Cook County - Campus Infrastructure (College of Dentistry) (via CDB) | 20,800.0 | G |
| University of Illinois - Urbana/Champaign - Champaign County - Construct Post Harvest Crop Research Facility (via CDB) | 20,034.0 | G |
| University of Illinois - Rockford - Winnebago County - Construct National Rural Health Center (via CDB) | 14,820.0 | G |
| **Western Illinois University** | **83,698.9** | |
| **Illinois Jobs Now Fund** | **83,698.9** | |
| Western Illinois University - Mc Donough County - Construct Performing Arts Center (via CDB) | 67,835.8 | G |
| Western Illinois University - Rock Island County - Construct Quad-City Riverfront Campus (via CDB) | 15,863.1 | G |
| **Higher Education Total** | **920,663.1** | |
| **Pre K-12** | | |
| **Capital Development Board** | **1,625,000.0** | |
| **Illinois Jobs Now Fund** | **1,625,000.0** | |
| Statewide - School Construction Grants | 1,500,000.0 | |
| Statewide - For School Maintenance Grants | 100,000.0 | |
| Statewide - For Grants for Pre-K Construction | 25,000.0 | |
| **Pre K-12 Total** | **1,625,000.0** | |
| **Education Total** | **2,545,663.1** | |

# CHAPTER 6

## *Environment, Energy and Technology*

# Environment, Energy and Technology

## OVERVIEW

### AGENCIES

*(Appropriations in thousands.)*

**Department of Natural Resources (DNR)**
- $358,569 in existing appropriation
- $258,372 in new appropriation
- ➢ *Total Appropriation: $616,941*

**Illinois Environmental Protection Agency (IEPA)**
- $1,094,609 in existing appropriation
- $496,700 in new appropriation
- ➢ *Total Appropriation: $1,591,309*

**Department of Commerce and Economic Opportunity (DCEO)**
- $151,899 in existing appropriation
- $170,000 in new appropriation
- ➢ *Total Appropriation: $321,899*

### ENVIRONMENT, ENERGY AND TECHNOLOGY'S MISSION

To protect and improve our environment and natural assets with effective capital projects and programs today to reap economic dividends well into the future by means of clean air and water, recreational opportunities, and attractive business locations.

To enhance the technology infrastructure in Illinois in order to bring new technology-based projects to the state to encourage job and economic growth.

To encourage the use of Illinois' products in the generation of new energy in order to grow Illinois' independence from traditional energy sources.

## DEPARTMENT OF NATURAL RESOURCES

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Recreation | $ 77,136 | $ 15,525 | $ 92,661 |
| Water Resources | $ 70,050 | $ 143,790 | $ 213,840 |
| Conservation | $ 181,217 | $ 72,697 | $ 253,914 |
| Public Safety | $ 18,391 | $ 7,935 | $ 26,326 |
| Other | $ 11,773 | $ 18,425 | $ 30,198 |
| **Total:** | **358,569** | **258,372** | **616,941** |

## MAJOR ACCOMPLISHMENTS

- **Made waterway improvements and constructed the Rand Park element** of the Prairie/Farmers Creek project on the Des Plaines River, which will result in reduced flooding in the cities of Des Plaines and Park Ridge.

*Illinois is home to 297 kinds of birds, 196 species of fish and 63 types of mammals.*

- **Assisted the Fox River Waterway Management Agency** in dredging and constructing beneficial islands from the dredge material within the Fox Chain O'Lakes.

- **Added 43 acres** to the Volo Bog State Natural Area in Lake County in order to protect the many rare species and 23 endangered or threatened plant species present. The Volo Bog area has been designated as a National Natural Landmark by the National Park Service.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***Illinois Conservation Reserve Enhancement Program (CREP) - $45 million***
CREP is a partnership between DNR and the United States Department of Agriculture. Its objectives are to reduce erosion, improve water quality and increase the habitat for a wide variety of species. This $45 million in funding will leverage federal match dollars by a 1-to-4 ratio.

*There are about 1,320 beekeepers in Illinois. They tend nearly 20,000 colonies!*

***Illinois Rivers 2020 - $15 million***
This program coordinates federal, state and local government efforts to restore the value of the Illinois River basin through documentation of restoration needs and implementation of feasibility studies.

***Waterway Improvement Program - $82.5 million***
This program assists local governments in implementing flood control and dam projects independently, or in cooperation with federal agencies.

## REAPPROPRIATIONS

***Natural Areas Program, the Land and Water Conservation Program – Over $89 million***
The Natural Areas Program and the Land and Water Conservation Program are among the open space, public recreation and natural resources protection programs that will receive reappropriations. These programs also include land acquisition and grant programs for development of hiking, biking, equestrian or motorized-vehicle trails and boat launch facilities. Many programs receive federal matching funds which can be used for grants to local governments as well as for direct acquisition.

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for several programs within IDNR.

**Forestry**

- Illinois anticipates receiving $20 million in ARRA funds for advancing forestry, $5 million in fiscal year 2009 and $15 million in fiscal year 2010.
- IDNR plans to use the ARRA funding for projects such as ecosystem restoration, creation and restoration of wildlife habitat, remediation of forest damage on public lands and urban tree replacement due to Emerald Ash Borer damage.

**Other Projects**

- The ARRA appropriates federal funds for many projects relating to the IDNR's mission at a national level. These projects include flood control and waterway improvements, roadway improvements, public health and safety enhancements, infrastructure repairs at state parks and recreational facilities, habitat enhancements that provide long-term environmental protection and economic development benefits, fish and wildlife enhancements through federal aid program funding, and law enforcement and related public safety initiatives.
- Grants for these projects will be given on a discretionary basis by the governing federal agencies. Illinois will compete aggressively to secure a share of these funds.

## ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Wastewater and Drinking Water Revolving Loan | $ 1,036,815 | $ 466,400 | $ 1,503,215 |
| LUST | $ - | $ 25,000 | $ 25,000 |
| Hazardous Waste Cleanup and Remediation | $ 15,300 | $ 5,300 | $ 20,600 |
| Unsewered Community Grant | $ 42,494 | $ - | $ 42,494 |
| **Total:** | **1,094,609** | **496,700** | **1,591,309** |

## MAJOR ACCOMPLISHMENTS

- **Awarded $1 million** for the River Edge Municipal Brownfields Redevelopment Initiative. These grants are awarded, in cooperation with DCEO, to municipalities to support clean-up, remediation and redevelopment efforts aimed at economic revitalization.
- **Provided 24 new wastewater loans** with a value of more than $176 million, and 17 drinking water loans with a value of nearly $38 million.
- **Provided $5 million** in reimbursements to tank owners for Leaking Underground Storage Tanks.
- **Awarded $46.8 million** to assist communities that have relied on individual septic systems to provide central sewage collection and treatment in building sewer infrastructure.
- **Provided nearly $3 billion** in 24 low-interest loans to local communities to upgrade and expand wastewater treatment and sewage collection systems, drinking water treatment plants, and distribution lines. The programs are 80 percent funded through federal grants, and 20 percent through state match and repayments on existing loans.
- **Remediated Lake Calumet cluster sites.** This project is under an agreement between IEPA and the IDOT. One million cubic yards of soil from the Dan Ryan Reconstruction Project was transported to the cluster sites for new cover, with IDOT paying IEPA up to $19 million to take the soil, substantially less than what it would have cost to dispose of it. The additional funds will be used for other remediation steps at the cluster sites.

# PROGRAM HIGHLIGHTS

## NEW APPROPRIATIONS

***Wastewater and Drinking Water Revolving Loan Programs - $60.4 million***
These funds will be used as a state match to leverage approximately $169 million in federal funds for the wastewater program and $126 million for the drinking water program.

***Brownfields environmental assessment, cleanup grants and low interest loans - $5.3 million***
These funds help municipalities to investigate and remediate abandoned contaminated industrial and commercial land. This helps communities return these derelict properties to productive use, supporting jobs and enhancing new investment.

## REAPPROPRIATIONS

***Rehabilitate Wastewater Treatment Plants - $4.4 million***
These funds will be used to assist local governments in maintaining and rehabilitating wastewater treatment plants in order to meet the needs of their communities, and state and federal regulations.

***Wastewater and Drinking Water Revolving Loan Programs - $776 million***
In addition to new funding, $10 million of unused funds will be reappropriated to these programs in order to meet the needs of communities.

# FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for several programs within IEPA.

**Wastewater and Drinking Water Infrastructure Funding**
- Illinois will receive $180 million for wastewater infrastructure projects and $80 million for drinking water projects.
- Twenty percent is to be reserved for “green” infrastructure.

**Brownfields**
- Illinois will compete for $5 million for Brownfields projects.
- Illinois will develop a priority funding list sites with potential for job development. Priority will be given to projects already working within state programs and services. Illinois has many Brownfield projects that have completed the investigation phases under the Brownfield Municipal Grant Program and are waiting funding for remediation activities. Illinois will compete aggressively to secure a share of these funds.

**Leaking Underground Storage Tanks**
- Illinois will compete for $7.1 million.
- Projects will be municipal Brownfields sites that have been identified by a municipality as potential for redevelopment, where there is a known release from a leaking underground storage tank. Illinois will compete aggressively to secure a share of these funds.

**Diesel Emissions Reduction Act**
- Thirty percent allocated to states via formula, Illinois will receive $1.7 million for diesel emission reduction program.
- Seventy percent allocated via competitive grants, Illinois anticipates receiving up to $12 million for diesel emissions reduction projects. Illinois will compete aggressively to secure a share of these funds.

**Superfund**
- The United States Environmental Protection Agency (USEPA) is evaluating all National Priorities List sites. USEPA will consider two categories of projects: (1) ongoing remedial actions and (2) new start remedial actions. USEPA, Region 5 is proposing two sites in Illinois: Jennison Wright in Madison County and the Outboard Marine Corporation in Lake County. Illinois will compete aggressively to secure a share of these funds.

# DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

| Appropriations By Type: | Appropriations ($ thousand) | | |
|---|---|---|---|
| | Existing | New | Total |
| Coal Development | $ 89,885 | $ - | $ 89,885 |
| Energy | $ 20,625 | $ 75,000 | $ 95,625 |
| Technology | $ 41,388 | $ 95,000 | $ 136,388 |
| Total: | 151,899 | 170,000 | 321,899 |

# MAJOR ACCOMPLISHMENTS

- **Provided $6 million in energy efficiency grants** through Ameren and ComEd for energy enhancements to schools, universities,

commercial facilities, industrial facilities, local governments and state facilities.

- **Provided infrastructure investments** for clean-coal gasification plants.

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***Energy - $75 million***
These funds will be used to support the research and development of new energy technologies.

***Technology - $95 million***
These grant funds will be used in cooperation with the National Science Foundation to create a next generation supercomputing facility at the University of Illinois where $60 million will be provided toward this $208 million project for which U of I has already secured federal matching funds. These funds will be used to assist Illinois businesses, universities and research centers in creating innovative technological advancements.

*Every compact fluorescent light bulb can prevent more than 450 pounds of emissions from a power plant over its lifetime.*

***Fermi National Accelerator Laboratory - $17 million***
These funds will be used to match federal funds to assist in the construction of laboratory and office space at the Illinois Accelerator Research Center in Batavia.

***Argonne National Laboratory - $13 million***
This grant will assist in the construction of the Advanced Protein Crystallization Facility, which produces protein crystals needed to take full advantage of Argonne's capacity for determining the three-dimensional structure of proteins.

### REAPPROPRIATIONS

***Coal Revival Program - $50 million***
This grant will assist in building plants and infrastructure that can help increase the use of Illinois coal.

*Illinois coal producers mine 32 million tons of coal per year.*

***Argonne National Laboratory - $13 million***
This grant will assist in the construction of the Rare Isotope Accelerator.

***Illinois Science and Technology Park - $15 million***
This grant will assist in the expansion of the park and site redevelopment.

***Renewable Fuels Program - $20 million***
These funds will be used to help build ethanol and biodiesel production facilities.

## FEDERAL RECOVERY

The American Recovery and Reinvestment Act (ARRA) of 2009 contains funding for several programs within DCEO.

**Economic Development**

- The ARRA has programs promoting renewable energy, energy efficiency, clean coal technology, broadband deployment, electric grid expansion, and science and technology research.
- While the stimulus bill will attempt to channel funding to states through existing formula allocations, other program funding will be distributed by administering federal agencies through competitive grant processes that largely are still undefined. Illinois will compete aggressively to secure a share of these funds.

*It takes three gallons of water to produce a gallon of ethanol. In comparison, it takes 88 gallons of water to produce a gallon of gasoline.*

## Fiscal Year 2010 New Appropriations for Environment, Energy and Technology

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Energy** | | |
| **Department Of Commerce And Economic Opportunity** | **75,000.0** | |
| **Illinois Jobs Now Fund** | **75,000.0** | |
| Energy Development | 75,000.0 | |
| **Energy Total** | **75,000.0** | |
| **Environment** | | |
| **Department Of Agriculture** | **5,225.0** | |
| **Illinois Jobs Now Fund** | **2,612.5** | |
| Agriculture-Statewide-Grants to Soil and Water Conservation Districts | 2,612.5 | |
| **Partners for Conservation Projects Fund** | **2,612.5** | |
| Agriculture-Statewide-Grants to Soil and Water Conservation Districts | 2,612.5 | |
| **Department Of Natural Resources** | **258,372.0** | |
| **Abandoned Mined Lands Reclamation Council Federal Trust Fund** | **6,000.0** | |
| Statewide-Grants and contract to conduct research, planning and construction to eliminate hazards of abandoned mines | 6,000.0 | |
| **Abandoned Mined Lands Reclamation Set-Aside Fund** | **1,500.0** | |
| Statewide-Grants and contract to conduct research, planning and construction to eliminate hazards of abandoned mines | 1,500.0 | |
| **Adeline Jay Geo-Karis Illinois Beach Marina Fund** | **375.0** | |
| Lake County-Rehabilitation, Reconstruction, Repair, Replace Fixed Assets and Improve Facilities at North Point Marina | 375.0 | |
| **Federal Title IV Fire Protection Assistance Fund** | **325.0** | |
| Statewide-Rural Community Fire Protection Programs | 325.0 | |
| **Flood Control Land Lease Fund** | **800.0** | |
| Statewide-Disbursements of federal flood control monies to counties | 800.0 | |
| **Forest Reserve Fund** | **500.0** | |
| Statewide-US Forest Service Programs - provides pass through payments to counties containing National Forests in lieu of property taxes | 500.0 | |
| **Illinois Forestry Development Fund** | **15,925.0** | |
| Federal Recovery - For the Purpose of Advancing Forestry Resources in Illinois | 15,000.0 | |
| Statewide-Timber Growers Forestry Management Practices - cost-sharing grants to forest owners for management practices, including reforestation, vegetation control, thinning, pruning, and fencing to exclude livestock | 625.0 | |
| Statewide-Forest Stewardship Technical Assistance | 300.0 | |
| **Illinois Habitat Fund** | **1,440.0** | |
| Statewide-Preservation and maintenance of High Quality Habitat Lands | 1,215.0 | |
| Statewide-Preservation and maintenance of a high quality fish and wildlife habitat and to promote the heritage of outdoor sports in Illinois from revenue derived from the sale of Sportsmen Series License Plates | 225.0 | |
| **Illinois Jobs Now Fund** | **192,465.0** | |
| Statewide - Open space grants to local governments for acquisition and/or development of land for public parks and open space; funding assistance up to 50% of approved project | 50,000.0 | |
| Statewide-Illinois River Basin Conservation Reserve Enhancement Program | 45,000.0 | |
| Water resource management projects as authorized by subsection (g) of Section 3 of the GO Bond Act or for grants to State agencies for such purposes | 42,015.0 | |
| Water resource management projects as authorized by subsection (g) of Section 3 of the GO Bond Act or for grants to State agencies for such purposes | 40,500.0 | |
| Statewide-State Match for Corps Projects - Projects under Federal Water Resources Development Act authorities for CORPS ecosystem restoration projects require a 25% to 35% non-federal match | 14,950.0 | |
| **Land and Water Recreation Fund** | **6,200.0** | |
| Statewide-Federal 50% reimbursement grant-in-aid program for state outdoor recreation planning, acquisition and development initiatives and grants to local units of government for land acquisition projects for public outdoor recreation purposes | 6,200.0 | |
| **Natural Areas Acquisition Fund** | **3,000.0** | |
| Statewide-Acquisition, preservation and stewardship of natural areas | 3,000.0 | |

## Fiscal Year 2010 New Appropriations for Environment, Energy and Technology

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Environment** | | |
| **Department Of Natural Resources** | **258,372.0** | |
| **Off-Highway Vehicle Trails Fund** | **600.0** | |
| Statewide-Grants for Off-Highway Vehicle Trails - Grants to government agencies, not-for-profit organizations, and other eligible groups or individuals to develop, operate, maintain, and acquire land for OHV facilities that are open to the public | 600.0 | |
| **Open Space Lands Acquisition and Development Fund** | **17,000.0** | |
| Statewide - Open Space Lands Acquisition and Development (OSLAD) grants to local governments for acquisition and/or development of land for public parks and open space; funding assistance up to 50% of approved project | 17,000.0 | |
| **Park and Conservation Fund** | **7,750.0** | |
| Statewide-Bicycle Path Grant Program to local units of government to assist in acquisition, construction, and rehabilitation of public nonmotorized bicycle paths; provides up to 50% funding assistance of approved project costs | 3,000.0 | |
| Statewide-Recreational Trails Program - Develop and maintain recreational trails and related projects and issue grants for similar projects per the federal Intermodal Surface Transportation Act | 2,000.0 | |
| Statewide-Maintenance of sites | 2,000.0 | |
| Statewide-Program for acquisition, development and maintenance of public bike paths on state lands and provide portion of cost share for federal SAFETEA-LU related projects | 750.0 | |
| **Plugging and Restoration Fund** | **110.0** | |
| Statewide-Landowner Grant Program authorized under the Illinois Oil and Gas Act, as amended by PA 90-0260 | 110.0 | |
| **Snowmobile Trail Establishment Fund** | **80.0** | |
| Statewide-Snowmobile Trails (Nonprofit Clubs/Organizations) - grants to construct, maintain and rehabilitate snowmobile trails and facilities on public lands, road right-of-ways, or private lands open to public use | 80.0 | |
| **State Boating Act Fund** | **2,570.0** | |
| Statewide - Development of Boating Access Facilities on state-owned bodies of water and at state-owned properties along the major rivers; program receives 75% federal reimbursement of costs for projects | 1,500.0 | |
| Statewide-Boat Access Area Development Grants - assist. to local government agencies for public boat and canoe access areas; reimbursement up to 100% of construction costs 90% of land acquisition | 725.0 | |
| Grant to Chain O'Lakes-Fox River Waterway Management Agency for operating expenses | 150.0 | |
| Statewide-Snowmobile Trails (Local Government) Grants - up to 50% reimbursement of approved facility development/rehabilitation costs and 90% of approved trail corridor land acquisition costs for public snowmobile trails and areas in the state | 120.0 | |
| Statewide-Boating Infrastructure Grant Program (Big-P) - federally supported program provides up to 75% funding for approved cost of developing transient boater storm shelters, way stations or fishing and recreational facilities | 75.0 | |
| **State Furbearer Fund** | **99.0** | |
| Statewide-Conservation of furbearing mammals per Section 5/1.32 of the Wildlife Code | 99.0 | |
| **State Migratory Waterfowl Stamp Fund** | **788.0** | |
| Statewide-Attracting waterfowl and improve public migratory waterfowl areas | 500.0 | |
| Statewide-Migratory waterfowl restoration | 144.0 | |
| Statewide-North American Waterfowl Management Plan | 144.0 | |
| **State Parks Fund** | **150.0** | |
| Statewide-Multiple Use Facilities (park and trail purposes) - provides state match for federal Recreational Trails Program projects on Department sites | 150.0 | |
| **State Pheasant Fund** | **495.0** | |
| Statewide-Conservation of pheasants per Section 5/1.31 of the Wildlife Code | 495.0 | |
| **Wildlife and Fish Fund** | **200.0** | |
| Statewide-Construction and renovation of waste reception facilities for recreational boaters and grants per Clean Vessel Act | 100.0 | |
| Statewide-North American Waterfowl Management Plan - for the protection and/or development of waterfowl areas in Canada or the United States that provide waterfowl for the Mississippi Flyway | 100.0 | |
| **Illinois Environmental Protection Agency** | **496,700.0** | |
| **Illinois Jobs Now Fund** | **140,700.0** | |
| Water Revolving State Match | 60,400.0 | |

## Fiscal Year 2010 New Appropriations for Environment, Energy and Technology

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **Environment** | | |
| **Illinois Environmental Protection Agency** | **496,700.0** | |
| **Illinois Jobs Now Fund** | **140,700.0** | |
| IEPA-Statewide-Grants to locals and privately owned community water supplies for sewer systems, wastewater treatment facilities and drinking water infrastructure projects | 50,000.0 | |
| IEPA-Statewide-Leaking Underground Storage Tank (LUST) Program | 25,000.0 | |
| Statewide - IEPA - River Edge Municipal Brownfields Grant Program | 5,300.0 | |
| **Water Revolving Fund** | **356,000.0** | |
| IEPA-Statewide-Wastewater Loan Program | 204,000.0 | |
| IEPA-Statewide-Drinking Water Loan Program | 152,000.0 | |
| **Environment Total** | **760,297.0** | |
| **Technology** | | |
| **Department Of Commerce And Economic Opportunity** | **95,000.0** | |
| **Illinois Jobs Now Fund** | **95,000.0** | |
| University of Illinois - Urbana-Champaign - Petascale Computing Facility | 60,000.0 | |
| Fermilab - Batavia - Illinois Accelerator Research Center | 17,000.0 | |
| Argonne National Laboratory - Argonne - Grant for the Advanced Protein Crystallization Facility | 13,000.0 | |
| Abraham Lincoln Capital Airport/Illinois Air National Guard - Sangamon County - realign the front entrance road | 3,000.0 | |
| University of Illinois-Urbana-Champaign-Information Trust Institute-CHPT | 2,000.0 | |
| **Technology Total** | **95,000.0** | |
| **Environment, Energy and Technology Total** | **930,297.0** | |

# CHAPTER 7

## *State Facilities*

# State Facilities

## OVERVIEW

### AGENCIES

| Appropriations By Type: | Appropriations ($ thousand) Existing | New | Total |
|---|---|---|---|
| Agriculture | $ 2,283 | $ 7,497 | $ 9,780 |
| Architect Of The Capitol | $ 5,164 | $ 49,762 | $ 54,925 |
| Attorney General | $ 134 | $ 1,527 | $ 1,661 |
| Capital Development Board | $ 123,570 | $ 27,000 | $ 150,570 |
| Central Management Serv | $ 24,928 | $ 27,091 | $ 52,019 |
| Corrections | $ 276,585 | $ 19,843 | $ 296,428 |
| Emergency Mgt Agency | $ - | $ 25,000 | $ 25,000 |
| Historic Preservation | $ 15,981 | $ - | $ 15,981 |
| Human Services | $ 61,459 | $ 22,342 | $ 83,801 |
| Juvenile Justice | $ - | $ 7,753 | $ 7,753 |
| Medical District Commission | $ 3,915 | $ - | $ 3,915 |
| Military Affairs | $ 10,367 | $ 400 | $ 10,767 |
| Natural Resources | $ 22,286 | $ 6,964 | $ 29,250 |
| Public Health | $ 492 | $ - | $ 492 |
| Revenue | $ 9,259 | $ 2,911 | $ 12,170 |
| Secretary Of State | $ 17,169 | $ 6,787 | $ 23,956 |
| State Board Of Education | $ - | $ 5,000 | $ 5,000 |
| State Police | $ 9,315 | $ 5,500 | $ 14,815 |
| Supreme Court | $ 1,823 | $ 14,400 | $ 16,223 |
| Veterans' Affairs | $ 13,662 | $ 22,366 | $ 36,028 |
| **Total:** | **598,390** | **252,143** | **850,533** |

### STATE FACILITIES OVERVIEW

Agencies under the governor occupy approximately 60 million square feet of space. The diversity of these facilities is significant, with various building types such as: office buildings, hospitals, state fairgrounds, laboratories, prisons, residential care facilities, garages for heavy construction equipment, state park lodges and historic structures. The state is responsible for keeping these structures safe for the public, and for ensuring that they can be used in the manner that the state requires.

A recent Facility Condition Assessment estimates that necessary repairs to state facilities will cost over $4.3 billion over five years. This capital budget proposal requests only a portion of these critical needs, many of which are repairs that directly affect the health/life and safety of the public or the clients of the agency. See Deferred Maintenance Chart at the end of the State Facilities chapter.

In addition to deferred maintenance, many state agencies need new or expanded facilities in order meet the requirements placed on them. For example, due to new requirements for DNA testing and new scientific advancements in technology, the Illinois State Police need to expand the amount of lab space they have in order to meet these increased demands.

## MAJOR ACCOMPLISHMENTS

*CDB is responsible for repair and renovation of more than 8,400 state-owned properties.*

- **Completed the construction** of the Galesburg Armory for the Department of Military Affairs to meet "spirit green" standards.
- **Completed the upgrade** of the HVAC system at the capitol for the south wing and rotunda, which will increase energy efficiency.
- **Completed the construction** of the new National Guard training academy at Camp Lincoln for the Department of Military Affairs.
- **Completed the licensing** for the Health Life and Safety requirements for the Quincy Veterans' Home – Phase II.

***Green Building Standards***

New energy-efficient, environmentally-friendly guidelines for state construction projects have been adopted that will meet national green building standards, reduce the state's energy usage and make state buildings better for those who work in them and the area surrounding them. The Green Building Guidelines for State Construction requires that all new state-funded building construction and major renovation of existing state-owned facilities meet Leadership in Energy and Environmental Design (LEED) standards. Several state-funded building projects are already underway or planned that will incorporate the new green building guidelines. These include:

- Recently completed Workforce Development Center at Heartland Community College in Normal
- Integrated Bio-Processing Research Laboratory at University of Illinois at Urbana-Champaign (UIUC)
- Lincoln Hall at UIUC
- Transportation Education Center at Southern Illinois University-Carbondale (SIUC)
- Performing Arts Center Western Illinois University (WIU)
- Truman College Student Services Center
- Mt. Vernon Armed Forces Reserve Center
- Shiloh Readiness Center

# State Facilities

## PROGRAM HIGHLIGHTS

### NEW APPROPRIATIONS

***New Veterans' Home – Chicago - $15 million***
Plan and begin new veterans' home.

***Supreme Court Building - Springfield - $14.4 million***
Plan and begin renovation of building.

***Lincoln Correctional Center - $2.1 million***
Upgrade the fire alarm system.

***McFarland Mental Health Center - $2.8 million***
Upgrade the fire alarm system.

***Choate Mental Health Center - $2.1 million***
Upgrade the fire alarm system.

***Department of State Police - $2.5 million***
Plan and begin Belleville forensics lab.

***Lincoln-Herndon Law Office - $1 million***
Purchase and restore the Historic Tinsley Shop.

### REAPPROPRIATIONS

***Northwest Armory - Chicago - $2.8 million***
Electrical system upgrade.

**Michael A. Bilandic Building – $1.5 million**
Upgrade HVAC and domestic water system

**Logan Correctional Center - $5.7 million**
Upgrade power plant.

### FEDERAL RECOVERY

At least two areas of state facilities may be affected by the American Recovery and Reinvestment Act (ARRA) of 2009.

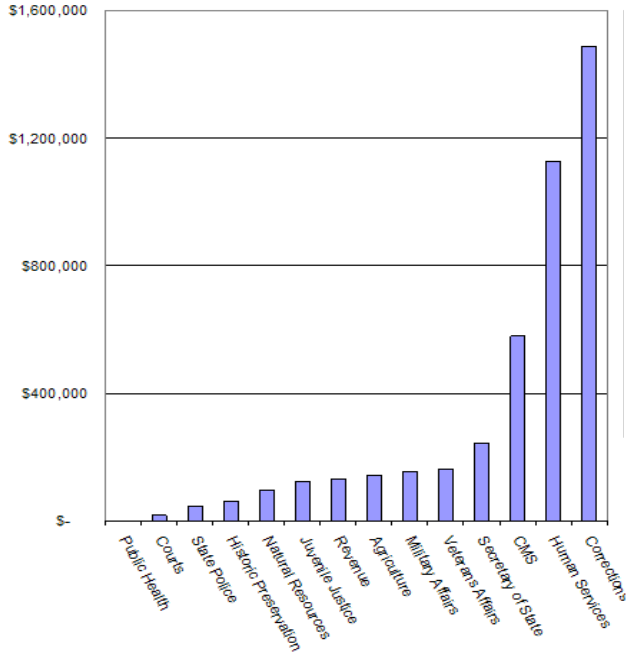
**Military Affairs**

- Discretionary Funds are available to U.S. military branches for construction of defense facilities. Projects will be selected by the U.S. military branch in coordination with the Secretary of Defense.

**Veterans Affairs**

- The U.S. Department of Veterans Affairs will receive discretionary funds for grants to assist states with construction of state extended care facilities for veterans. Projects will be selected by the U.S. Department of Veterans Affairs. This will provide reimbursement for previously completed projects.

Deferred Maintenance By Agency (in thousands)




| Location | Deferred Maintenance By Agency |
|---|---|
| Corrections | $ 1,487,524 |
| Human Services | $ 1,127,705 |
| Central Management Services | $ 578,187 |
| Secretary of State | $ 242,134 |
| Veterans Affairs | $ 161,601 |
| Military Affairs | $ 154,959 |
| Agriculture | $ 143,881 |
| Revenue | $ 130,365 |
| Juvenile Justice | $ 124,455 |
| Natural Resources | $ 94,825 |
| Historic Preservation Agency | $ 62,047 |
| State Police | $ 46,075 |
| Courts | $ 7,632 |
| Public Health | $ 791 |
| **Total** | **$ 4,372,182** |

## Fiscal Year 2010 New Appropriations for State Facilities

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **State Facilities** | | |
| **Capital Development Board** | **27,000.0** | |
| **Illinois Jobs Now Fund** | **27,000.0** | |
| Statewide - For State Facility Escalation Costs | 17,000.0 | |
| Statewide - Emergency Repairs and Hazardous Material Abatement | 10,000.0 | |
| **Department Of Agriculture** | **7,497.5** | |
| **Agricultural Premium Fund** | **850.0** | |
| Illinois State Fairgrounds-Springfield-Sangamon County-Various projects | 600.0 | |
| DuQuoin State Fairgrounds-Perry County-Various projects | 250.0 | |
| **Illinois Jobs Now Fund** | **6,647.5** | |
| Illinois State Fairgrounds - Sangamon County - Replace HVAC in Administration Building (via CDB) | 3,212.0 | |
| Illinois State Fairgrounds - Sangamon County - Replace Administration Building Roof (via CDB) | 2,220.5 | |
| Centralia - Animal Diagnostics Lab - Clinton County - Replace Roof (via CDB) | 615.0 | |
| Illinois State Fairgrounds - Sangamon County - Electrical System Upgrade (via CDB) | 600.0 | |
| **Department Of Central Management Services** | **27,091.0** | |
| **Illinois Jobs Now Fund** | **27,091.0** | |
| Statewide - for Infrastructure Improvement, Hardware and Shared Services | 13,500.0 | |
| James R. Thompson Center - Chicago - Cook County - HVAC Renovation and Upgrade (via CDB) | 4,150.0 | |
| Elgin Regional Office Building - Kane County - Upgrade HVAC System (via CDB) | 2,461.0 | |
| Chicago Medical Center - Cook County - Install Emergency Generator/Upgrade Electrical System (via CDB) | 2,000.0 | |
| Statewide - CMS - Renovate State-Owned Property (via CDB) | 2,000.0 | |
| Collinsville Regional Office Building - Madison County - Replace Roof (via CDB) | 1,980.0 | |
| James R. Thompson Center - Chicago - Cook County - Plan/Begin Electrical System/Life Safety Upgrades (via CDB) | 1,000.0 | |
| **Department Of Corrections** | **19,843.0** | |
| **Illinois Jobs Now Fund** | **19,843.0** | |
| Centralia Correctional Center - Clinton County - Replace Roofing Systems (via CDB) | 3,333.0 | |
| Dixon Correctional Center - Lee County - Replace Fire Alarm System (via CDB) | 3,300.0 | |
| Vandalia Correctional Center - Fayette County - Replace Roofing Systems (via CDB) | 2,343.0 | |
| Lincoln Correctional Center - Logan County - Upgrade Fire Alarm System (via CDB) | 2,147.0 | |
| Vienna Correctional Center - Johnson County - Replace Windows (via CDB) | 2,118.0 | |
| Stateville Correctional Center - Joliet - Will County - Replace X House Locks (via CDB) | 1,597.0 | |
| Jacksonville Correctional Center - Morgan County - Upgrade Fire Alarm System (via CDB) | 1,596.0 | |
| Vienna Correctional Center - Johnson County - Replace Roofing (via CDB) | 940.0 | |
| Logan Correctional Center - Logan County - Replace Housing Unit Roofs (via CDB) | 829.0 | |
| Southwestern Illinois Correctional Center - St. Clair County - Replace Roofing Systems (via CDB) | 825.0 | |
| Vandalia Correctional Center - Fayette County - For an Emergency Generator (via CDB) | 815.0 | |
| **Department Of Human Services** | **22,341.8** | |
| **Illinois Jobs Now Fund** | **22,341.8** | |
| Choate Mental Health Center - Anna - Union County - Life Safety Improvements (via CDB) | 7,296.0 | |
| Illinois School for the Deaf - Jacksonville - Morgan County - Install Sprinkler Systems in Dormitories and Elementary Building (via CDB) | 3,841.0 | |
| McFarland Mental Health Center - Springfield - Sangamon County - Upgrade Fire Alarm System (via CDB) | 2,800.0 | |
| McFarland Mental Health Center - Sangamon County - Replace Roofs - Kennedy and Administration Buildings (via CDB) | 2,226.0 | |
| Choate Mental Health Center - Anna - Union County - Upgrade Fire Alarm System (via CDB) | 2,085.0 | |
| Chicago-Read Mental Health Center - Cook County - Replace Emergency Generator (via CDB) | 1,391.0 | |
| Alton Mental Health Center - Madison County - Life Safety Improvements (via CDB) | 932.0 | |
| Jacksonville Developmental Center - Morgan County - Upgrade Life/Fire Safety (via CDB) | 581.0 | |
| Kiley Development Center - Waugkegan - Lake County - Upgrade Building C Ceiling (via CDB) | 444.0 | |

## Fiscal Year 2010 New Appropriations for State Facilities

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **State Facilities** | | |
| **Department Of Human Services** | **22,341.8** | |
| **Illinois Jobs Now Fund** | **22,341.8** | |
| Illinois School for the Visually Impaired - Jacksonville - Morgan County - Replace Roofing Systems (via CDB) | 392.8 | |
| Fox Developmental Center - Dwight - Livingston County - Upgrade Life/Fire Safety (via CDB) | 353.0 | |
| **Department Of Juvenile Justice** | **7,752.9** | |
| **Illinois Jobs Now Fund** | **7,752.9** | |
| Illinois Youth Center - Kewanee - Henry County - Replace Sprinkler System (via CDB) | 6,500.0 | |
| Illinois Youth Center - St. Charles - Kane County - Upgrade HVAC (via CDB) | 606.0 | |
| Illinois Youth Center - Joliet - Will County - Replace Roofs (via CDB) | 425.9 | |
| Illinois Youth Center - Pere Marquette - Jersey County - Replace Roof (via CDB) | 221.0 | |
| **Department Of Military Affairs** | **400.0** | |
| **Illinois Jobs Now Fund** | **400.0** | |
| Shiloh, Mt. Vernon, and Carbondale Armories - St. Clair, Jefferson, and Jackson Counties - Complete Construction/Purchase Equipment (via CDB) | 400.0 | G |
| **Department Of Natural Resources** | **6,964.4** | |
| **Illinois Jobs Now Fund** | **6,964.4** | |
| Lincoln-Herndon Law Office Historic Site - Springfield - Sangamon County - Purchase and Restore Tinley Shop (via CDB) | 1,000.0 | |
| Illinois Beach State Park - Lake County - Shoreline Stabilization (via CDB) | 1,000.0 | |
| Pyramid State Park - Perry County - Renovate Galum Building For Mine Rescue Station (via CDB) | 848.0 | |
| Lincoln's Tomb - Springfield - Sangamon County - Interior Restoration (via CDB) | 700.0 | |
| Starved Rock State Park & Lodge - LaSalle County - Replace Roofing Systems (via CDB) | 500.0 | |
| Giant City State Park - Replace Sewer Treatment System (via CDB) | 491.0 | |
| Sparta World Shooting Complex - Randolph County - Infrastructure Improvements (via CDB) | 450.0 | |
| I&M Canal - Grundy County - Repair DuPage River Spillway (via CDB) | 364.3 | |
| Rock Cut State Park - Winnebego County - Rehabilitate Water & Sewer Systems (via CDB) | 350.0 | |
| Jake Wolf Memorial Hatchery - Mason County - Replace/Upgrade Electrical Service (via CDB) | 348.0 | |
| Nauvoo State Park - Hancock County - ADA Improvements (via CDB) | 328.4 | |
| Big River State Forest - Mercer County - ADA Improvements (via CDB) | 322.6 | |
| Wayne Fitzgerrell State Recreation Area - Franklin County - Roof replacements (via CDB) | 262.0 | |
| **Department Of Revenue** | **2,911.0** | |
| **Illinois Jobs Now Fund** | **2,911.0** | |
| Willard Ice Building - Springfield - Sangamon County - Parking Ramp Completion (via CDB) | 2,791.0 | |
| Willard Ice Building - Springfield - Sangamon County - Emergency Generator Repair (via CDB) | 120.0 | |
| **Department Of State Police** | **5,500.0** | |
| **Illinois Jobs Now Fund** | **5,500.0** | |
| ISP - AIG Complex - For Emergency Generator/Mainframe (via CDB) | 3,000.0 | |
| ISP - St. Clair County - Construct Metro East Forensic Lab (via CDB) | 2,500.0 | G |
| **Department Of Veterans' Affairs** | **22,366.0** | |
| **Illinois Jobs Now Fund** | **22,366.0** | |
| Veterans Affairs- For the Construction of a New-200 Bed Facility (via CDB) | 15,000.0 | G |
| Quincy Veterans Home - Adam's County - Construct Central Chiller Plant (via CDB) | 5,400.0 | |
| Quincy Veterans Home - Adams County - Plan and Begin Renovation of Kent, Schapers B and Elmore Buildings (via CDB) | 1,056.0 | G |
| Anna Veterans Home - Union County - Plan and Begin The Construction of a 40-50 Bed Addition (via CDB) | 700.0 | G |
| LaSalle Veterans Home - LaSalle County - For the Replacement of the Galvanized Cold Water Piping (via CDB) | 210.0 | |
| **Illinois Emergency Management Agency** | **25,000.0** | |
| **Illinois Jobs Now Fund** | **25,000.0** | |
| Statewide- For Safety and Security Improvements at Various Public Universities, Private Colleges, or Community Colleges | 25,000.0 | |

## Fiscal Year 2010 New Appropriations for State Facilities

**($ thousands)**

| Capital Component Name<br>Agency Name | FY 2010<br>New Appropriations | Green Initiative |
|---|---|---|
| **State Facilities** | | |
| **Office Of The Architect Of The Capitol** | **49,761.5** | |
| **Illinois Jobs Now Fund** | **49,761.5** | |
| Capitol Building - Springfield - Sangamon County - Renovation of HVAC and ADA Compliance - Phases II and III (via CDB) | 43,761.5 | |
| Capitol Building - Springfield - Sangamon County - Upgrade Life/Safety Phases II and III (via CDB) | 6,000.0 | |
| **Office Of The Attorney General** | **1,527.0** | |
| **Illinois Jobs Now Fund** | **1,527.0** | |
| Attorney General Building - Springfield - Sangamon County - Replace Electronic Balasts (via CDB) | 959.0 | |
| Attorney General Building - Springfield - Sangamon County - Replace Roof (via CDB) | 378.0 | |
| Attorney General Building - Springfield - Sangamon County - Renovate/Waterproof Terrace (via CDB) | 190.0 | |
| **Office Of The Secretary Of State** | **6,787.0** | |
| **Illinois Jobs Now Fund** | **6,787.0** | |
| Drivers Services Facilities West, North, and South - Chicago - Cook County - HVAC Upgrades (via CDB) | 2,074.0 | |
| Capitol Complex - Springfield - Sangamon County - Plan/Begin Upgrade of High Voltage Distribution System (via CDB) | 1,500.0 | |
| Howlett Building - Springfield - Sangamon County - Install Emergency Generator (via CDB) | 791.0 | |
| Capitol Complex - Springfield - Sangamon County - Upgrade Fire Alarm Panels (via CDB) | 771.0 | |
| Howlett Building - Springfield - Sangamon County - Replace Roofing Systems (via CDB) | 662.0 | |
| Illinois State Library - Springfield - Sangamon County - Replace Roofing System (via CDB) | 528.0 | |
| Howlett Building - Springfield - Sangamon County - Upgrade North Patio for Public Safety (via CDB) | 461.0 | |
| **State Board Of Education** | **5,000.0** | |
| **Illinois Jobs Now Fund** | **5,000.0** | |
| Statewide - For a grant for Technology Immersion (via CDB) | 5,000.0 | |
| **Supreme Court** | **14,400.0** | |
| **Illinois Jobs Now Fund** | **14,400.0** | |
| Springfield Supreme Court Building - Sangamon County - Plan and Begin Renovation of Former 4th Appellate Court Space (via CDB) | 14,400.0 | |
| **State Facilities Total** | **252,143.0** | |

# CHAPTER 8

## *Debt Management*

# Debt Management

The governor, through the Governor's Office of Management and Budget (GOMB), is responsible for the issuance of General Obligation (GO) and Build Illinois (BI) bonds. These long term debt obligations, coupled with pay-as-you-go resources, are used to fund a wide range of capital projects and activities in the capital budget.

GOMB is charged with the management of the resulting indebtedness long after the funds have been used to fund projects or grants. Due to the ongoing nature of this process, debt management is an integral part of the state's budgeting process. Through the use of affordable debt management models and policies, the state has reduced outstanding indebtedness by over $1.5 billion since fiscal year 2006.

The state's debt management goals are to:

- Maintain debt affordability standards to focus capital spending on projects with the greatest economic development impact and limit capital borrowing and funding to the current available revenue structure.
- Borrow at the lowest possible cost of funds and adapt to investor demand.
- Monitor the state's outstanding indebtedness for possible refunding and restructuring opportunities.
- Maintain the state's credit ratings at the highest levels.
- Foster the growth of minority-owned, female-owned and regional firms through participation objectives which afford these firms opportunities to work on the state's debt-related activities.

## INITIATIVES

***Illinois Jobs Now!*** Illinois Jobs Now! is an expansive $26 billion capital program that focuses on putting money directly into the Illinois economy with the aim of spurring economic stimulus by creating jobs for the citizens of Illinois. Illinois Jobs Now! includes funding for schools, roads, transit, economic development, environment and energy projects, thus providing an opportunity to invest in Illinois' future and workforce. The capital plan will position the state to capture over $13.5 billion in federal funds and leverage those resources to improve our infrastructure and invest in our communities.

Funding for Illinois Jobs Now! will be provided by a combination of state debt and federal and local matching funds. The debt service on the GO Bonds issued will be supported by:

- **Road Fund Supported Bonds** - Road and bridge construction will be funded by:
  - Increases in the motor vehicle registration;
  - Increases in driver's license fees; and
  - Monies received by the Road Fund.
- **Transit Bonding** – State-wide transit projects will be funded by:
  - Increases in the motor vehicle title fees.
- **Tax System Restructuring and Reform** – School, environmental protection and conservation, economic development and higher education projects will be funded from:
  - 10 percent of a portion of the increases in individual and corporate income taxes and additional corporate income tax as needed.

**Restructure Debt.** The governor proposes the restructuring of the state's outstanding indebtedness given the state's deteriorating fiscal health. Other state and local governments have been able to restructure their debt obligations during this time of unusually low interest costs. This has resulted in reduced borrowing cost. The governor proposes that Illinois take advantage of those same savings opportunities.

In order to accomplish strategic debt restructuring in fiscal year 2010, amendments to certain debt issuance rules will facilitate the structuring of refunding bonds in a more efficient way, including:

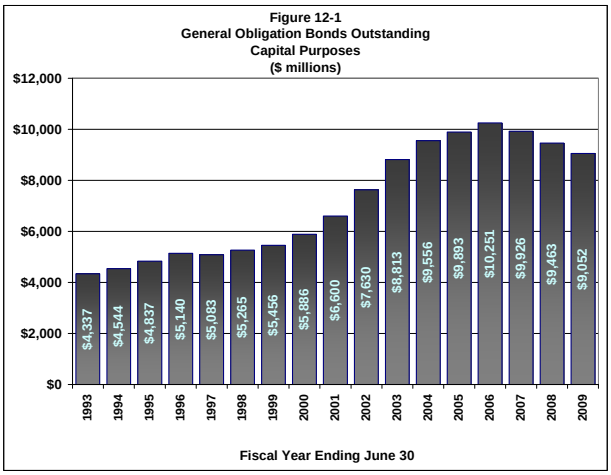
- The removal of the level principal and Cumulative Test restrictions of the GO and BI Bond Acts will allow the state to restructure its outstanding debt to provide budgetary relief during the worst economic downturn in the state's history and provide overall savings to the state over time; and
- Suspension of the competitive sale restrictions for refunding bonds for a limited time will provide the state with the flexibility needed to ensure the issuance of refunding bonds can be done at the most opportune time and at the lowest cost, given turbulent market conditions.

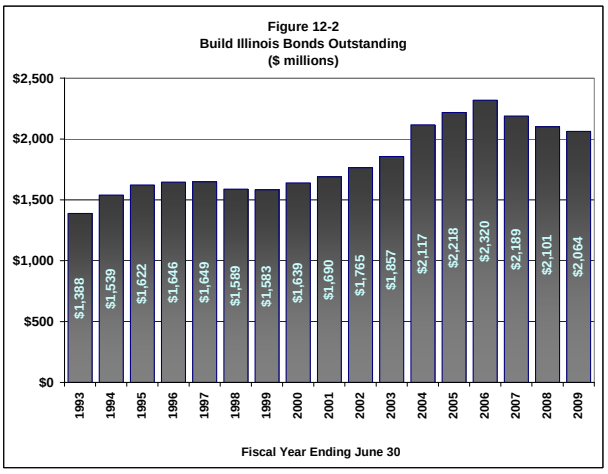
**Pension Obligation Bonds.** Authorization for the issuance of Pension Obligation Bonds, under certain circumstances, will increase the funding levels of the state's pension systems.

## STATE-SUPPORTED INDEBTEDNESS

### State Debt Profile

In every fiscal year since 2006, the state has paid off more bond principal than it has issued. This has reduced state indebtedness by approximately $1.5 billion over this time period. These decreases in outstanding state debt are illustrated in Figure 12-1 and Figure 12-2 below. Active monitoring of state capital spending needs and limiting bond sales to match those needs have allowed the state to lower the number of outstanding GO and BI Bonds issued over the past several fiscal years.




### State Debt Comparison

Illinois ranks fifth in total tax supported debt according to Moody's Investor Services. However, $9.95 billion of the $25.76 billion reported for Illinois in Moody's 2008 State Debt Medians relates to funding a portion of the state's pre-existing unfunded pension liability. Rating agencies segregate Pension Obligation Bonds (POBs) to accurately compare states that have not used POBs to refund their pension liability.

### Municipal Bond Ratings

The state's outstanding indebtedness is rated by credit rating agencies that assign credit ratings (ratings) to issuers of certain types of debt obligations. The ratings measure the state's credit worthiness, or ability to pay back the obligation, and therefore affect the borrowing cost to the state. The credit rating agencies review the state's current and projected financial condition, economic growth and levels of indebtedness, which all factor in to the rating assigned to the state. Although the state's credit worthiness is reflected in the ratings for both programs, the Build Illinois credit is considered an AAA rating from S&P due to the pledge by the state of a strong revenue stream. The state's current underlying long term credit ratings are:

**Table 12-1**
**Long Term Underlyng Ratings**

| | General Obligation Bonds | Build Illinois Bonds |
|---|---|---|
| Standard & Poor's | AA- | AAA |
| Moody's Investor Service | Aa3 | Aa3 |
| Fitch Ratings | AA- | AA |

### Minority-Owned and Woman-Owned Business Participation.

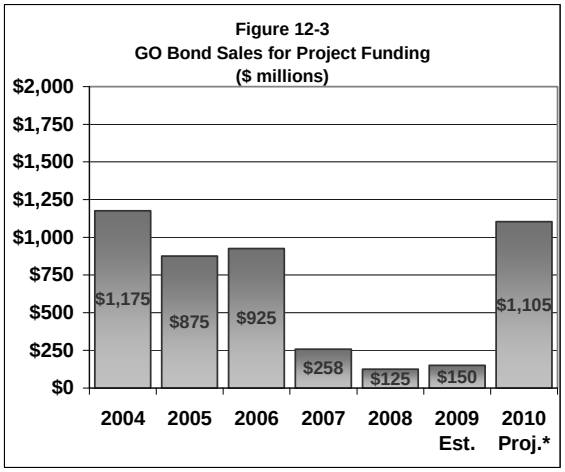
Illinois is dedicated to inclusion of Minority-Owned Business Enterprises (MBE) and Woman-Owned Enterprises (WBE) in its capital market financing. As Table 12-2 illustrates below, the use of negotiated method of sale has allowed the state to exceed its goal of 19 percent MBE/WBE participation in fiscal years 2006 and 2007. In fiscal year 2008 and year to date 2009, with bond act restrictions requiring competitive sales, the percentage of MBE/WBE participation is zero because it is much harder for these firms to access the capital required to participate in and win competitive sales.

Tabel 12-2
MBE & WBE PARTICIPATION SUMMARY
($ in Millions)

| Bond Series | Bond Type | Project Refunding Proj & Ref | Amt | Sale Type | MBE & WBE Firm Participation Underwriting | Legal Fees |
|---|---|---|---|---|---|---|
| Jul-03 | BI | Projects | $ 150 | Neg | 97.7% | 58.8% |
| Oct-03 | GO | Proj & Ref | $ 963 | Neg | 26.7% | 9.6% |
| Mar-04 | BI | Projects | $ 200 | Neg | 92.1% | 58.8% |
| Mar-04 | GO | Proj & Ref | $ 829 | Neg | 23.0% | 14.8% |
| **Fiscal Year 2004 Average** | | | | | **37.0%** | **20.1%** |
| Sep-04 | GO | Projects | $ 285 | Comp | 0.4% | 0.0% |
| Nov-04 | GO | Projects | $ 275 | Neg | 28.7% | 23.1% |
| Feb-05 | BI | Projects | $ 75 | Comp | 0.0% | 0.0% |
| Apr-05 | GO | Projects | $ 315 | Neg | 38.5% | 15.0% |
| Jun-05 | BI | Projects | $ 125 | Neg. | 100.0% | 100.0% |
| **Fiscal Year 2005 Average** | | | | | **33.0%** | **23.9%** |
| Sep-05 | GO | Projects | $ 300 | Comp | 0.0% | 0.0% |
| Jan-06 | GO | Projects | $ 325 | Neg | 40.0% | 47.8% |
| Mar-06 | BI | Projects | $ 65 | Comp | 0.0% | 0.0% |
| Jun-06 | BI | Projects | $ 150 | Neg | 100.0% | 100.0% |
| Jun-06 | GO | Projects | $ 300 | Neg | 4.5% | 40.7% |
| Jun-06 | GO | Refunding | $ 275 | Neg | 78.4% | 0.0% |
| **Fiscal Year 2006 Average** | | | | | **35.5%** | **37.4%** |
| Apr-07 | GO | Projects | $ 150 | Comp | 0.0% | 0.0% |
| Jun-07 | GO | Projects | $ 108 | Neg | 72.7% | 87.0% |
| Jun-07 | GO | Refunding | $ 329 | Neg | 84.1% | 13.0% |
| **Fiscal Year 2007 Average** | | | | | **65.4%** | **32.2%** |
| Jul-07 | BI | Projects | $ 50 | Comp | 0.0% | 0.0% |
| Apr-08 | GO | Projects | $ 125 | Comp | 0.0% | 0.0% |
| **Fiscal Year 2008 Average** | | | | | **0.0%** | **0.0%** |
| Apr-09 | GO | Projects | $ 150 | Comp | TBD | - |
| Apr-09 | BI | Projects | $ 100 | Comp | TBD | - |
| **Fiscal Year 2009 Average** | | | | | **0.0%** | **0.0%** |
| **Cumulative FY 2004 - FY 2009 Average** | | | | | **37.0%** | **24.7%** |

## General Obligation Bonding Program

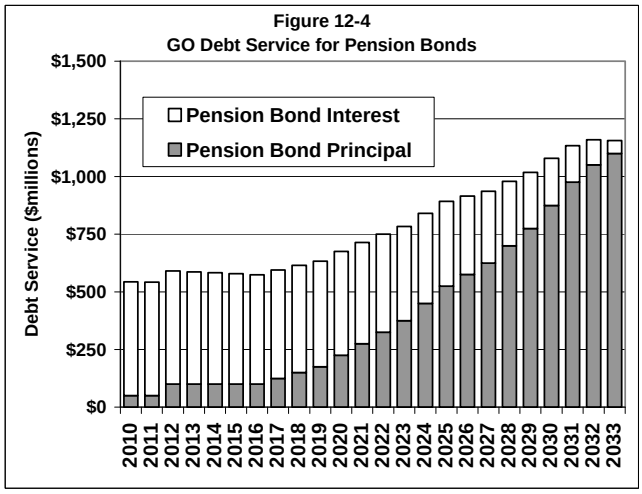
***Program Overview.*** The General Obligation Bond program is the primary vehicle for capital market financing for the state. It is governed by the General Obligation Bond Act, 30 ILCS 330 et seq. (GO Bond Act). General Obligation Bonds (GO Bonds) are secured by general tax revenues and guaranteed by the full faith and credit of the state. Proceeds are used for capital facilities, transportation, school construction, anti-pollution projects, economic development and coal development. Figure 12-3 presents bond sales between fiscal years 2004 and 2010.




***Capital Purposes.*** The GO Bond Act currently authorizes the state to issue GO Bonds for the purposes and in the amounts listed below.

| | General Obligation Bonding Categories |
|---|---|
| $7,320,235,369 | **Capital Development**-Construction funds for higher education, corrections, conservation child care facilities, mental and public health facilities, local governments the Open Land Trust program, and other state capital purposes. |
| $3,432,129,000 | **Transportation**- Roads and Bridge projects. |
| $1,881,270,000 | **Public Transportation**- Air and Rail |
| $3,150,000,000 | **School Construction**- Grants to school districts for school improvement projects. |
| $480,315,000 | **Anti-pollution**- Construction of municipal sewage treatment plants, solid waste disposal facilities, deposal facilities, deposits into the Water Revolving Fund and U.S. Environmental Protection Fund, and funding claims under the Leaking Underground Storage Tanks Program. |
| $698,200,000 | **Coal and Energy Development**- Research, development and demonstration of coal and alternate energy sources and financial assistance for new power generating initiatives. |
| $10,000,000,000 | **GO Pension Obligation Bonds**- funding or reimbursing a portion of the State's contributions to State retirement systems. |
| $26,962,149,369 | **Aggregate GO Bond Authorization** |

***Pension Obligation Bonds.*** GO supported POBs were issued in 2003 as a replacement financing of a pre-existing unfunded pension liability. Debt service payments on the Pension Bonds are supported by deductions from the unfunded liability payment that would have been required had the Pension Bonds not been issued and had the pension funds not received the additional funding.




Based on consultation and advice from state retirement systems management, the structure of the POB's was designed to exactly mirror the characteristic shape of the unfunded liability payment schedule established by the 1995 Pension Funding

Plan (see "Public Retirement Systems" chapter). This structure maximizes the earning potential of the retirement systems, versus the 5.05 percent cost of the Pension Bonds when issued. The debt service requirements of the Pension Bonds are included in the statutory debt service limit versus base appropriations; this statutory restriction is discussed elsewhere in this chapter.

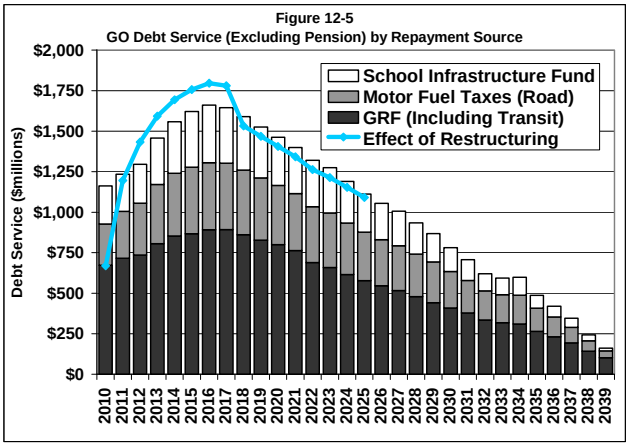
***Security of the Bonds.*** GO Bonds are direct, general obligations of the state and by law the full faith and credit of the state is pledged for the payment of interest and principal due on these bonds. The GO Bond Act provides that the sections of the GO Bond Act making such a pledge shall not be repealed until all GO Bonds issued under the GO Bond Act have been paid in full.

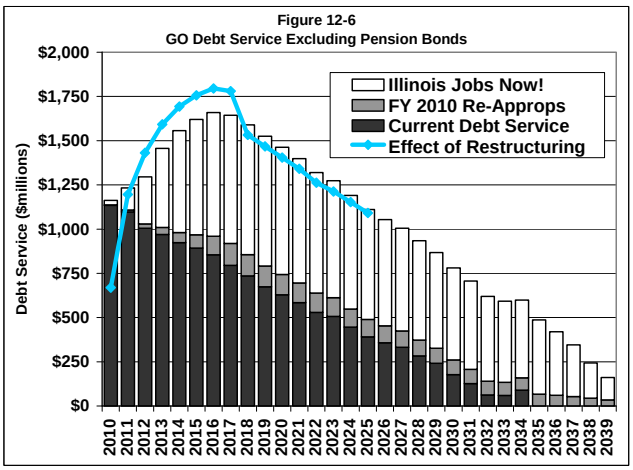
***Continuing Appropriation.*** If, for any reason, there are insufficient funds in the General Revenue Fund, or the Road Fund, to make transfers to the General Obligation Bond Retirement and Interest Fund (GOBRI) as required by the GO Bond Act, or the General Assembly fails to make appropriations sufficient to pay the principal and interest on the outstanding GO Bonds, the GO Bond Act constitutes an irrevocable and continuing appropriation of all amounts necessary for that purpose and the irrevocable and continuing authority for and direction to the treasurer and the comptroller to make the necessary transfers, as directed by the governor, out of and disbursements from the revenues and funds of the state.

***Debt Service Obligation.*** GO Bonds are primarily supported by revenue realized in the state's General Revenue Fund. The primary revenue sources that repay the GO Bonds are sales taxes, income taxes and motor fuel taxes. In addition to these revenue sources, bonds issued under two specific sections of the GO Bond Act are directly supported by the following budgetary resources:

- Roads and Bridges – GO Bonds issued for road construction projects are repaid by monthly transfers from Road Fund sources which are: Motor Fuel taxes, motor vehicle registration fees and driver's license fees.
- School Construction - GO Bonds for school construction purposes, issued prior to Illinois Jobs Now!, are repaid, in part, from cigarette and telecommunications taxes received by the School Infrastructure Fund.
- Illinois Jobs Now! – GO Bonds issued for Illinois Jobs Now! are repaid by personal income and corporate income taxes.
- Transit – GO Bonds for transit are repaid from motor vehicle certificate of title fees.

Figure 12-5 below displays GO Bond debt service by major repayment source and Figure 12-6 displays GO Bond debt service by prospective issuance for fiscal year 2009 re-appropriations and fiscal year 2009 proposed new capital. The proposed debt restructuring, as displayed below in Figure 12-5 and Figure 12-6, highlights the $493 million of debt service savings in fiscal year 2010 generated by the restructuring and provides for over $117 million in overall debt service savings through the life of the refunding bonds.




***Refunding Bonds.*** The GO Bond Act also authorizes the issuance of General Obligation Refunding Bonds in an amount up to $2,839,025,000 outstanding. Refunding bonds are issued to refund or advance refund the GO Bonds that are currently

outstanding in order to take advantage of favorable market conditions and reduce the state's debt service.

***Interest Rate Exchange Agreements.*** The use of derivative instruments, such as interest rate exchange agreements (interest rate exchanges), allows the state to limit its exposure to interest rate fluctuations intrinsic in variable rate bonds due to the periodic interest rate reset characteristic of these bonds. The interest rate risk is limited while trying to obtain a marginally lower interest rate than it would otherwise have been able to get without the interest rate exchange. An interest rate exchange consists of an agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on the principal amount of a specified bond issuance. Interest rate exchanges often exchange a fixed payment for a floating payment that is linked to an index such as LIBOR or SIFMA. In October 2003, the state entered into fixed rate interest rate exchanges with five separate counterparties in connection with the issuance of $600 million of GO Bonds which remain outstanding as of December 31, 2008. This issuance remains the state's only derivative linked issuance.

**Table 12-3**
**Interest Rate Exchange Agreements**
***($ in Millions)***

| Counterparty | Notional Amount | Ratings Moody's | S&P | Fitch |
|---|---|---|---|---|
| Deutsche Bank AG | $ 384,000 | Aa1 | A+ | AA- |
| Bank of America | $ 54,000 | A1 | A | A+ |
| AIG Financial Products Corp. | $ 54,000 | A3 | A- | A |
| Merrill Lynch | $ 54,000 | A1 | A | A+ |
| JPMorgan Chase Bank, N.A. | $ 54,000 | Aa1 | AA- | AA- |
| **Total Notional Amount** | **$ 600,000** | | | |

***Short Term Debt.*** Pursuant to the Short Term Borrowing Act (30 ILCS 340), the state is authorized, under the direction of the governor, comptroller and treasurer, to issue short term certificates or notes in an amount not to exceed (a) 5 percent of the state's appropriations for that fiscal year if significant timing variations occur between disbursement and receipt of budgeted funds within a fiscal year and the debt is paid within that fiscal year; or (b) 15 percent of the state's appropriations for that fiscal year for up to 12 months if there is a failure in revenues.

In February 2007, September 2007 and April 2008, short term certificates were issued to provide liquidity to the Hospital Provider Fund to make supplemental payments to certain public and non-public hospitals within the state pursuant to the Medicaid State Plan that was approved by the federal government on November 30, 2006. The Hospital Assessment Tax receipts, together with Federal Medicaid matching funds related to making the supplemental payments were used to repay the certificates. In December 2008 certificates were issued for the purpose of supplementing fiscal year 2009 liquidity.

**Table 12-4**
**SHORT TERM CERTIFICATES ISSUED**
**($ Millions)**

| Date Issued | Amount Issued | Final Maturity |
|---|---|---|
| December 2008 | $1,400 | June 2009 |
| April 2008* | 1,200 | June 2008 |
| September 2007* | 1,200 | November 2007 |
| February 2007* | 900 | June 2007 |
| November 2005 | 1,000 | June 2006 |
| March 2005* | 765 | June 2005 |
| June 2004 | 850 | October 2004 |
| May 2003 | 1,500 | May 2004 |
| July 2002 | 1,000 | June 2003 |
| August 1995 | 500 | June 1996 |
| August 1994 | 687 | June 1995 |
| August 1993 | 900 | June 1994 |
| October 1992 | 300 | June 1993 |
| August 1992 | 600 | May 1993 |
| February 1992 | 500 | October 1992 |
| August 1991 | 185 | June 1992 |
| February 1987 | 100 | February 1988 |
| June-July 1983 | 200 | May 1984 |

*Hospital Assessment Conduit Financings

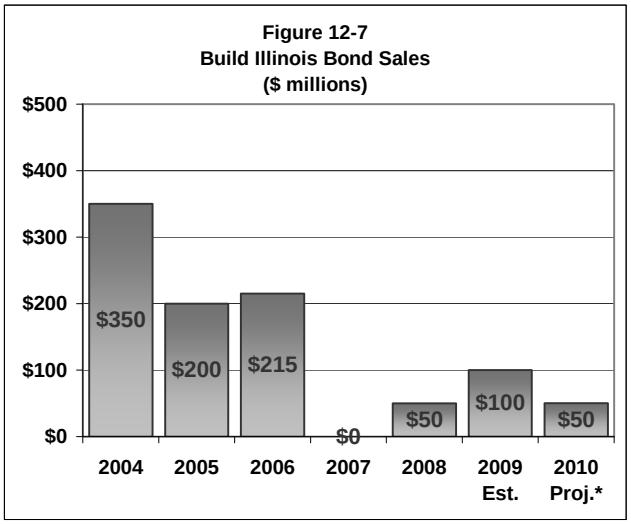
***College Saving Bonds.*** In 1988 the College Savings Bond program was created as an alternate method of saving for future higher education expenses. This program allows Illinois citizens to invest in bonds, which are secured by the General Obligation pledge. Additional financial grants, subject to appropriation by the General Assembly, may be available in the year the College Savings Bonds mature for students attending an Illinois higher education institution. The last issuance of the College Saving Bond program was October 2002.

**Table 12-5**
**College Savings Bonds**
***($ in Millions)***

| College Savings Bond Series | Original Issue Principal | Maturity | Remaining Principal | 07/01/09 Maturity |
|---|---|---|---|---|
| October 2002 | $ 62.1 | $ 88.0 | $ 33.7 | $ 56.4 |
| October 2000 | 101.9 | 168.7 | 48.2 | 102.3 |
| November 1998 | 122.3 | 187.4 | 43.2 | 88.5 |
| November 1997 | 168.3 | 300.9 | 76.6 | 175.1 |
| October 1994 | 209.8 | 382.7 | 48.2 | 140.8 |
| October 1993 | 169.4 | 271.6 | 30.1 | 78.4 |
| October 1992 | 250.0 | 479.8 | 47.7 | 148.0 |
| September 1991 | 209.8 | 420.2 | 26.9 | 94.5 |
| November 1990 | 250.0 | 521.8 | 21.4 | 85.9 |
| November 1989 | 250.0 | 531.0 | 14.8 | 61.9 |
| October 1988 | 225.0 | 506.7 | - | - |
| January 1988 | 93.0 | 219.9 | - | - |
| **Total** | **$ 2,111.6** | **$ 4,078.7** | **$ 390.9** | **$ 1,031.8** |

## Build Illinois Bonding Program

***Program Overview.*** The Build Illinois Bond Act (BI Bond Act), 30 ILCS 425 et. seq. established the Build Illinois Sales Tax Revenue Bonding program in 1985. The Build Illinois Sales Tax Revenue Bonding program complements the state's efforts in economic development by funding infrastructure, educational and vocational facilities, and environment protection projects, and by providing incentives for business location and expansion in Illinois. Figure 12-7 displays bond sales between fiscal years 2004 and 2010.




***Capital and Grant Purposes.*** The BI Bond Act authorizes the state to issue Build Illinois Sales Tax Revenue Bonds (BI Bonds) for the purposes and in the amounts listed below:

| | Build Illinois Bonding Categories |
|---|---|
| $2,417,000,000 | **Infrastructure**- Construction, reconstruction, modernization, and extension of the state's infrastructure. |
| $1,052,358,100 | **Education**- Educational, scientific, technical and vocational programs and facilities, and the expansion of health and human services. |
| $150,150,900 | **Environmental**- Protection, restoration, and conservation of the state's environmental benefits. |
| $186,000,000 | **Economic Development**- Incentives for the location and expansion of businesses in Illinois resulting in increased economic benefits. |
| $3,805,509,000 | **Aggregate BI Bond Authorization** |

***Security of the Bonds.*** BI Bonds are limited obligations of the state payable solely from a senior lien on (a) 3.8 percent of the state's Sales Tax revenues (BI Tax Act Amount) and (b) all additional state Sales Tax revenues (other than 1.75 percent thereof) to the extent that the BI Tax Act Amount, together with the other revenues of the state are insufficient in any month to provide the amounts required by the BI Bond Act to be transferred to the Build Illinois Retirement and Interest Fund (BIBRI Fund).

***Debt Service Obligation.*** The state has pledged that the governor shall include in each annual state budget and the General Assembly shall annually appropriate for each fiscal year the Required Bond Transfer from BIBRI Fund in an amount estimated to equal the greater of (i) the annual debt service requirement for such fiscal year as certified by the Trustee or (ii) the BI Tax Act Amount for such fiscal year. The BI Tax Act Amount for FY10 is estimated at $304 million.

The BI Bond Act and the Master Trust Indenture require the state to appropriate an amount equal to the debt service requirement for that fiscal year. The BI Bond Act further provides that, in the event such appropriation is not made, the BI Bond Act constitutes the irrevocable and continuing authority and direction to the treasurer and comptroller to make the necessary transfers and deposits, as directed by the governor, and to make the payments of principal and interest as required by the BI Bond Act to support outstanding BI Bonds.

***Refunding Bonds.*** BI Refunding Bonds may be issued for the purpose of refunding or advance refunding any BI Bonds previously issued under the BI Bond Act.

## OTHER STATE-SUPPORTED INDEBTEDNESS

***State-Supported Revenue Bonds.*** Revenue bonds are either those bonds for which the state earmarks a specific revenue source for debt service or bonds under which the state is committed to retire debt issued by certain state authorities or Illinois municipalities pursuant to law. The state's commitment is based upon various Illinois statutes and upon contractual arrangements with the issuing authorities. The following table identifies the bonding program's name, issuing authority or agency and total revenue bond outstanding for each respective program:

**Table 12-6**
**Other Revenue Bonds Outstanding**
***As of December 31, 2008***
***($ in Millions)***

| Bonding Program | Issuing Authority/Agency | Bonds Outstanding |
|---|---|---|
| Civic Center Bonds | Metropolitan Exposition and Auditorium Authorities | $ 108.1 |
| Dedicated State Sales Tax Revenue Bonds | Metropolitan Pier and Exposition Authority | $ 161.5 |
| McCormick Place Expansion Project Bonds | Metropolitan Pier and Exposition Authority | $ 2,121.5 |
| ISFA Bonds | Illinois Sports Facilities Authority | $ 473.1 |
| Certificates of Participation | Central Management Services | $ 22.3 |
| | **Total** | **$ 2,886.5** |

***Certificates of Participation.*** The state has incurred certain long-term obligations in the form of certificates of participation to finance renovations and buildings which are leased to state agencies. The total amount outstanding is displayed in Table 12-6 above. No additional debt obligations of this type have been incurred since 1996, and the authorization subsequently ended with Public Act 93-0839.

## STATE-RELATED INDEBTEDNESS

***Moral Obligation Pledges.*** Seven state bond authorities are currently permitted to issue moral obligation bonds. The state's moral obligation pledge has been used by these regional authorities to issue bonds enhanced by the governor's pledge to request the General Assembly to support the debt service requirement of the enhanced bonds if the borrower defaults. The moral obligation pledge is invoked by the issuing authority once it determines it does not have sufficient resources for the payment of principal and interest in the upcoming year. At that time the authority certifies to the governor the amount of that deficiency and requests state appropriations for the amount of the shortfall. The following table shows the number and outstanding amount of all bond issues currently bearing the State's Moral Obligation pledge.

**Table 12-7**
**Moral Obligation Bonded Debt**
***As of January 1, 2009***
***($ in Millions)***

| Issuing Authority | Bond Series | Principal at 06/30/09 |
|---|---|---|
| **Southwestern Illinois Development Authority** | 7 | $ 40.1 |
| **Quad Cities Regional Economic Development Authority** | 0 | $ - |
| **Upper Illinois River Valley Development Authority** | 2 | $ 22.1 |
| **Tri-county River Valley Development Authority** | 0 | $ - |
| **Will-Kankakee Regional Development Authority** | 0 | $ - |
| **Illinois Finance Authority** | 28 | $ 135.6 |
| **Illinois Housing Development Authority** | 7 | $ 0.3 |
| **Total** | **44** | **$ 198.1** |

State law requires each authority to certify amounts withdrawn from bond reserve funds to pay principal and interest on moral obligation bonds. The amounts so certified are recommended for annual appropriation at the governor's executive discretion.

The moral obligation does not constitute a legally enforceable obligation of the governor to recommend an appropriation. Moreover, the General Assembly is not statutorily required to make an appropriation for an authority's certified amount, nor must the governor sign any such appropriation bill if passed by the General Assembly.

***Moral Obligation Bonds in Default***. Currently there are five moral obligation enhanced projects that are in default and receive financial support from the state. The two regional development authorities, Southwestern Illinois Development Authority (SWIDA) and Upper Illinois River Valley Development Authority (UIRVDA), have certified that in fiscal year 2010 there will not be sufficient resources to pay the amounts due on certain issues from 1998 to 2000 backed by the moral obligation pledge.

Table 12-8 shows the principal remaining at the end of calendar year 2008 as well as the appropriation request necessary to fund debt service anticipated in fiscal year 2010.

**Table 12-8**
**Moral Obligation Bonded Debt**
***As of June 30, 2008***
***($ in Thousands)***

| Year | Issuing Authority | Defaulted Project Name | FY 2010 Appropriation Request | Principal |
|---|---|---|---|---|
| 1998 | Southwestern Illinois Development Authority | Waste Recovery-Illinois | $ 365.9 | $ 1,800.0 |
| 1998 | Upper Illinois River Valley Development Authority | Waste Recovery-Illinois | $ 290.0 | $ 1,615.0 |
| 1995 | Southwestern Illinois Development Authority | Spectrulite Consortium | $ 740.6 | $ 1,345.0 |
| 1990 | Southwestern Illinois Development Authority | Laclede Steel | $ 1,420.1 | $ 12,485.0 |
| 2000 | Southwestern Illinois Development Authority | Alton Center Busn Park | $ 782.7 | $ 6,380.9 |
| **Total** | | | **$ 3,599.3** | **$ 23,625.9** |

***Agricultural Loan Guarantees.*** The Illinois Finance Authority (IFA) administers loan guarantee programs for lenders to qualifying farmers and agribusiness purpose borrowers. The guarantees are backed by reserve funds held by the IFA and a standby continuing appropriation from the General Revenue Fund. Annual continuation of a loan guarantee requires lenders to perform borrower and collateral monitoring pursuant to IFA guaranty agreement policy.

In the event of a default, up to 85 percent of an outstanding loan balance may be paid to a secured lender, with the first 15 percent of losses from subsequent collateral recovery to be incurred by the lender. Table 12-11 below summarizes the current loan guarantee programs IFA administers:

**Table 12-11**
**Outstanding Agricultural Loan Guarantees**
***($ in Millions)***

| Loan Guarantee Funds | Statutorily Authorized | Originally Issued | Loan Balance 12/31/08 | Number of Loans | Reserves 12/31/08 |
|---|---|---|---|---|---|
| Agricultural | $ 160.0 | $ 44.1 | $ 25.1 | 170 | $ 11.4 |
| Farmer and Agri-business | $ 75.0 | $ 72.4 | $ 57.3 | 94 | $ 7.9 |
| **Total** | **$ 235.0** | **$ 116.5** | **$ 82.4** | **264** | **$ 19.3** |

## APPENDIX

**Long Term General Obligation & Build Illinois Bonds**

**Estimated Annual Issuance for Enacted and Proposed New Capital Commitments ($ Millions)**

| Fiscal Year | 2005-2009 Prior & Current Year Anticipated Issuance | | | | | | | | | Issuance |
|---|---|---|---|---|---|---|---|---|---|---|
| | CDF | School | Tran A | Tran B | Coal | EconDev | AntiPol | SubTotal | Build IL | Total |
| 2005 | $ 247.6 | $ 265.3 | $ 298.0 | $ 59.1 | $ - | $ - | $ 5.0 | $ 875.0 | $ 200.0 | $ 1,075.0 |
| 2006 | $ 439.0 | $ 213.0 | $ 153.2 | $ 113.0 | $ 6.8 | $ - | $ - | $ 925.0 | $ 215.0 | $ 1,140.0 |
| 2007 | $ 137.5 | $ 33.4 | $ 24.5 | $ 62.6 | $ - | $ - | $ - | $ 258.0 | $ - | $ 258.0 |
| 2008 | $ 100.0 | $ - | $ 10.0 | $ 15.0 | $ - | $ - | $ - | $ 125.0 | $ 50.0 | $ 175.0 |
| 2009 | $ 65.0 | $ - | $ - | $ 60.0 | $ 25.0 | $ - | $ - | $ 150.0 | $ 100.0 | $ 250.0 |

| Fiscal Year | 2010-2020 Prospective Issuance for Re-Approp & New Capital | | | | | | | | | Issuance |
|---|---|---|---|---|---|---|---|---|---|---|
| | CDF | School | Tran A | Tran B | Coal | EconDev | AntiPol | SubTotal | Build IL | Total |
| 2010 | $ 212.7 | $ 217.4 | $ 355.0 | $ 169.2 | $ 9.0 | $ 131.0 | $ 10.5 | $ 1,104.8 | $ 50.2 | $ 1,155.0 |
| 2011 | $ 258.0 | $ 191.9 | $ 525.0 | $ 222.2 | $ 12.6 | $ 156.0 | $ 10.0 | $ 1,375.6 | $ 50.2 | $ 1,425.8 |
| 2012 | $ 462.2 | $ 409.9 | $ 695.0 | $ 239.9 | $ 18.0 | $ 334.7 | $ 5.0 | $ 2,164.7 | $ 100.4 | $ 2,265.1 |
| 2013 | $ 359.7 | $ 474.6 | $ 445.0 | $ 229.6 | $ 22.5 | $ 249.0 | $ - | $ 1,780.4 | $ 100.4 | $ 1,880.7 |
| 2014 | $ 264.1 | $ 118.9 | $ 375.0 | $ 214.8 | $ 13.5 | $ 149.0 | $ - | $ 1,135.3 | $ 89.2 | $ 1,224.6 |
| 2015 | $ 379.1 | $ 115.0 | $ 265.0 | $ 161.8 | $ 9.0 | $ 90.0 | $ - | $ 1,019.9 | $ 83.7 | $ 1,103.6 |
| 2016 | $ 374.8 | $ 70.0 | $ 195.0 | $ 110.3 | $ 5.4 | $ 61.0 | $ - | $ 816.5 | $ 83.7 | $ 900.2 |
| 2017 | $ 43.5 | $ 30.0 | $ 85.0 | $ 100.0 | $ - | $ 27.0 | $ - | $ 285.5 | $ - | $ 285.5 |
| 2018 | $ 42.0 | $ 30.0 | $ 45.0 | $ 100.0 | $ - | $ 26.0 | $ - | $ 243.0 | $ - | $ 243.0 |
| 2019 | $ - | $ - | $ 15.0 | $ 50.0 | $ - | $ - | $ - | $ 65.0 | $ - | $ 65.0 |
| 2020 | $ - | $ - | $ - | $ 50.0 | $ - | $ - | $ - | $ 50.0 | $ - | $ 50.0 |
| Total | $ 2,396.1 | $ 1,657.7 | $ 3,000.0 | $ 1,647.9 | $ 89.9 | $ 1,223.7 | $ 25.5 | $ 10,040.6 | $ 557.7 | $ 10,598.3 |
| | | | | | | | | | | |
| Re-Approp | $ 1,071.8 | $ 32.7 | $ - | $ 147.9 | $ 89.9 | $ - | $ 0.5 | $ 1,342.7 | $ 557.7 | $ 1,900.4 |
| New | $ 1,324.3 | $ 1,625.0 | $ 3,000.0 | $ 1,500.0 | $ - | $ 1,223.7 | $ 25.0 | $ 8,698.0 | $ - | $ 8,698.0 |
| Total | $ 2,396.1 | $ 1,657.7 | $ 3,000.0 | $ 1,647.9 | $ 89.9 | $ 1,223.7 | $ 25.5 | $ 10,040.6 | $ 557.7 | $ 10,598.3 |

**Long Term Bonded Indebteness for Capital and Pension Funding Purposes**

**Budgetary Transfers to the GO and Build Illinois Bond Redemption and Interest Funds ($ Millions)**

| Capital Development, Coal, Econ Develop, Antipollution and Refundings - General Funds and Other Sources | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 604.6 | 608.6 | 565.5 | 565.2 | 516.9 | 505.9 | 472.3 | 466.9 | 411.8 | 396.6 |
| FY 2010 New & Re-Approps | - | - | - | 24.5 | 63.2 | 133.6 | 198.3 | 241.3 | 281.9 | 319.9 |
| FY 2010 New from Other Revenue | - | - | - | - | - | - | - | - | - | - |
| Net Required Transfers | 604.6 | 608.6 | 565.5 | 589.7 | 580.1 | 639.5 | 670.6 | 708.2 | 693.6 | 716.5 |

| School Construction - Receipts to the School Infrastrcture Fund | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 240.5 | 231.9 | 228.6 | 221.7 | 193.9 | 193.5 | 185.4 | 213.7 | 212.1 | 207.5 |
| Less Fund 568 (SIF) Receipts | (240.5) | (214.2) | (210.0) | (210.0) | (210.0) | (210.0) | (210.0) | (210.0) | (210.0) | (210.0) |
| FY 2010 New & Re-Approps | - | - | - | 14.7 | 32.9 | 67.5 | 111.7 | 129.8 | 138.2 | 142.8 |
| FY 2010 New from Other Revenue | - | - | - | - | - | - | - | - | - | - |
| Net Required Transfers | - | 17.7 | 18.6 | 26.4 | 16.8 | 51.0 | 87.1 | 133.5 | 140.3 | 140.4 |

| Public Transportation, Air and Rail (Tran B) - General Funds and Other Sources | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 96.0 | 97.7 | 94.8 | 98.0 | 85.7 | 76.0 | 63.7 | 66.2 | 68.0 | 65.5 |
| FY 2010 New & Re-Approps | - | - | - | 11.4 | 30.8 | 53.4 | 75.3 | 95.4 | 110.5 | 120.1 |
| FY 2010 New from Other Revenue | - | - | - | - | - | - | - | - | - | - |
| Net Required Transfers | 96.0 | 97.7 | 94.8 | 109.5 | 116.5 | 129.4 | 139.0 | 161.6 | 178.5 | 185.6 |

| Road Construction (Tran A) - Motor Fuel Taxes & Other Receipts to the Road Fund | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 257.7 | 258.3 | 244.6 | 249.2 | 223.8 | 211.0 | 192.9 | 195.1 | 169.5 | 162.4 |
| FY 2010 New & Re-Approps | - | - | - | 24.0 | 68.8 | 131.8 | 179.5 | 214.4 | 238.4 | 253.6 |
| FY 2010 New from Other Revenue | - | - | - | - | - | - | - | - | - | - |
| Net Required Transfers | 257.7 | 258.3 | 244.6 | 273.2 | 292.6 | 342.9 | 372.3 | 409.5 | 407.8 | 416.0 |

| Build Illinois Bonds - State Share Sales Tax Revenues | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 264.2 | 265.9 | 266.1 | 272.3 | 265.8 | 257.9 | 251.4 | 242.9 | 232.7 | 217.2 |
| FY 2010 New & Re-Approps | - | - | - | 1.9 | 6.7 | 13.7 | 23.7 | 32.9 | 41.1 | 48.6 |
| FY 2010 New from Other Revenue | - | - | - | - | - | - | - | - | - | - |
| Net Required Transfers | 264.2 | 265.9 | 266.1 | 274.2 | 272.5 | 271.6 | 275.1 | 275.8 | 273.8 | 265.8 |

| Pension Funding - Reductions to Pre-Pension Bond Retirement System Contributions | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| By Fiscal Year for: | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Bonds Issued as of FY 2009 | 500.4 | 546.1 | 544.8 | 543.4 | 545.9 | 589.8 | 586.1 | 582.2 | 578.2 | 576.2 |
| State Retirement Receipts | (72.5) | (79.5) | (78.0) | (78.0) | (78.0) | (78.3) | (78.1) | (85.1) | (84.5) | (84.0) |
| Actual & Projected Transfers | 427.9 | 466.6 | 466.8 | 465.4 | 467.9 | 511.5 | 508.0 | 497.1 | 493.7 | 492.3 |

Note –Table does not include effect of the proposed restructuring of GO and BI Bonds

# Debt Management

## Standard Measures of Debt Burden

| Outstanding Debt ($millions) | FY-2004 Actual | FY-2005 Actual | FY-2006 Actual | FY-2007 Actual | FY-2008 Actual | FY-2009 Estimated | FY-2010 Projected |
|---|---|---|---|---|---|---|---|
| Build Illinois Bonds | $ 2,117.2 | $ 2,218.0 | $ 2,319.6 | $ 2,188.9 | $ 2,100.8 | $ 2,063.7 | $ 1,968.3 |
| Civic Center Bonds | 136.1 | 129.7 | 122.9 | 115.7 | 108.1 | 100.0 | 91.4 |
| Capital Purposes - GO | 9,556.3 | 9,893.0 | 10,251.4 | 9,925.7 | 9,462.9 | 9,051.8 | 9,569.2 |
| **Bonded Debt - Capital Purpose** | **$ 11,809.6** | **$ 12,240.7** | **$ 12,693.8** | **$ 12,230.3** | **$ 11,671.8** | **$ 11,215.5** | **$ 11,628.9** |
| Pension Bonds | 10,000.0 | 10,000.0 | 10,000.0 | 10,000.0 | 9,950.0 | 9,900.0 | 9,850.0 |
| **Bonded Debt - Total** | **$ 21,809.6** | **$ 22,240.7** | **$ 22,693.8** | **$ 22,230.3** | **$ 21,621.8** | **$ 21,115.5** | **$ 21,478.9** |
| | | | | | | | |
| **Illinois Population (millions)** | **12.680** | **12.720** | **12.777** | **12.853** | **12.902** | **12.966** | **13.031** |
| Debt Per Capita - Capital Purpose | 931.4 | 962.4 | 993.5 | 951.6 | 904.7 | 865.0 | 892.4 |
| Debt Per Capita - Pension | 788.6 | 786.2 | 782.7 | 778.1 | 771.2 | 763.5 | 755.9 |
| **Per Capita - Total** | **$ 1,720.0** | **$ 1,748.5** | **$ 1,776.1** | **$ 1,729.6** | **$ 1,675.9** | **$ 1,628.5** | **$ 1,648.3** |
| | | | | | | | |
| **Illinois Personal Income ($millions)** | **$ 445,151** | **$ 463,114** | **$ 490,450** | **$ 525,920** | **$ 510,142** | **$ 502,490** | **$ 502,490** |
| Percent of Income - Capital Purpose | 2.65% | 2.64% | 2.59% | 2.33% | 2.29% | 2.23% | 2.31% |
| Percent of Income - Pension Bonds | 2.25% | 2.16% | 2.04% | 1.90% | 1.95% | 1.97% | 1.96% |
| **Percent of Income - Total Debt** | **4.90%** | **4.80%** | **4.63%** | **4.23%** | **4.24%** | **4.20%** | **4.27%** |
| | | | | | | | |
| **Illinois EAV ($millions)** | **$ 277,898** | **$ 303,038** | **$ 331,335** | **$ 362,576** | **$ 382,375** | **$ 353,697** | **$ 353,697** |
| Percent of EAV - Capital Purpose | 4.25% | 4.04% | 3.83% | 3.37% | 3.05% | 3.17% | 3.29% |
| Percent of EAV - Pension Bonds | 3.60% | 3.30% | 3.02% | 2.76% | 2.60% | 2.80% | 2.78% |
| **Percent of EAV - Total Debt** | **7.85%** | **7.34%** | **6.85%** | **6.13%** | **5.65%** | **5.97%** | **6.07%** |
| | | | | | | | |
| **GRF and Road Fund Base Approps** | **$ 27,090** | **$ 26,736** | **$ 27,982** | **$ 30,952** | **$ 28,267** | **$ 33,356** | **$ 34,356** |
| % Approps - Build Illinois Bonds | 0.76% | 0.83% | 0.85% | 0.85% | 0.94% | 0.80% | 0.80% |
| % Approps - Civic Center Bonds | 0.05% | 0.05% | 0.05% | 0.04% | 0.05% | 0.04% | 0.04% |
| % Approps - Capital Purposes - GO | 3.45% | 4.11% | 4.12% | 3.81% | 4.20% | 3.48% | 3.38% |
| **% Approps - Capital Purpose** | **4.26%** | **4.99%** | **5.02%** | **4.71%** | **5.19%** | **4.32%** | **4.22%** |
| % Approps - Pension Bonds | 0.00% | 1.86% | 1.77% | 1.60% | 1.93% | 1.63% | 1.58% |
| **% Approps - Debt Service Total** | **4.26%** | **6.84%** | **6.80%** | **6.31%** | **7.12%** | **5.95%** | **5.80%** |

Source: Illinois Department of Revenue; U.S. Department of Commerce, Bureau of Economic Analysis;
Population is from Population Division of the U.S. Census Bureau

# Debt Management

**Debt Service Schedule - Total State Debt**
**($ millions, for all issuance actual and estimated through June 30, 2009)**

| PRINCIPAL REPAYMENT | | | | | |
|---|---|---|---|---|---|
| Fiscal Year | GO Capital | GO Pension | Build Illinois | Civic Center | TOTAL |
| 2009 | $ 561 | $ 50 | $ 137 | $ 8 | $ 756 |
| 2010 | $ 587 | $ 50 | $ 146 | $ 9 | $ 792 |
| 2011 | $ 567 | $ 50 | $ 147 | $ 9 | $ 773 |
| 2012 | $ 526 | $ 100 | $ 146 | $ 10 | $ 782 |
| 2013 | $ 532 | $ 100 | $ 150 | $ 10 | $ 791 |
| 2014 | $ 533 | $ 100 | $ 157 | $ 11 | $ 801 |
| 2015 | $ 553 | $ 100 | $ 155 | $ 11 | $ 820 |
| 2016 | $ 541 | $ 100 | $ 156 | $ 12 | $ 809 |
| 2017 | $ 513 | $ 125 | $ 141 | $ 5 | $ 785 |
| 2018 | $ 490 | $ 150 | $ 126 | $ 6 | $ 772 |
| 2019 | $ 456 | $ 175 | $ 113 | $ 6 | $ 750 |
| 2020 | $ 430 | $ 225 | $ 97 | $ 6 | $ 759 |
| 2021 | $ 414 | $ 275 | $ 83 | $ 5 | $ 777 |
| 2022 | $ 390 | $ 325 | $ 77 | $ - | $ 792 |
| 2023 | $ 381 | $ 375 | $ 65 | $ - | $ 821 |
| 2024 | $ 346 | $ 450 | $ 57 | $ - | $ 853 |
| 2025 | $ 304 | $ 525 | $ 56 | $ - | $ 886 |
| 2026 | $ 289 | $ 575 | $ 54 | $ - | $ 918 |
| 2027 | $ 278 | $ 625 | $ 45 | $ - | $ 948 |
| 2028 | $ 244 | $ 700 | $ 39 | $ - | $ 983 |
| 2029 | $ 212 | $ 775 | $ 18 | $ - | $ 1,006 |
| 2030 | $ 157 | $ 875 | $ 15 | $ - | $ 1,047 |
| 2031 | $ 113 | $ 975 | $ 10 | $ - | $ 1,098 |
| 2032 | $ 54 | $ 1,050 | $ 4 | $ - | $ 1,109 |
| 2033 | $ 54 | $ 1,100 | $ 4 | $ - | $ 1,158 |
| 2034 | $ 87 | $ - | $ - | $ - | $ 87 |
| 2035 | $ - | $ - | $ - | $ - | $ - |
| **Total** | **$ 9,613** | **$ 9,950** | **$ 2,201** | **$ 108** | **$ 21,872** |

| DEBT SERVICE (Principal + Interest) | | | | | |
|---|---|---|---|---|---|
| Fiscal Year | GO Capital | GO Pension | Build Illinois | Civic Center | TOTAL |
| 2009 | $ 1,160 | $ 545 | $ 266 | $ 14 | $ 1,985 |
| 2010 | $ 1,135 | $ 544 | $ 272 | $ 14 | $ 1,965 |
| 2011 | $ 1,097 | $ 542 | $ 266 | $ 14 | $ 1,919 |
| 2012 | $ 1,006 | $ 590 | $ 258 | $ 14 | $ 1,868 |
| 2013 | $ 969 | $ 586 | $ 251 | $ 14 | $ 1,821 |
| 2014 | $ 924 | $ 583 | $ 243 | $ 14 | $ 1,763 |
| 2015 | $ 893 | $ 579 | $ 233 | $ 14 | $ 1,718 |
| 2016 | $ 855 | $ 575 | $ 217 | $ 14 | $ 1,661 |
| 2017 | $ 795 | $ 595 | $ 194 | $ 14 | $ 1,599 |
| 2018 | $ 735 | $ 615 | $ 172 | $ 14 | $ 1,536 |
| 2019 | $ 674 | $ 633 | $ 152 | $ 14 | $ 1,474 |
| 2020 | $ 629 | $ 675 | $ 130 | $ 14 | $ 1,448 |
| 2021 | $ 585 | $ 713 | $ 110 | $ 6 | $ 1,413 |
| 2022 | $ 530 | $ 750 | $ 100 | $ - | $ 1,379 |
| 2023 | $ 507 | $ 784 | $ 84 | $ - | $ 1,374 |
| 2024 | $ 446 | $ 840 | $ 73 | $ - | $ 1,359 |
| 2025 | $ 391 | $ 892 | $ 69 | $ - | $ 1,352 |
| 2026 | $ 358 | $ 915 | $ 64 | $ - | $ 1,337 |
| 2027 | $ 332 | $ 936 | $ 52 | $ - | $ 1,321 |
| 2028 | $ 284 | $ 979 | $ 44 | $ - | $ 1,307 |
| 2029 | $ 241 | $ 1,019 | $ 21 | $ - | $ 1,280 |
| 2030 | $ 177 | $ 1,079 | $ 17 | $ - | $ 1,273 |
| 2031 | $ 127 | $ 1,134 | $ 11 | $ - | $ 1,272 |
| 2032 | $ 63 | $ 1,160 | $ 5 | $ - | $ 1,228 |
| 2033 | $ 60 | $ 1,156 | $ 4 | $ - | $ 1,220 |
| 2034 | $ 89 | $ - | $ - | $ - | $ 89 |
| 2035 | $ - | $ - | $ - | $ - | $ - |
| **Total** | **$ 15,063** | **$ 19,418** | **$ 3,308** | **$ 174** | **$ 37,962** |

| BONDS OUTSTANDING AT FISCAL YEAR END | | | | | |
|---|---|---|---|---|---|
| Fiscal Year | GO Capital | GO Pension | Build Illinois | Civic Center | TOTAL |
| 2009 | $ 9,052 | $ 9,900 | $ 2,064 | $ 100 | $ 21,115 |
| 2010 | $ 8,464 | $ 9,850 | $ 1,918 | $ 91 | $ 20,324 |
| 2011 | $ 7,898 | $ 9,800 | $ 1,771 | $ 82 | $ 19,551 |
| 2012 | $ 7,371 | $ 9,700 | $ 1,625 | $ 73 | $ 18,769 |
| 2013 | $ 6,840 | $ 9,600 | $ 1,475 | $ 63 | $ 17,978 |

# Debt Management

**Long Term General Obligation and Build Illinois Bonds**
**Bonds Issued, Retired, and Outstanding**
**($ Millions)**

| Capital Development Fund, Economic Development, Coal and Energy, and Anti-Pollution | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | 137.5 | 100.0 | 90.0 | 363.2 | 436.5 | 819.9 | 631.2 | 426.6 | 478.1 | 441.2 |
| Bonds Retired | (304.1) | (305.9) | (288.2) | (292.8) | (307.4) | (309.9) | (350.5) | (384.3) | (384.2) | (388.6) |
| Outstanding at Year End | 4,603.1 | 4,397.2 | 4,199.0 | 4,269.4 | 4,398.6 | 4,908.5 | 5,189.3 | 5,231.6 | 5,325.5 | 5,378.1 |

| School Construction | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | 33.4 | - | - | 217.4 | 191.9 | 409.9 | 474.6 | 118.9 | 115.0 | 70.0 |
| Bonds Retired | (108.8) | (115.2) | (107.3) | (118.9) | (107.5) | (107.7) | (131.4) | (152.0) | (179.4) | (195.2) |
| Outstanding at Year End | 2,433.4 | 2,318.2 | 2,210.9 | 2,309.4 | 2,393.8 | 2,695.9 | 3,039.2 | 3,006.1 | 2,941.6 | 2,816.5 |

| Public Transportation, Air and Rail (Tran B) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | 62.6 | 15.0 | 60.0 | 169.2 | 222.2 | 239.9 | 229.6 | 214.8 | 161.8 | 110.3 |
| Bonds Retired | (45.4) | (43.9) | (43.0) | (45.4) | (48.9) | (53.3) | (54.6) | (61.5) | (81.1) | (88.4) |
| Outstanding at Year End | 724.2 | 695.3 | 712.3 | 836.1 | 1,009.3 | 1,196.0 | 1,370.9 | 1,524.2 | 1,604.9 | 1,626.9 |

| Road Construction (Tran A) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | 24.5 | 10.0 | - | 355.0 | 525.0 | 695.0 | 445.0 | 375.0 | 265.0 | 195.0 |
| Bonds Retired | (119.3) | (122.8) | (122.6) | (130.3) | (147.2) | (154.5) | (181.0) | (192.2) | (210.9) | (211.9) |
| Outstanding at Year End | 2,165.0 | 2,052.1 | 1,929.6 | 2,154.2 | 2,532.0 | 3,072.5 | 3,336.6 | 3,519.4 | 3,573.6 | 3,556.6 |

| GENERAL OBLIGATION BONDS FOR CAPITAL PURPOSES | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | 258.0 | 125.0 | 150.0 | 1,104.8 | 1,375.6 | 2,164.7 | 1,780.4 | 1,135.3 | 1,019.9 | 816.5 |
| Bonds Retired | (577.6) | (587.8) | (561.2) | (587.5) | (611.0) | (625.4) | (717.4) | (790.0) | (855.6) | (884.1) |
| Outstanding at Year End | 9,925.7 | 9,462.9 | 9,051.8 | 9,569.2 | 10,333.7 | 11,873.0 | 12,935.9 | 13,281.3 | 13,445.6 | 13,378.1 |
| Bonds paid in next 10 Years | 54% | 57% | 59% | 58% | 58% | 57% | 56% | 57% | 57% | 58% |
| Remaining Average Life (years) | 9.88 | 9.52 | 9.16 | 9.16 | 9.23 | 9.42 | 9.45 | 9.31 | 9.18 | 9.01 |

| BUILD ILLINOIS SALES TAX REVENUE BONDS FOR CAPITAL PURPOSES | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | - | 50.0 | 100.0 | 50.2 | 50.2 | 100.4 | 100.4 | 89.2 | 83.7 | 83.7 |
| Bonds Repaid | (130.7) | (138.1) | (137.1) | (145.5) | (149.0) | (150.4) | (157.9) | (169.6) | (171.4) | (175.9) |
| Outstanding at Year End | 2,188.9 | 2,100.8 | 2,063.7 | 1,968.3 | 1,869.5 | 1,819.5 | 1,761.9 | 1,681.5 | 1,593.8 | 1,501.5 |
| Bonds paid in next 10 Years | 65% | 68% | 70% | 72% | 73% | 74% | 74% | 73% | 73% | 73% |
| Remaining Average Life (years) | 8.90 | 8.46 | 8.20 | 7.87 | 7.57 | 7.44 | 7.36 | 7.33 | 7.34 | 7.43 |

| GENERAL OBLIGATION BONDS FOR PENSION FUNDING | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **By Fiscal Year for:** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Bonds Issued | - | - | - | - | - | - | - | - | - | - |
| Bonds Repaid | - | (50.0) | (50.0) | (50.0) | (50.0) | (100.0) | (100.0) | (100.0) | (100.0) | (100.0) |
| Outstanding at Year End | 10,000.0 | 9,950.0 | 9,900.0 | 9,850.0 | 9,800.0 | 9,700.0 | 9,600.0 | 9,500.0 | 9,400.0 | 9,300.0 |
| Bonds paid in next 10 Years | 8% | 9% | 11% | 12% | 15% | 17% | 20% | 24% | 29% | 34% |
| Remaining Average Life (years) | 19.65 | 18.74 | 17.83 | 16.92 | 16.00 | 15.16 | 14.30 | 13.45 | 12.58 | 11.70 |

Note –Table does not include effect of the proposed restructuring of GO and BI Bonds

## Proposed Debt Restructuring

### General Obligation Bond Restructuring - Debt Service ($ millions)

| Total GO Capital DS Before Restructuring | | | | After Restructuring | |
|---|---|---|---|---|---|
| Fiscal Year | Principal | Interest | Total DS Before | Refunding Savings | DS After Restructuring |
| 2009 | 561 | 599 | 1,160 | | 1,160 |
| 2010 | 587 | 575 | 1,163 | 493 | 669 |
| 2011 | 611 | 622 | 1,233 | 37 | 1,196 |
| 2012 | 625 | 671 | 1,296 | (136) | 1,432 |
| 2013 | 717 | 739 | 1,457 | (136) | 1,593 |
| 2014 | 790 | 768 | 1,558 | (136) | 1,694 |
| 2015 | 856 | 765 | 1,621 | (136) | 1,757 |
| 2016 | 884 | 776 | 1,660 | (136) | 1,796 |
| 2017 | 889 | 756 | 1,645 | (136) | 1,781 |
| 2018 | 877 | 713 | 1,590 | 57 | 1,533 |
| 2019 | 853 | 672 | 1,525 | 57 | 1,468 |
| 2020 | 830 | 632 | 1,462 | 57 | 1,405 |
| 2021 | 816 | 583 | 1,398 | 57 | 1,341 |
| 2022 | 791 | 529 | 1,320 | 57 | 1,263 |
| 2023 | 783 | 491 | 1,274 | 60 | 1,214 |
| 2024 | 747 | 443 | 1,190 | 37 | 1,153 |
| 2025 | 706 | 405 | 1,111 | 20 | 1,091 |
| 2026 | 691 | 364 | 1,055 | | 1,055 |
| 2027 | 680 | 326 | 1,006 | | 1,006 |
| 2028 | 645 | 289 | 934 | | 934 |
| 2029 | 614 | 254 | 868 | | 868 |
| 2030 | 559 | 222 | 781 | | 781 |
| 2031 | 515 | 192 | 707 | | 707 |
| 2032 | 456 | 164 | 620 | | 620 |
| 2033 | 455 | 138 | 593 | | 593 |
| 2034 | 488 | 111 | 599 | | 599 |
| 2035 | 402 | 85 | 487 | | 487 |
| 2036 | 357 | 63 | 420 | | 420 |
| 2037 | 302 | 43 | 345 | | 345 |
| 2038 | 216 | 27 | 243 | | 243 |
| 2039 | 145 | 17 | 161 | | 161 |
| 2040 | 99 | 9 | 108 | | 108 |
| 2041 | 58 | 5 | 63 | | 63 |
| 2042 | 26 | 2 | 28 | | 28 |
| 2043 | 14 | 0.8 | 15 | | 15 |
| 2044 | 5 | 0.26 | 5 | | 5 |
| 2045 | 2 | 0.06 | 2 | | |
| Totals | 19,654 | 13,049 | 32,702 | 117 | 32,584 |

Includes $150 Million issuance in April 2009 and proposed capital plan

### Build Illinois Bond Restructuring - Debt Service ($ millions)

| Build Illinois DS Before Refunding | | | | After Restructuring | |
|---|---|---|---|---|---|
| Year | Principal | Interest | Total DS Before | Restructuring Savings | DS After Restructuring |
| 2009 | 137 | 129 | 266 | | 266 |
| 2010 | 146 | 129 | 274 | 128 | 146 |
| 2011 | 149 | 123 | 272 | 103 | 170 |
| 2012 | 150 | 121 | 272 | (34) | 305 |
| 2013 | 158 | 117 | 275 | (34) | 309 |
| 2014 | 170 | 106 | 276 | (34) | 310 |
| 2015 | 171 | 102 | 274 | (34) | 308 |
| 2016 | 176 | 90 | 266 | (34) | 300 |
| 2017 | 164 | 82 | 246 | (34) | 280 |
| 2018 | 150 | 73 | 223 | (34) | 257 |
| 2019 | 137 | 65 | 202 | (34) | 235 |
| 2020 | 121 | 58 | 178 | (34) | 212 |
| 2021 | 106 | 51 | 157 | (34) | 191 |
| 2022 | 100 | 45 | 146 | (34) | 179 |
| 2023 | 88 | 40 | 128 | 32 | 96 |
| 2024 | 81 | 35 | 116 | 32 | 84 |
| 2025 | 79 | 31 | 110 | 32 | 78 |
| 2026 | 77 | 27 | 104 | 30 | 74 |
| 2027 | 69 | 22 | 91 | 28 | 63 |
| 2028 | 63 | 19 | 81 | 26 | 55 |
| 2029 | 42 | 15 | 57 | 15 | 42 |
| 2030 | 38 | 13 | 52 | | 52 |
| 2031 | 33 | 11 | 44 | | 44 |
| 2032 | 27 | 9 | 37 | | 37 |
| 2033 | 27 | 8 | 35 | | 35 |
| 2034 | 23 | 6 | 29 | | 29 |
| 2035 | 21 | 5 | 26 | | 26 |
| 2036 | 19 | 3 | 22 | | 22 |
| 2037 | 15 | 2 | 17 | | 17 |
| 2038 | 11 | 1 | 12 | | 12 |
| 2039 | 7 | 1 | 8 | | 8 |
| 2040 | 3 | 0 | 4 | | 4 |
| Totals | 2,758 | 1,541 | 4,299 | 53 | 4,246 |

Includes $100 million issuance in April 2009 and proposed re-appropriations

# CHAPTER 9

## *Appendices*

# APPENDICES

## APPROPRIATION PERSPECTIVE

A series of presentations can be found in the following Appendices. These presentations include:

- Appendix A: Fiscal Year 2010 Capital Budget Supporting Charts. Contains the following:
  - Table 1: Differences between Capital and Operating Budgets
  - Chart 1: 5-Year Savings Impact on the Operating Budget
  - Chart 2: 5-Year Cost Impact on the Operating Budget
  - Chart 3: Sources of Fiscal Year 2010 New Appropriations
  - Chart 4: Uses of Fiscal Year 2010 New Appropriations
  - Chart 5: Sources of Fiscal Year 2010 Reappropriations
  - Chart 6: Uses of Fiscal Year 2010 Reappropriations

- Appendix B: Capital Budget Cash Flows. Provides cash flow estimates based on fiscal year 2010 budgeted amounts for all funds that support capital. Some funds listed support both operating and capital, and those funds are grouped separately.
  - Summary of Appropriated Capital Budget Funds
  - Road Fund
  - Motor Fuel Tax Fund

- Appendix C: Fiscal Year 2010 General Obligation Bonds Capital Expenditure Plan

- The Capital Project list is available on the attached text file or at www.state.il.us/budget. The list can be sorted by fund, agency and fiscal year.

## Appendix A
## Table 1
## Differences between Capital and Operating Budgets

| CAPITAL BUDGET | OPERATING BUDGET |
|---|---|
| Appropriations are for assets that have a long-term life and provide benefits in future years (e.g., buildings, highways, underground or surface infrastructure, durable equipment, and land). | Appropriations are for consumable goods and services (e.g., personnel and benefits, commodities, utilities, professional services) that are purchased and used during any one fiscal year. |
| Spending occurs over one to several years: a typical road construction project, for instance, might take four years, with the majority of spending occurring in years two and three, and only design and engineering work occurring in the first year. Reappropriations for projects originally appropriated in prior years, but still under construction, will make up the majority of capital dollars appropriated in any given budget year. | Spending occurs over the course of one given fiscal year with occasional, usually minor, amounts reappropriated into the next fiscal year. |
| Funding sources can include general revenues but are more likely to include bond transfers or federal grants because of the one-time, large, and occasional nature of capital expenditures, and dedicated revenue sources (e.g., special fees related to the asset being funded, such as a motor fuel tax). | Funding sources usually include general revenues (e.g., taxes, fees, etc.) because of the usually current, ongoing and regular nature of operating expenditures. |
| Financing is more likely to be from long-term bond proceeds that are paid back in increments over the life of the bonds, or other long-term means. Financing can be spread anywhere from 5 to 30 years which generally is less than the useful lifespan of the assets they finance. | Financing is from current revenue streams – the time frame of revenue received usually matches the time frame of the services or commodities purchased – i.e., within a single fiscal year. The operating budget balances spending with revenues annually. |
| Impacts on the Operating Budget:<br>Increases in the operating budget caused by capital investment can include, for example, increased need for operating spending (e.g., opening a new facility thereby requiring more staff), increased debt service requirements, or creating eventual future maintenance and replacement needs.<br><br>Decreases in the operating budget caused by capital expenditures can include, for instance, reduction in future maintenance expenditures by investing in more durable assets, lowering utility costs by installing energy efficient lighting or windows, or allowing more efficient staffing patterns by changing a building layout. | Impacts on the Capital Budget:<br>Increases in the capital budget caused by operating spending can include need for expanded facilities to accommodate expanded services; increased wear and tear on assets by increased use; different facilities needed to match changes in how services are delivered, etc.<br><br>Decreases in the capital budget caused by changes in operating spending can occur, for instance, due to implementation of more efficient staffing patterns, service reductions, outsourcing of functions, and by regular and conscientious maintenance which can prevent larger and more expensive structural repairs from being needed. |

## Appendix A

**Chart 1: 5-Year Savings Impact on the Operating Budget ($1.6 million)**

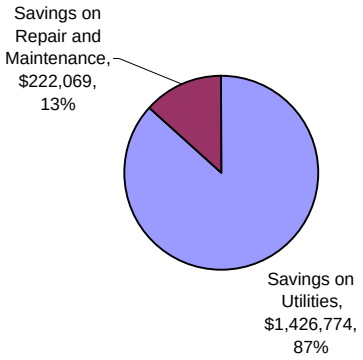
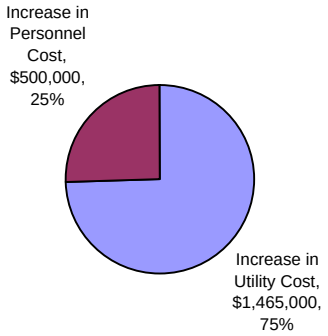



**Chart 2: 5-Year Cost Impact on Operating Budget ($2.0 million)**




**Select State Facility Maintenance Projects: Anticipated Operational Savings**

($ whole)

| User Agency and Location | Project Description [1] | Fiscal Year [2] 2012 | 2013 | 2014 | 2015 | 2016 | Total [3] |
|---|---|---|---|---|---|---|---|
| **State Facilities** | | | | | | | |
| **Department of Agriculture** | | | | | | | |
| Centralia Diagnostic Lab | Replace Roof | $13,437 | $6,748 | $6,748 | $6,748 | $6,748 | $40,430 |
| Illinois State Fairgrounds | Replace HVAC - Administration Building Chillers | $42,798 | $38,798 | $38,798 | $38,798 | $38,798 | $197,989 |
| Illinois State Fairgrounds | Replace Roof | $83,646 | $42,008 | $42,008 | $42,008 | $42,008 | $251,679 |
| **Office of the Architect of the Capitol** | | | | | | | |
| Capital Complex | HVAC Renovation & Upgrade | $36,028 | $36,028 | $36,028 | $36,028 | $36,028 | $180,139 |
| **Central Management Services** | | | | | | | |
| James R. Thompson Center | HVAC Renovation and Upgrade | $26,864 | $26,864 | $26,864 | $26,864 | $26,864 | $134,319 |
| Elgin Regional Office Building | Upgrade HVAC System | $33,127 | $28,127 | $28,127 | $28,127 | $28,127 | $145,637 |
| Collinsville State Office Building | Replace Roof | $54,809 | $25,378 | $25,378 | $25,378 | $25,378 | $156,323 |
| **Office of the Attorney General** | | | | | | | |
| Attorney General Building | Replace Light Ballasts | $72,904 | $72,904 | $72,904 | $72,904 | $72,904 | $364,520 |
| **Department of Human Services** | | | | | | | |
| Illinois School for Visually Impaired | Replace Roof | $4,759 | $2,390 | $2,390 | $2,390 | $2,390 | $14,319 |
| **Department of Corrections** | | | | | | | |
| Southwestern Correctional Center | Replace Roof | $7,746 | $3,890 | $3,890 | $3,890 | $3,890 | $23,308 |
| Logan Correctional Center | Replace Roof | $7,746 | $3,890 | $3,890 | $3,890 | $3,890 | $23,308 |
| Vienna Correctional Center | Replace Roof | $8,316 | $4,177 | $4,177 | $4,177 | $4,177 | $25,023 |
| **Department of Juvenile Justice** | | | | | | | |
| Illinois Youth Center-Joliet | Replace Roof | $1,160 | $583 | $583 | $583 | $583 | $3,490 |
| Illinois Youth Center-Pere Marquett | Replace Roof | $2,065 | $1,037 | $1,037 | $1,037 | $1,037 | $6,214 |
| Illinois Youth Center-St Charles | HVAC replacement for residential cottages | $19,629 | $15,629 | $15,629 | $15,629 | $15,629 | $82,145 |
| **ANTICIPATED TOTAL OPERATING SAVINGS** | | **$415,035** | **$308,452** | **$308,452** | **$308,452** | **$308,452** | **$1,648,843** |

**Select State Facility Projects: Anticipated Impact on Operational Costs**

($ whole)

| User Agency and Location | Project Description [1] | Fiscal Year [2] 2011 | 2012 | 2013 | 2014 | 2015 | Total [3] |
|---|---|---|---|---|---|---|---|
| **State Facilities** | | | | | | | |
| **Illinois Historic Preservation** | | | | | | | |
| Springfield | Purchase the Tinley Dry Goods Store | $43,000 | $43,000 | $43,000 | $43,000 | $43,000 | $215,000 |
| **Illinois State Police** | | | | | | | |
| Belleville | Construct New Metro-East Forensic Lab | $100,000 | $100,000 | $100,000 | $100,000 | $100,000 | $500,000 |
| | | $250,000 | $250,000 | $250,000 | $250,000 | $250,000 | $1,250,000 |
| **ANTICIPATED TOTAL OPERATING COSTS** | | **$393,000** | **$393,000** | **$393,000** | **$393,000** | **$393,000** | **$1,965,000** |

Footnotes:

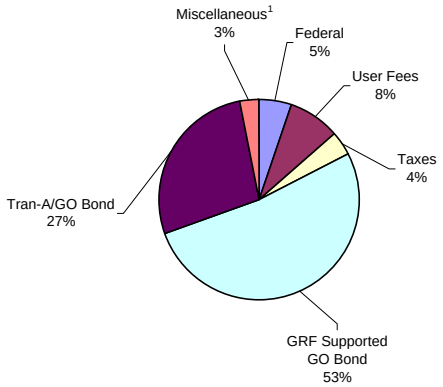
[1] Projects listed are presented as part of the FY10 Capital Plan. Projects are subject to change depending upon such factors as funding availability and unforeseen emergencies at other state facilities. etc.

[2] Project completion estimates provided by the Capital Development Board.

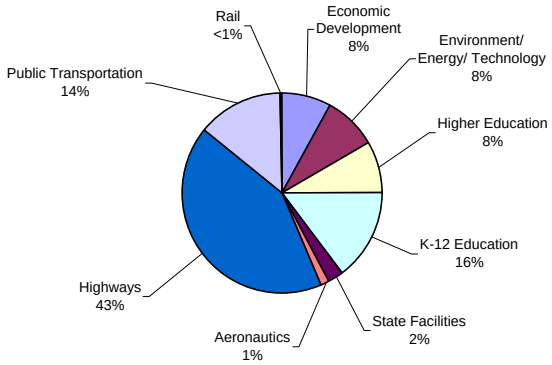
[3] Amounts represented are in present day dollars and not adjusted for inflation.

## Appendix A
## Sources and Uses of Fiscal Year 2010 Appropriations

### Chart 3: Sources of FY10 New Appropriations

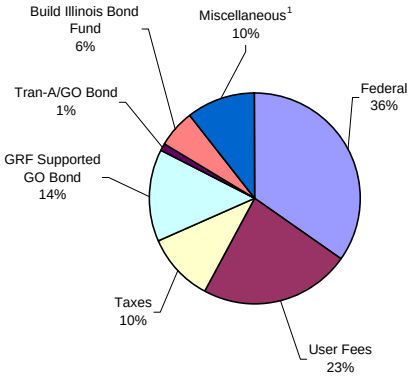



### Chart 4: Uses of FY10 New Appropriations

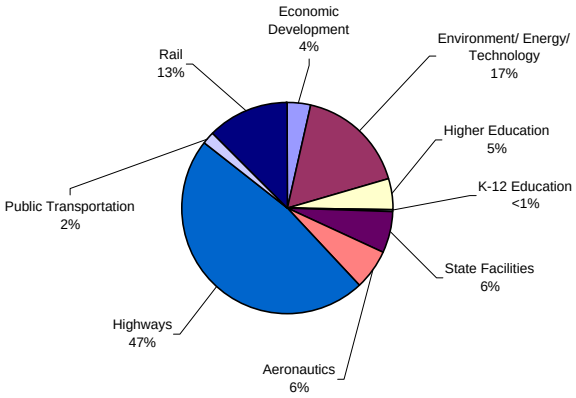



| ($ thousands) | Economic Development | Environment/ Energy/ Technology | Higher Education | K-12 Education | State Facilities | Aeronautics | Highways | Public Transportation | Rail | Total[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| Federal | - | 69,541 | - | - | - | 127,403 | 342,557 | 15,984 | 9,783 | **565,268** |
| User Fees | 9,626 | 21,251 | - | - | 850 | 9,597 | 869,512 | - | 7,241 | **918,076** |
| Taxes | - | 21,022 | - | - | - | - | 414,076 | - | 2,609 | **437,707** |
| GRF Supported GO Bond | 875,000 | 505,778 | 920,663 | 1,625,000 | 251,293 | 20,000 | - | 1,500,000 | - | **5,697,734** |
| Tran-A/GO Bond | - | - | - | - | - | - | 3,000,000 | - | - | **3,000,000** |
| Miscellaneous[1] | 3,374 | 312,706 | - | - | - | - | 28,943 | 16 | 4,113 | **349,152** |
| **Total[2]** | **888,000** | **930,297** | **920,663** | **1,625,000** | **252,143** | **157,000** | **4,655,088** | **1,516,000** | **23,745** | **10,967,936** |

### Chart 5: Sources of FY10 Reappropriations




### Chart 6: Uses of FY10 Reappropriations




| ($ thousands) | Economic Development | Environment/ Energy/ Technology | Higher Education | K-12 Education | State Facilities | Aeronautics | Highways | Public Transportation | Rail | Total[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| Federal | - | 186,198 | - | - | - | 506,540 | 1,708,246 | 76,512 | 828,004 | **3,305,500** |
| User Fees | 13,970 | 55,125 | - | - | 0 | 38,156 | 1,832,984 | - | 235,377 | **2,175,612** |
| Taxes | - | 118,012 | - | - | - | - | 793,216 | - | 84,807 | **996,035** |
| GRF Supported GO Bond | 59,206 | 219,367 | 331,515 | 32,673 | 566,714 | 26,796 | - | 101,229 | 19,886 | **1,357,387** |
| Tran-A/GO Bond | - | - | - | - | - | - | 100,057 | - | - | **100,057** |
| Build Illinois Bond Fund | 252,388 | 153,778 | 121,217 | - | 30,278 | - | - | - | - | **557,660** |
| Miscellaneous[1] | 14,462 | 872,597 | - | - | 1,398 | - | 79,041 | 78 | 26,694 | **994,270** |
| **Total[2]** | **340,027** | **1,605,076** | **452,733** | **32,673** | **598,390** | **571,492** | **4,513,544** | **177,818** | **1,194,768** | **9,486,521** |

[1] Includes loan repayments, investment income, and settlements.
[2] Numbers may not add due to rounding.

## Appendix B

## Capital Budget Cash Flows
## Summary of Appropriated Capital Budget Funds, Fiscal Year 2010
## ($ thousands)

| Fund Group and Fund Name | Cash Balance, Beginning of Year | *plus* Receipts | | | *equals* Total Resources | *minus* Disbursements | | *equals* Cash Balance, End of Year |
|---|---|---|---|---|---|---|---|---|
| | | Revenues from | | | | Transfers Out | Warrants Issued | |
| | | State Sources | Federal Sources | Transfers In | | | | |
| **FUNDS PRESENTED WITH OPERATING BUDGET:** | | | | | | | | |
| Abandoned Mined Lands Reclamation Council Federal Trust | 2,507 | 0 | 11,355 | 0 | 13,862 | 0 | 9,449 | 4,413 |
| Adeline Jay Geo-Karis Illinois Beach Marina | 453 | 3,092 | 0 | 0 | 3,545 | 1,137 | 2,242 | 167 |
| Agricultural Premium | 2,690 | 1,577 | 0 | 23,765 | 28,032 | 161 | 26,969 | 902 |
| Asbestos Abatement | 6,478 | 3,270 | 0 | 0 | 9,748 | 0 | 3,596 | 6,152 |
| Federal Mass Transit Trust | 836 | 0 | 60,150 | 0 | 60,986 | 0 | 60,150 | 836 |
| Illinois Forestry Development | 971 | 1,276 | 20,775 | 0 | 23,022 | 0 | 19,995 | 3,026 |
| Illinois Habitat | 1,293 | 1,243 | 0 | 0 | 2,537 | 0 | 1,362 | 1,175 |
| Motor Fuel Tax | 7,293 | 1,324,161 | 0 | 0 | 1,331,453 | 607,168 | 717,081 | 7,205 |
| Natural Areas Acquisition | 12,178 | 7,903 | 0 | 0 | 20,080 | 129 | 11,359 | 8,592 |
| Open Space Lands Acquisition and Development | 78,156 | 16,556 | 0 | 0 | 94,712 | 0 | 28,732 | 65,980 |
| Park and Conservation | 8,771 | 5,573 | 1,465 | 20,000 | 35,809 | 10,700 | 18,044 | 7,064 |
| Plugging and Restoration | 330 | 518 | 0 | 0 | 848 | 0 | 573 | 275 |
| Road | 229,151 | 1,129,869 | 3,065,384 | 323,386 | 4,747,790 | 292,921 | 4,175,721 | 279,149 |
| State Boating Act | 5,195 | 4,461 | 2,974 | 5,040 | 17,671 | 149 | 14,600 | 2,922 |
| State Furbearer | 136 | 84 | 0 | 14 | 234 | 0 | 90 | 144 |
| State Migratory Waterfowl Stamp | 2,576 | 760 | 0 | 0 | 3,336 | 0 | 461 | 2,874 |
| State Parks | 1,913 | 11,065 | 0 | 0 | 12,978 | 117 | 11,901 | 959 |
| State Pheasant | 326 | 419 | 0 | 77 | 822 | 0 | 322 | 500 |
| Tobacco Settlement Recovery | 81,526 | 317,948 | 439,709 | 0 | 839,183 | 0 | 760,265 | 78,918 |
| Underground Storage Tank | 3,599 | 73,568 | 0 | 0 | 77,167 | 13,993 | 59,033 | 4,141 |
| Water Revolving | 426,199 | 153,250 | 622,600 | 0 | 1,202,049 | 0 | 771,214 | 430,835 |
| Wildlife and Fish | 14,841 | 40,122 | 12,497 | 0 | 67,460 | 0 | 65,030 | 2,430 |
| **TOTAL** | **887,418** | **3,096,716** | **4,236,909** | **372,282** | **8,593,324** | **926,475** | **6,758,189** | **908,660** |
| **CAPITAL BUDGET FUNDS:** | | | | | | | | |
| **BOND FUNDS:** | | | | | | | | |
| Anti-Pollution | 421 | 10,474 | 0 | 0 | 10,894 | 10,000 | 474 | 421 |
| Build Illinois Bond | 2,464 | 50,000 | 0 | 0 | 52,464 | 0 | 50,189 | 2,275 |
| Capital Development | 2,000 | 212,844 | 0 | 0 | 214,844 | 154,000 | 58,949 | 1,895 |
| Coal Development | 3,172 | 8,989 | 0 | 0 | 12,160 | 0 | 8,989 | 3,172 |
| Illinois Jobs Now | 0 | 118,000 | 0 | 369,000 | 487,000 | 0 | 486,800 | 200 |
| School Construction | 404 | 217,416 | 0 | 0 | 217,820 | 205,000 | 12,416 | 404 |
| Transportation Bond, Series A | 1,723 | 355,057 | 0 | 0 | 356,780 | 0 | 355,057 | 1,723 |
| Transportation Bond, Series B | 9,796 | 182,221 | 0 | 0 | 192,017 | 0 | 182,221 | 9,796 |
| **NON BOND FUNDS:** | | | | | | | | |
| Ambulance Revolving Loan | 4,130 | 127 | 0 | 0 | 4,257 | 0 | 0 | 4,257 |
| AML Reclamation Set Aside | 5,812 | 227 | 0 | 0 | 6,039 | 0 | 0 | 6,039 |
| Federal High Speed Rail Trust | 0 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 |
| Federal Title IV Fire Protection Assistance | 68 | 0 | 171 | 0 | 240 | 0 | 147 | 92 |
| Federal/Local Airport | 3,928 | 7,000 | 243,000 | 0 | 253,928 | 0 | 250,000 | 3,928 |
| Fire Truck Revolving Loan | 10,763 | 681 | 0 | 0 | 11,444 | 0 | 857 | 10,587 |
| Flood Control Land Lease | 54 | 613 | 0 | 0 | 667 | 0 | 632 | 36 |
| Grade Crossing Protection | 1 | 0 | 0 | 27,000 | 27,001 | 2,253 | 24,748 | 0 |
| Land and Water Recreation | 0 | 0 | 990 | 0 | 990 | 0 | 990 | 0 |
| Metropolitan Fair and Exposition Authority Improvement Bond | 5 | 0 | 0 | 31,600 | 31,606 | 0 | 31,600 | 5 |
| Off-Highway Vehicle Trails | 1,336 | 487 | 0 | 0 | 1,823 | 0 | 317 | 1,507 |
| Partners for Conservation Projects | 1,817 | 0 | 0 | 0 | 1,817 | 0 | 577 | 1,240 |

## Appendix B

## Capital Budget Cash Flows
## Summary of Appropriated Capital Budget Funds, Fiscal Year 2010
## ($ thousands)

| Fund Group and Fund Name | Cash Balance, Beginning of Year | *plus* Receipts | | | *equals* Total Resources | *minus* Disbursements | | *equals* Cash Balance, End of Year |
|---|---|---|---|---|---|---|---|---|
| | | Revenues from | | | | | | |
| | | State Sources | Federal Sources | Transfers In | | Transfers Out | Warrants Issued | |
| **CAPITAL BUDGET FUNDS:** | | | | | | | | |
| Rail Freight Loan Repayment | 2,696 | 923 | 0 | 0 | 3,618 | 0 | 1,500 | 2,118 |
| Snowmobile Trail Establishment | 19 | 67 | 0 | 0 | 86 | 0 | 45 | 41 |
| State Construction Account | 290,536 | 502,300 | 0 | 224,184 | 1,017,020 | 63 | 814,000 | 202,957 |
| State Rail Freight Loan Repayment | 9,008 | 3,467 | 0 | 0 | 12,475 | 0 | 3,200 | 9,275 |
| **TOTAL** | **350,152** | **1,670,892** | **744,162** | **651,784** | **3,416,990** | **371,315** | **2,783,707** | **261,967** |
| **DEBT SERVICE FUNDS:** | | | | | | | | |
| Build Illinois Bond Retirement and Interest | 3,023 | 198 | 0 | 266,297 | 269,519 | 0 | 266,297 | 3,221 |
| General Obligation Bond Retirement and Interest | 610,905 | 86,610 | 0 | 1,182,872 | 1,880,386 | 0 | 1,223,347 | 657,039 |
| Illinois Civic Center Bond Retirement and Interest | 8,456 | 0 | 0 | 14,105 | 22,561 | 0 | 13,848 | 8,713 |
| Matured Bond and Coupon | 3,344 | 150 | 0 | 0 | 3,494 | 0 | 140 | 3,354 |
| **TOTAL** | **625,728** | **86,958** | **0** | **1,463,274** | **2,175,960** | **0** | **1,503,632** | **672,328** |
| **GRAND TOTAL** | **1,863,299** | **4,854,565** | **4,981,070** | **2,487,340** | **14,186,274** | **1,297,790** | **11,045,529** | **1,842,955** |

| Budgetary Balance equals Beginning of Year Available Cash Balance minus the Prior Year's Lapse Period Spending | Cash Balance, Beginning of Year | *plus* Receipts | | | *equals* Total Resources | *minus* Disbursements | | *equals* Cash Balance, End of Year |
|---|---|---|---|---|---|---|---|---|
| | | Revenues from | | | | | | |
| | | State Sources | Federal Sources | Transfers In | | Transfers Out | Warrants Issued | |
| **GRAND TOTAL** | **1,712,110** | **4,854,565** | **4,981,070** | **2,487,340** | **14,035,086** | **1,297,790** | **11,045,529** | **1,691,766** |

**Appendix B**
**Capital Budget Cash Flows**
**Road Fund**
**Summary of Receipts and Disbursements**
**($ millions)**

| | Actual 2007 | Actual 2008 | Estimated 2009 | Projected 2010 |
|---|---|---|---|---|
| **RECEIPTS** | | | | |
| **State Sources** | | | | |
| Motor Vehicle and Operators License Fees | 853.1 | 853.7 | 861.6 | 856.2 |
| "New" Motor Vehicle and Operators License Fees | 0.0 | 0.0 | 0.0 | 110.0 |
| Federal Recovery | 0.0 | 0.0 | 186.6 | 1,679.4 |
| Transfers from Motor Fuel Tax Fund | 350.2 | 335.1 | 322.8 | 323.4 |
| Other Earnings, Reimbursements and Transfers[1] | 172.7 | 124.4 | 121.9 | 126.8 |
| **Total State Sources** | **1,376.0** | **1,313.2** | **1,492.9** | **3,095.8** |
| **Total Federal Source** | **1,020.1** | **1,256.5** | **1,027.3** | **1,203.9** |
| **TOTAL RECEIPTS** | **2,396.1** | **2,569.7** | **2,520.2** | **4,299.7** |
| **DISBURSEMENTS** | | | | |
| Department of Transportation-Construction | 1,397.7 | 1,175.2 | 1,066.9 | 1,103.5 |
| Department of Transportation-Operations | 578.5 | 663.9 | 595.3 | 617.3 |
| Department of Transportation-All Other | 91.8 | 100.1 | 89.7 | 82.8 |
| Secretary of State | 129.2 | 126.9 | 126.9 | 131.3 |
| Department of State Police | 97.3 | 106.1 | 125.0 | 129.4 |
| All Other Agencies | 133.8 | 139.5 | 196.9 | 163.2 |
| Federal Recovery | 0.0 | 0.0 | 186.6 | 1,679.4 |
| Debt Service for New Bonded Road Program | 0.0 | 0.0 | 0.0 | 32.0 |
| Transfers to Other Funds for Capital, Debt Service & Operating Purposes[1] | 323.9 | 290.8 | 292.1 | 310.8 |
| **TOTAL DISBURSEMENTS** | **2,752.2** | **2,602.5** | **2,679.4** | **4,249.7** |
| **NET CHANGE IN CASH (Receipts minus Disbursements)** | **(356.1)** | **(32.8)** | **(159.2)** | **50.0** |
| **plus: CASH BALANCE AT BEGINNING OF YEAR** | **776.7** | **421.0** | **388.4** | **229.2** |
| **equals: CASH BALANCE AT END OF YEAR** | **421.0** | **388.4** | **229.2** | **279.2** |

[1] Actual FY 2007 includes a $35 million inter-fund transfer from the Road fund to the State Construction Account fund and subsequent repayment in the same fiscal year as required by law.

**Appendix B**
**Capital Budget Cash Flows**
**Motor Fuel Tax Fund - State Funds**
**Summary of Receipts and Disbursements**
**($ millions)**

| | Actual 2007 | Actual 2008 | Estimated 2009 | Projected 2010 |
|---|---|---|---|---|
| **GROSS RECEIPTS** | **1,376.3** | **1,264.4** | **1,488.0** | **1,395.0** |
| **Nonallocable Receipts** | | | | |
| Refunds on Nontaxable Motor Fuel[1] | (14.0) | (15.0) | (15.2) | (21.0) |
| International Fuel Tax Agreement to Other States[1] | (40.3) | (41.4) | (37.4) | (42.0) |
| **Total Allocable Receipts** | **1,322.0** | **1,208.0** | **1,435.4** | **1,332.0** |
| | | | | |
| **Disbursements** | | | | |
| **Transfers Out** | | | | |
| State Construction Account Fund | 234.4 | 243.9 | 223.8 | 224.2 |
| Road Fund | 350.2 | 335.1 | 322.8 | 323.4 |
| County MFT Fund | 232.2 | 222.1 | 212.8 | 213.3 |
| Municipal MFT Fund | 325.6 | 311.6 | 298.5 | 299.1 |
| Township MFT Fund | 105.4 | 100.8 | 96.6 | 96.8 |
| Grade Crossing Protection Fund | 27.0 | 27.0 | 27.0 | 27.0 |
| State Boating Act Fund | 5.0 | 5.0 | 5.0 | 5.0 |
| Vehicle Inspection and Maintenance Fund | 30.0 | 30.0 | 30.0 | 30.0 |
| Other Funds | 0.9 | 2.6 | 5.1 | 5.3 |
| **Total Transfers Out** | **1,310.7** | **1,278.1** | **1,221.6** | **1,224.1** |
| | | | | |
| **Expenditures** | | | | |
| Revenue (net IFTA and Refunds) | 21.1 | 26.1 | 48.8 | 45.0 |
| Secretary of State | 1.0 | 1.2 | 1.2 | 1.2 |
| Transportation | 8.2 | 8.9 | 10.4 | 11.4 |
| Refunds on Nontaxable Motor Fuel[1] | 15.0 | 15.2 | 16.1 | 21.0 |
| International Fuel Tax Agreement to Other States[1] | 39.8 | 41.4 | 37.4 | 42.0 |
| **Total Expenditures** | **85.1** | **92.8** | **113.9** | **120.6** |
| | | | | |
| **TOTAL DISBURSEMENTS** | **1,395.8** | **1,370.9** | **1,335.5** | **1,344.7** |
| Sams Adjustment | 0.5 | 2.4 | (156.1) | (50.2) |
| **NET CHANGE IN CASH (Receipts minus Disbursements)** | **(19.5)** | **(106.5)** | **152.5** | **50.3** |
| **plus: CASH BALANCE AT BEGINNING OF YEAR** | **133.9** | **114.9** | **10.8** | **7.2** |
| **equals: CASH BALANCE AT END OF YEAR** | **114.9** | **10.8** | **7.2** | **7.3** |

[1] These figures are based on warrants issued during the fiscal year and not on liabilities actually incurred including lapse period spending.

## Appendix C
## Fiscal Year 2010 General Obligation Bonds Capital Expenditure Plan
## ($ thousands)

| Fund Name | FY10 Appropriations | Spending from FY10 Appropriations | | | | |
|---|---|---|---|---|---|---|
| | | FY10 | FY11 | FY12 | FY13 | FY14 |
| **Capital Development** | | | | | | |
| Prior Appropriations | 1,071,801 | 58,949 | 58,949 | 107,180 | 128,616 | 128,616 |
| New Appropriations | 1,324,034 | 153,800 | 199,000 | 355,000 | 231,100 | 135,500 |
| **Total Capital Development** | **2,395,835** | **212,749** | **257,949** | **462,180** | **359,716** | **264,116** |
| **School Construction** | | | | | | |
| Prior Appropriations | 32,673 | 12,416 | 6,861 | 4,901 | 4,574 | 3,921 |
| New Appropriations | 1,625,000 | 205,000 | 185,000 | 405,000 | 470,000 | 115,000 |
| **Total School Construction** | **1,657,673** | **217,416** | **191,861** | **409,901** | **474,574** | **118,921** |
| **Anti-Pollution** | | | | | | |
| Prior Appropriations | 15,172 | 474 | - | - | - | - |
| New Appropriations | 25,000 | 10,000 | 10,000 | 5,000 | - | - |
| **Total Anti-Pollution** | **40,172** | **10,474** | **10,000** | **5,000** | **-** | **-** |
| **Transportation Series A** | | | | | | |
| Prior Appropriations | 100,057 | 57 | - | - | - | - |
| New Appropriations | 3,000,000 | 355,000 | 525,000 | 695,000 | 445,000 | 375,000 |
| **Total Transportation Series A** | **3,100,057** | **355,057** | **525,000** | **695,000** | **445,000** | **375,000** |
| **Transportation Series B** | | | | | | |
| Prior Appropriations | 147,855 | 19,221 | 22,178 | 39,921 | 29,571 | 14,786 |
| New Appropriations | 1,520,000 | 163,000 | 203,000 | 203,000 | 201,000 | 200,000 |
| **Total Transportation Series B** | **1,667,855** | **182,221** | **225,178** | **242,921** | **230,571** | **214,786** |
| **Coal Development** | | | | | | |
| Prior Appropriations | 89,885 | 8,989 | 12,584 | 17,977 | 22,471 | 13,483 |
| New Appropriations | - | - | - | - | - | - |
| **Total Coal Development** | **89,885** | **8,989** | **12,584** | **17,977** | **22,471** | **13,483** |
| **Illinois Jobs Now** | | | | | | |
| Prior Appropriations | - | - | - | - | - | - |
| New Appropriations | 1,203,700 | 118,000 | 153,000 | 331,700 | 248,000 | 149,000 |
| **Total Illinois Jobs Now** | **1,203,700** | **118,000** | **153,000** | **331,700** | **248,000** | **149,000** |
| **All Funds** | | | | | | |
| Prior Appropriations | 1,457,444 | 100,105 | 100,573 | 169,979 | 185,233 | 160,805 |
| New Appropriations | 8,697,734 | 1,004,800 | 1,275,000 | 1,994,700 | 1,595,100 | 974,500 |
| **Total All Funds** | **10,155,177** | **1,104,905** | **1,375,573** | **2,164,679** | **1,780,333** | **1,135,305** |

# CHAPTER 10

## *Glossary*

# Glossary

**Activity Measure** - Information or data used to count the delivery of state services; for instance, the number of people served and the number of cases closed.

**All Funds** - Every fund appropriated to or spent by an agency.

**Appropriation** - Spending authority from a specific fund given by the General Assembly and approved by the governor for a specific amount, purpose and time period.

**American Recovery and Reinvestment Act (ARRA) -** The federal government's $787 billion plan to jump-start the U.S. economy and create jobs. It will modernize healthcare, improve schools, build and repair infrastructure, and invest in the clean energy technologies of the future. Programs in Illinois that will receive funding through ARRA are denoted in the Fiscal Year 2010 Budget Book as "Federal recovery."

**Available Fund Balance** - The total amount of money in a fund at a particular point in time, typically at the beginning of a month or the year.

**Balance Sheet** - Presentation of the financial condition at a specific point in time including assets, liabilities and fund balance.

**Benchmark** - Allows comparison to other similar organizations. Can be used to track performance over time. Important to use a relevant peer group.

**Bond** - A debt security that grants the holder specific and binding authority to receive a return of principal and periodic interest payments up to and including the instrument's maturity. The state uses bonds to finance some of its long-term capital projects.

**Bond Authorization** - Legislatively enacted dollar amount of bonds that may be issued by the state, for each category and subcategory of the Bond Acts.

**Bond Fund** - A fund that receives proceeds from the sale of bonds to be used for capital projects.

**Bond Rating** - An assessment of the credit risk with respect to a specific bond issue.

**Bond Retirement and Interest Fund** - A fund used to repay principal and interest on bonds or other debt obligations, typically spent pursuant to a continuing and irrevocable appropriation.

**Budgetary Balance** - Available cash balance on June 30 of a fiscal year, minus lapse period spending occurring from that fiscal year's appropriations.

**Budget Deficit** - The excess of expenditures over revenues in a fiscal year.

**Build Illinois** - A state economic development and public infrastructure program begun in 1986 and primarily funded by dedicated state sales tax revenue bonds.

**Capital** - Buildings, structures, equipment and land. Acquisition, development, construction and improvement of capital is typically funded through bond funds.

**Capital Expenditure** - Capital expenditures include expenditures from all aspects of the capital budget: financial and physical planning, land acquisition, architecture and engineering, construction and durable equipment purchases, and grants and loans to other entities for capital purposes.

**Cash Flow** - the amount of cash available for use during a period of time, calculated by subtracting spending from the sum of the receipts and the beginning balance.

**Certificate of Participation** - Similar to bonds or other debt instruments, a security issued by the state or a third party that gives the holder a share of the stream of annual appropriated lease payments made by the state.

**Client** - A person or family receiving services, typically from a human service agency.

**Commodities** - Line item for consumable items used in connection with current agency operations, for instance, household, medical or office supplies; food for those in institutions; coal, bottled and natural gas; and equipment costing less than $100.

**Continuing Appropriation** - Statutory authority for the comptroller and treasurer to spend funds in the event the legislature fails to appropriate, or appropriates an insufficient amount, for a specified purpose. Examples of continuing appropriations are for debt service on state bonds or payments to the state retirement systems.

**Debt Service** - Payment of principal, interest and other obligations associated with the retirement of debt.

# Glossary

**Dedicated Funds** - Revenues assessed and collected for a specific state program.

**Depreciation** - The allocation of the value of capital assets over time.

**Designated Purpose** - Appropriation line for a general program purpose without specific line items identified.

**Divisions** - Organizational units within agencies designated as such for programmatic or administrative convenience.

**Electronic Data Processing (EDP)** - Line item for lease or purchase of computer or other data processing equipment and related services including supplies, services and personnel.

**Equipment** - line item for non-consumable items of tangible personal property used in connection with current agency operations, for instance, office furniture, vehicles or machinery, and scientific or other major instruments and apparatus.

**Executive Branch** - Distinguished from the legislative and judicial branches of state government, it is charged with the detail of carrying out and effectuating the law through the day-to-day operations and activities of state government. The governor, as chief executive officer of the state, is responsible for the operation and administration of state agencies.

**Executive Order** - A decree or mandate issued by the governor for the purpose of interpreting or implementing a provision of the law. Executive orders often are used to reorganize and assign functions among executive agencies, create advisory and special commissions and boards, or direct state agencies regarding policy.

**Expenditure** - State spending. Agencies submit vouchers to the Comptroller's Office, which prepares a state check (warrant) and maintains accounting records. Warrants are presented to the treasurer, who maintains and invests state funds.

**Federal Aid** - Funding provided by the federal government.

**Fiscal Year** - Illinois state government's fiscal year is July 1 through June 30. This is the period during which obligations are incurred, encumbrances are made and appropriations are expended. The federal government's fiscal year is October 1 through September 30.

**Full Faith and Credit** - A pledge or promise to repay general obligation debt, typically includes all of an issuer's taxing powers.

**Fund** - An account established to hold money for specific programs, activities or objectives.

**General Funds** - (usually lower-case) refers to the following group of funds, inclusively: the General Revenue Fund, the Education Assistance Fund, the Common School Fund, and the General Revenue-Common School Special Account Fund.

**General Obligation Bonds** - Bonds issued for capital purposes as direct legal obligations secured by general tax revenues and guaranteed by the full faith and credit of the state.

**General Revenue Fund** - The largest of four funds that comprise the state general funds. It receives the majority of undedicated tax revenues, mostly income and sales taxes, for use generally to operate and administer state programs.

**GOMB** - The Governor's Office of Management and Budget serves the Governor's financial, management and budgeting needs by providing accurate, timely and objective information.

**Grant** - An award or contribution to be used either for a specific or a general purpose, typically with no repayment provision.

**Highway Fund** - A fund that receives special dedicated revenues related to transportation, for example, the motor fuel tax or federal highway trust funds, to be used to support the construction and maintenance of transportation facilities and activities.

**Illinois FIRST** - A $12 billion, multi-year public works initiative begun in fiscal year 2000. Half of the money is provided from bond proceeds with the remainder covered by a combination of local, state and federal resources.

**Infrastructure** - The underlying foundation or framework of a system or organization, it is indispensable to supporting the purposes of and operations of a wide range of public and private sector entities and activities. The physical infrastructure of the State of Illinois is the framework of facilities including prisons; universities; mental health centers and state parks, and the transportation

network encompassing highways; bridges; airports; public transit rail; freight rail and passenger systems.

**Judicial Branch** - Distinguished from the legislative and executive branches of state government, it is charged with interpreting and applying laws.

**Lapse** - The portion of an appropriation that is not spent during the authorized period, typically the fiscal year, including the lapse period.

**Lapse Period** - The two-month period following the fiscal year (July 1 to August 31) when agencies can liquidate liabilities incurred before the end of that fiscal year (June 30). Public Act 89-511, effective in fiscal year 1997, reduced the lapse period from three months to two months.

**Lapse Period Spending** - Spending that occurs during the lapse period from the previous year's appropriation.

**LEED** - Leadership in Energy and Environmental Design standard for Green Building design.

**Legislative Branch** - Distinguished from the judicial and executive branches of state government, it is charged with making and enacting the law, including appropriations.

**Legislative Transfer** - Reallocation of appropriation amounts among line items by the General Assembly during the fiscal year. Distinguished from a 2 percent transfer, which may be accomplished by the executive branch without participation of the legislative branch.

**Line Item** - Specific purpose of an appropriation, for instance, personal services, retirement, printing or travel.

**Liquidate** - To settle or pay a debt or to convert assets into cash.

**Mandate -** A law or regulation that generally should be followed, whether or not funding is provided. The State Mandates Act permits certain regulations and laws to be ignored if funding is not provided.

**Match** - Contribution to program required to receive a program grant; may be either money, "hard match," or services, "soft match."

**Moral Obligation** - A duty that is not binding or enforceable by law, typically debt service on bonds issued by others that the state agrees to consider funding if the issuer is unable to pay. There is no legal guarantee the state will make such payments.

**Opportunity Returns** - A program created in 2003 to coordinate state, federal and local economic development expenditures in the state and organize development activities by ten distinct economic regions.

**Other Funds** - All state and federal funds except the four general funds.

**Performance Measure** - Information or data used to determine the quality and outcomes of state services, for instance, the number of people who receive jobs following job counseling and employment services, or the number of people who remain off drugs following treatment services.

**Personal Services** - Line item for salary payments to employees.

**Program Area** - Major organizational categories of state government, including education, human services, public safety, environment and business regulations, economic development and infrastructure and government services.

**Re-appropriation** - An unspent appropriation that continues into the next fiscal year, typically for a capital or other multi-year project or liability.

**Recommended** - Governor's budget requests presented to the General Assembly for its approval.

**Refunding Bonds** - Bonds issued to refinance other outstanding bonds, which generally were originally issued at higher interest rates.

**Repair and Maintenance** - Line item for upkeep, restoration and improvement of equipment and facilities in connection with current agency operations.

**Reserve** - Portion of appropriation intentionally set aside and not spent, either to increase lapse or as a contingency for increased liabilities in other line items.

**Resources** - All assets available for use by agencies, whether appropriated or not.

**Retirement** - Line item for employer's share of contributions to the state retirement system.

# Glossary

**Revenues** - Receipts from taxes, fees, assessments, grants and other payments used to fund programs.

**Revolving Fund** - Receives intergovernmental payments charged for providing central operational services, such as computers, purchasing, state garage and telecommunications.

**Road Fund** - Receives motor fuel tax and other transportation-related revenues for use to operate the Department of Transportation, Illinois State Police and the Secretary of State's Office, and to build and maintain roads, bridges and other transportation facilities.

**Special State Funds** - All state funds except the general funds, bond-financed funds, debt service funds, federal trust funds and state trust funds.

**State Agency** - Government organization created by statute to administer and implement particular legislation.

**Statute** - A law enacted by the General Assembly and approved by the governor.

**Structural Deficit** - When the collective expenses of state obligations increase at a rate faster than the revenues received over an extended period covering more than one fiscal year.

**Superfund -** Superfund is the federal environmental program established to address abandoned hazardous waste sites.

**Supplemental Appropriation** - Additional spending authority given by the General Assembly during the fiscal year, following passage of the initial budget.

**Target** - A quantifiable metric to which an organization aspires. Incorporates elements of both performance and time to enable ranking of performance.

**Transfer -** Reallocation of resources, typically movement of money from one fund to another, or shift of appropriation authority among line items by the legislative or the executive branch.

**Trust Fund** - Receives revenues assessed and collected for a specific state program.

**Voids** - Checks (warrants) that are not cashed.

**Voucher** - Document requesting payment submitted to the comptroller who then writes and issues a warrant.

**Warrant** - Check issued by the comptroller to a third party who cashes it with the treasurer.

**Zero Coupon Bonds** - Bonds without interest coupons for semi-annual payment. Interest accrues over the life of the bond and is paid on maturity along with the principal.

Printed by the Authority of the State of Illinois

IOCI 384-09 2M 3/09

Printed on Recycled Content