

## Summary of the FY 2017 Proposed Budget Presentation

During the week of February 22, 2016 the State of Illinois presented a summary of the Governor's FY 17 Proposed Budget to Standard and Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch Ratings Inc. These items are explained in greater detail in the FY 2017 Proposed Budget at this link: <http://www.illinois.gov/gov/budget/Pages/default.aspx>.

### **The summary of the budget contained a discussion of the following:**

- FY 2016 revised revenues
- FY 2016 estimated general funds expenditures
- FY 2016 estimated deficit
- FY 2017 budget proposal
- State pension transformation
- State employee compensation transformation
- State agency transformation
- FY 2017 revenue estimates
- FY 2017 budget solutions
- FY 2017 capital and bonding plans

The State also presented a ratings presentation to Standard and Poor's Ratings Services and Fitch Ratings Inc. containing a discussion of the Build Illinois bond program. This presentation included an update on sales tax revenue performance and the upcoming transaction schedule.

### **Sales Tax Revenue**

- State Sales Tax Revenues have been trending upward since FY 1999, with the exception of 2009-2011, during the financial crisis.
- Annual Net State Share of Sales Tax Revenues has significantly exceeded Annual Debt Service Requirements and ranged from a low of 22.8x to a high of 25.9x over the past 17 years.
- FY 2016 year-to-date reflects a reduction to forecasted sales tax revenues due to weaker than expected gasoline prices.
  - FY 2016 to date (as of January 31, 2016), the Net State Share of Sales Tax Revenues (as defined in the Build Illinois Act) is approximately \$5.1 billion.