

## **FY 2026 Budget**

**SB 2510 (Welch/Sims)** creates the FY 2026 budget appropriation bill. The budget is based on estimated General Funds revenues of \$55.298B and spending of \$55.048B for an estimated surplus of \$250M. See below for the topline figures in the budget. The budget adds \$1.016B in new revenue sources, included in the revenue omnibus, and makes approximately \$523M in cuts. It fully funds the state's \$11.03B statutorily required pension obligation, a \$401M increase over FY 2025, and provides \$75M in funding to address the Tier 2 Social Security safe harbor issue included in the BIMP. Additionally, the bill authorizes a \$299M General Funds FY 2025 supplemental budget. See below for a summary of key provisions from the FY 2026 budget. [SB 2510](#) passed the Senate by a vote of 31-19-0 on May 29, prior to being amended. It passed the House by a vote of 75-41-0 on May 31, and the Senate concurred by a vote of 34-23-0 on May 31. The bill now awaits the governor's signature.

### ***Toplines***

- \$55.298B General Funds revenue estimate.
- \$55.048B General Funds spending estimate.
  - Estimated surplus of \$250M.
- \$523M in budget cuts, even more than the \$330M in cuts included in the governor's budget address.
  - \$193M in operational cuts across a variety of programs, cutting unused annual appropriation amounts to a level closer to what has actually been expended in previous years.
  - \$330M from cutting the Health Benefits for Immigrant Adults (HBIA) program.
- \$965M lapse funding for unspent appropriations in FY 2026.
- \$527M in transfers out of GRF.

### ***FY 2025 Supplemental Budget***

- \$2.56B all funds (\$302M General Funds) FY 2025 supplemental budget.
  - \$75M for child care.
  - \$200M for Department of Healthcare and Family Services (HFS) drug repayment.
  - \$15M for Department of Human Services (DHS) bills to the Department of Innovation and Technology (DoIT).
  - OSF adjustments for Medicaid assessment related items.

### ***Pensions***

- Fully funds the state's \$11.03B statutorily required pension obligation, a \$401M increase over FY 2025.
- Earmarks \$75M to fix the Tier 2 Social Security safe harbor issue.

### ***Capital Budget***

- \$8.2B in new capital appropriations.
  - \$5.7B to the Department of Transportation (IDOT) for road, bridge, and multimodal projects.
  - \$1.3B to the Environmental Protection Agency (IEPA) for drinking water, wastewater, and green infrastructure projects.
  - \$200M to the Department of Commerce and Economic Opportunity (DCEO) for site readiness and workforce development.
- \$52.7B in capital reappropriations.

### ***Commerce and Economic Opportunity***

- \$4.97B to the Department of Commerce and Economic Opportunity (DCEO), a \$572.9M increase.
  - \$200M DCEO site readiness initiative.
  - \$693M for low-income energy assistance.
  - \$340M for Energy Transition Act expenses.
  - \$250M to expand broadband access.
  - \$237.9M in reappropriation grants from the Fund for Illinois' Future.
  - \$131.5M in federal grant awards.
  - \$34M in reappropriation funding for the Empower Training Investment Program (ETIP).
  - \$30M for grocery stores in food deserts.
  - \$30M in General Funds for the Workforce, Technology, and Economic Development Fund for the Fast Track Program.
  - \$13.4M for grants to communities and organizations.

### ***Power Agency***

- \$119M for the Illinois Power Agency, a \$520,000 increase.
  - \$4M for expenses related to the Energy Transition Act.
  - Maintains deposits into the Power Agency Operations Fund.

### ***K-12 Education***

- \$15.9B all funds (\$11.2B General Funds) for K-12 education under the Illinois State Board of Education (ISBE), a 9.23% decrease.
  - \$8.9M for the state's Evidence-Based Funding (EBF) formula, a \$307M increase over FY 2025.
    - \$43M savings from cutting property tax relief funding.
  - \$12M for after school matters, a \$6M increase.
  - \$35M for after school programs, a \$10M increase.
  - \$1.3M increase to career and technical education.
  - \$201,000 increase for grants for district consolidation.
  - \$6.9M increase for orphanage tuition.
  - \$12.8M increase for special education orphanage tuition.
  - \$6M increase for the Southwest Organization Project Parent Mentoring Program.
  - \$500,000 increase to the Chicago Lighthouse for Visually Impaired educational materials grant.
  - \$100,000 increase to the Community and Residential Services Authority.
  - \$50,000 for a new grant to the Science Olympiad.
  - \$2M for a new grant to ISBE for the implementation of inclusivity in instructional requirements.
  - \$5M for a new teacher mentoring program grant.
  - \$1.8M increase for ordinary and contingent expenses from the ISBE Special Purpose Trust Fund.
  - \$4M increase to drivers education from the Drivers Education Fund.
  - \$500,000 increase to regional superintendent and assistants compensation from the Personal Property Tax Replacement Fund.
  - \$1.1M cut to the Dolly Parton Imagination Library of Illinois Fund.
  - \$1.5M cut to the state comprehensive literacy and numeracy plan.
  - \$320,000 cut to the Summer Electronic Benefit Transfer program.
  - \$15M cut to the Teacher Vacancy Grant Program.

- \$5M cut to the Valley View Community School District.
- Cuts all funding for the following programs: Breakfast After the Bell, Crisis Response Mapping Data Grants, Digital Education Programming, Regional Office of Education #48, Youth Build, Freedom Schools Grant Programs, Emergency Assistance to Non-Public Schools, COVID Response and Relief Supplemental to Elementary and Secondary Education.

### ***Higher Education***

- \$2.6B for higher education.
  - \$1.35B for public universities under the Illinois Board of Higher Education (IBHE), a 1% across-the-board increase. Universities will receive an additional 2% across-the-board increase in state funding if federal university funding cuts are enacted.
  - \$921.8M for the Illinois Student Assistance Commission (ISAC).
    - \$10M increase for the Monetary Award Program (MAP).
  - 2.9% increase to community colleges under the Illinois Community College Board (ICCB).
  - \$1M increase to the Illinois Mathematics and Science Academy.

### ***Early Childhood***

- \$11.7M to the Department of Early Childhood (DEC) for operational expenses.
- \$10M to the Department of Human Services (DHS) to act as the fiscal agent for the Department of Early Childhood.

### ***Healthcare and Family Services***

- \$45.25B all funds (\$9.3B General Funds) for the Department of Healthcare and Family Services (HFS), a 15.77% increase.
  - \$649M increase in the Healthcare Provider Relief Fund to account for increases from the 2024 Medicaid Omnibus, and increases in utilization, acuity, and drug cost.
  - \$110M General Funds for the Health Benefits for Immigrant Seniors Program (HBIS).
  - Cuts the Health Benefits for Immigrant Adults Program (HBIA), which was funded at \$330M in FY 2025.
  - \$27.7M to develop an in-state network of Psychiatric Residential Treatment Facilities (PRFTs).

### ***Human Services***

- \$14.01B all funds (\$7.93B General Funds) to the Department of Human Services (DHS), a 3.1% all funds decrease and a 3.9% General Fund increase.
  - \$0.80 per hour wage increase for Direct Service Providers (DSPs), effective January 1, 2026.
  - \$36.2M increase for addiction treatment.
  - \$160M increase for child care services.
  - \$78.4M increase for Home Illinois.
  - \$90M increase for Smart Start Illinois.
  - \$287.9M in line items within the Funds for Illinois' Future.

### ***Children and Family Services***

- \$2.46B all funds (\$1.59B General Funds) to the Department of Children and Family Services (DCFS), a 4.04% increase.

- \$21M increase for 100 additional staff to continue managing caseload.
- \$4.9M increase for the DCFS scholarship program to provide 350 new scholarships in FY 2026 for a total of 1,090 youth.

### ***Public Health***

- \$1.82B all funds (\$321.48M General Funds) to the Department of Public Health (IDPH), a 3.98% decrease.
  - \$100M to safety net hospitals.

### ***Aging***

- \$2.051B all funds (\$1.824B General Funds) to the Department on Aging, a 10.18% increase.
  - \$171.3m increase in funding for the Community Care Program to accommodate caseload and utilization growth and annualize the \$1.56 per hour rate increase for in-home providers that took effect January 1, 2025.
  - \$8M increase for the Home-Delivered Meals Program.

### ***Veterans' Affairs***

- \$251.88M all funds (\$142.96M General Funds) to the Department of Veterans' Affairs (DVA), a 6.06% increase.

### ***Council on Developmental Disabilities***

- \$5.16M all funds (\$200,000 General Funds) to the Illinois Council on Developmental Disabilities (ICDD), an increase of 0.54%.
  - \$130,000 General Funds increase to support contractual services, electronic data processing, and telecommunications.

### ***Deaf and Hard of Hearing Commission***

- \$1.02M all funds (\$720,000 General Funds) to the Illinois Deaf and Hard of Hearing Commission (IDHHC), a 12.25% increase.

### ***Human Rights Commission***

- \$5.95M General Funds to the Human Rights Commission, an increase of 10%.

### ***Human Rights***

- \$31.132M all funds (\$20.75M General Funds) for the Department of Human Rights (DHR), an increase of 4.32%.

### ***Central Management Services***

- \$8.052B all funds (\$2.608B General Fund) for the Department of Central Management Services, an increase of \$364M.
  - \$2.530B for state employee group health insurance, a \$203M General Funds increase.
  - \$10M for electrification of the state car fleet.

### ***Labor***

- \$26.39M all funds (\$14.29M General Funds) to the Department of Labor (DOL), an increase of \$2.49M.

### ***Procurement Policy Board***

- \$567,000 General Funds to the Procurement Policy Board, flat from FY 2025.

**Civil Service Commission**

- \$535,000 General Funds for the Civil Service Commission, a 5% increase.

**Employment Security**

- \$524.32M all funds (\$19.06M General Funds) for the Department of Employment Security (DES), a decrease of \$17.3M.
  - \$9M cut to the Benefit Information System Redefinition appropriation.
  - \$3M cut to the Unemployment Compensation Benefits appropriation.

**Workers' Compensation Commission**

- \$31.01M all funds for the Illinois Workers Compensation Commission (IWCC), a \$344,000 increase.

**State University Civil Service System**

- \$1.51M to the State University Civil Service System, an increase of \$65,000.

**Educational Labor Relations Board**

- \$4.6M to the Illinois Educational Labor Relations Board, an increase of \$463,500.
  - Increase covers additional staffing for investigations, administration, and a database for the agency.

**Labor Relations Board**

- \$2.75M General Funds to the Labor Relations Board, an increase of \$164,000.

**Appellate Defender**

- \$38.2M to the Appellate Defender, a decrease of \$2.4M.

**Appellate Prosecutor**

- \$36.3M to the Appellate Prosecutor, flat from FY 2025.

**Courts Commission and Judicial Inquiry Board**

- \$1.3M to the Courts Commission and Judicial Inquiry Board, flat from FY 2025.
  - Maintains level funding for the Courts Commission and Judicial Inquiry Board to carry out their official duties and enforce the Code of Judicial Conduct.

**Criminal Justice Information Authority**

- \$459.6M to the Illinois Criminal Justice Information Authority (ICJIA), an \$88.3M decrease.
  - \$180M for the Restore, Reinvest, Renew (R3) Program.
  - \$140M for awards and grants to local governments and nonprofit organizations.
  - \$20M for the Violence Crime Witness Protection Program.
  - \$15.3M for violence prevention grants.
  - \$15M for less-lethal equipment for law enforcement personnel and additional funding for training and retention programs.
  - \$13M for Adult Redeploy and Diversion Programs.
  - \$3M for Trauma Recovery Centers.
  - \$4M for grants, contracts, administrative expenses, and other costs related to statewide capacity building in line with the Government Alliance for Safe Communities (GASC) program.

### ***Department of Corrections and Department of Juvenile Justice***

- \$2.4B combined budget for the Department of Corrections (DOC) and the Department of Juvenile Justice (DJJ), an increase of \$200M.
  - Maintains required funding for operational and contractual services, including funding as related to the Rasho and Lippert consent decrees.
  - Contractual Services
    - \$325M for a Wexford Medical Care contract.
    - \$53M for the University Healthcare Partnerships
  - Electronic Data Processing
    - \$20.1M for electronic healthcare records implementation.
    - Funding for Statesville Minimum Security and the Northern Reception and Classification Center.

### ***State Police and State Police Merit Board***

- \$971M combined budget for the Illinois State Police (ISP) and the State Police Merit Board, a \$42.9M increase.
  - \$29M for cadet classes and costs associated with the cadet training program.
  - \$25M for the Motor Carrier Safety Assistance Program.
  - \$5M to support the continued implementation of the Adult-Use Cannabis Program.
  - Maintains operation funding for the Firearm Owners Identification (FOID) and Concealed Carry License (CCL) programs.
  - \$3M for costs associated with data system modernization and replacement of critical IT systems.

### ***Law Enforcement Training and Standards Board***

- \$131.5M to the Illinois Law Enforcement Training and Standards Board (ILETSB), a decrease of \$16.1M.
  - \$60M in appropriations grants to local governments for the procurement of body and in-car cameras and reimbursement of data storage costs.
  - \$40M for the payment and reimbursement of basic training and related services.

### ***Emergency Management Agency-Office of Homeland Security***

- \$2.3B for the Illinois Emergency Management Agency-Office of Homeland Security (IEMA-OHS), a \$5.5M decrease.
  - \$500M for current and prior year expenses associated with disaster response.
  - \$43M for the Illinois Nonprofit Security Grant Program.
  - \$100,000 in General Funds for carbon capture initiatives.

### ***Transportation***

- \$4.9M to the Illinois Department of Transportation (IDOT), an \$214.7M increase.
  - \$134M in assistance to the RTA for the following grants:
    - \$32.07M for reduced fair programs.
    - \$11.5M for Pace paratransit services.
    - \$100M for debt service on RTA Strategic Capital Improvement Program bonds.

### ***Agriculture***

- \$257M all funds (\$42M General Funds) to the Department of Agriculture, a \$27.8M increase.
  - \$500,000 General Funds to support urban and disadvantaged farmers.

### ***Innovation and Technology***

- \$1.05B all funds for the Department of Innovation and Technology (DoIT), a \$76.6M General Funds increase.

### ***Natural Resources***

- \$660M all funds to the Department of Natural Resources (DNR), a \$21M decrease.

### ***Revenue***

- \$1.464B all funds (\$52.5M General Funds) to the Department of Revenue (DOR), a \$12.95M all funds increase.
  - Authorizes DOR to continue its tax collection role and optimize tax law compliance in the collection of outstanding tax liabilities.
  - Continue to pay salary reimbursements and stipends to local government officials with a 6.1% cost of living adjustment (COLA).

### ***Environmental Protection***

- \$667M all funds to the Illinois Environmental Protection Agency (IEPA), a 28% decrease largely due to the HOMES and HEEHRA Rebate Programs moving to DCEO.

### ***Financial and Professional Regulation***

- \$193M all funds to the Department of Financial and Professional Regulation, a \$20M increase.

### ***Insurance***

- \$134.7M all funds to the Department of Insurance (DOI), a \$15.2M increase.
  - \$45.2M from the Illinois Health Benefits Fund, established in FY 2024 to implement the recommendations from a 2021 healthcare feasibility study to create a state-based marketplace.

### ***Lottery***

- \$3.291B for the Illinois Department of Lottery, a \$1.538M increase.

### ***Arts Council***

- \$25.7M all funds to the Illinois Arts Council (\$24.4M General Funds), a 2.8% increase.

### ***Elections***

- \$48.369M all funds (\$32M General Funds) to the State Board of Elections (SBOE), a 2.1% decrease.
  - \$700,000 in additional personal services costs and a 6% COLA to all employees.

### ***Executive Ethics Commission***

- \$15.23M all funds (\$12.24M General Funds) to the Executive Ethics Commission (EEC), a 1.8% decrease.
  - \$688,650 increase for personal services.

### ***Abraham Lincoln Presidential Library and Museum***

- \$27.7M all funds to the Abraham Lincoln Presidential Library and Museum (ALPLM), a 508,700 increase.

### ***Liquor Control Commission***

- \$13.88M all funds to the Liquor Control Commission, flat from FY 2025.

#### ***Property Tax Appeal Board***

- \$13.717B to the Property Tax Appeal Board (PTAB), an increase of \$249,000.

#### ***Illinois Gaming Board***

- \$275.75M to the Illinois Gaming Board (IGB), a \$4.3M increase.

#### ***Illinois Racing Board***

- \$5.072M to the Illinois Racing Board, a \$193,700 increase.

#### ***Illinois Commerce Commission***

- \$80.3M to the Illinois Commerce Commission (ICC), a 5.3% increase.
  - \$1.1M for upgrades to inventory data of all 10,500 rail crossings in the state.
  - \$22,000 software and hardware costs for a new eCitation system for ICC Police.
  - \$100,000 for a new case management system for ICC Police.

#### ***Metropolitan Pier and Exposition Authority***

- \$278.02M to the Metropolitan Pier and Exposition Authority, a \$17.72M decrease.

#### ***Commission on Equity and Inclusion***

- \$5.78M to the Commission on Equity and Inclusion, a 20% decrease.

#### ***Legislative Services***

- \$31M for legislative support services, a \$1.1M increase.
- \$200,000 to the Legislative Ethics Commission, flat from FY 2025.
- \$920,000 to the Legislative Inspector General, flat from FY 2025.

#### ***Constitutional Officers***

- \$23.74M all funds (\$17.9M General Funds) for the Office of the Governor, a \$4.8M increase.
- \$644.2M all funds to the Governor's Office of Management and Budget (GOMB).
- \$3.5M to the Office of the Lieutenant Governor.
- \$194.3M all funds to the Office of the Attorney General, a \$3.1M increase.
- \$44.2M all funds to the Auditor General, a \$2M decrease.
- \$199.4M all funds (\$78M General Funds) to the Office of the Comptroller's operating budget.
- \$57M to the Office of the Comptroller for state officers' salaries, a \$3.8M increase.
- \$789M all funds to the Office of the Secretary of State, a \$12M increase.
- \$12.3M all funds (\$10.646M General Fund) to the Office of the Executive Inspector General (OEIG), a 5.3% increase.

#### ***Judicial Services***

- \$69.9M all funds (\$54M General Funds) for the Court of Claims, a \$2.9M decrease.
- \$711,000 all funds (\$628,300 General Funds) to the Independent Tax Tribunal, a \$40,300 increase.
- \$614.8M all funds to the Supreme Court, a 5.6% decrease due to a decrease in headcount due to the Office of Statewide Pretrial Services operating as a separate office.
- \$81.3M all funds (\$74.8M General Funds) to establish the Office of Statewide Pretrial Services.

- \$5.4M all funds (\$900,000 General Funds) for the Supreme Court Historic Preservation Commission.

## **FY 2026 BIMP**

**HB 1075 (Gabel/Sims)** creates the FY 2026 budget implementation bill (BIMP). See below for highlights. [HB 1075](#) passed the House unanimously, prior to being amended on April 7. It passed the Senate by a vote of 32-23-0 on May 31, and the House concurred by a vote of 74-41-0 on May 31. The bill now awaits the governor's signature.

### **Transfers**

- Abolishes the Small Business Environmental Assistance Fund and transfers its remaining balance to the Clean Air Act Permit Fund.
- Repeals the July 1, 2025 sunset of the Capital Development Board Revolving Fund.
- Transfers \$6.4M all funds (\$2.4M General Funds) to the Audit Expense Fund.
- Extends the \$14.0M annual transfer from General Funds to the Partners for Conservation Fund through FY 2026.
- Suspends the monthly transfer from General Funds to the Budget Stabilization Fund in FY 2026.
- Transfers \$12.9M from various Secretary of State funds to the Secretary of State Identification Security and Theft Prevention Fund.
- Suspends the annual transfer from General Funds to the Youth Alcoholism and Substance Abuse Prevention Fund in FY 2026.
- Transfers of up to \$370.0M from General Funds to the Fund for Illinois' Future.
- Transfers \$500M from General Funds to the Governor's Administrative Fund.
- Transfers \$100M from General Funds to the Grant Accountability and Transparency Fund.
- Transfers \$5.0M from General Funds to the DHS State Projects Fund.
- Transfers \$4.0M from the Capital Projects Fund to the Capital Development Board Revolving Fund.
- Transfers \$15.0M from the Criminal Justice Information Projects Fund to the DHS Community Services Fund.
- Transfers \$5.0M from the Underground Storage Tank Fund to the Brownfield Redevelopment Fund.
- Transfers \$12.5M from the Compassionate Use of Medical Cannabis Fund to the Statewide 9-8-8 Trust Fund, to be returned at the discretion of DHS
- Authorizes appropriation transfers between DHS and DEC during FY 2026 only relating to DEC costs.
- Expands the agency appropriation transfer limit from 2% to 4% and includes lump sum operations appropriations in FY 2026.
- Modifies the distribution of Real Estate Transfer Tax proceeds to deposit the first \$300,000 per year to the Governor's Administrative Fund.
- Repeals obsolete language directing excess funds from the Long Term Care Monitor/Receiver Fund to General Funds.
- Raises the cap on monthly transfers from the State Gaming Fund to the Education Assistance Fund from \$22.5M to \$28.0M.
- Extends through FY 2026 the \$5.0M transfer from Solid Waste Management Fund to General Funds.

- Increases the quarterly transfers from the Solid Waste Management Fund to the Hazardous Waste Fund from \$500,000 to \$750,000, for an additional \$1.0M per year in transfers.
- Extends the authority for DCEO to spend from the Used Tire Management Fund for a specified purpose through FY 2026.
- Extends the \$10.0M transfer from the Underground Storage Tank Fund to General Funds through FY 2026.
- Merges the Coroner Training Board into IDPH.
- Transfers the remaining balance from now-expired income tax checkoffs as follows:
  - Autoimmune Disease Research Fund to Multiple Sclerosis Research Fund.
  - Children's Wellness Charities Fund to Ronald McDonald House Charities Fund.
- Transfers \$10.0M from the State Police Services Fund to the State Police Operations Assistance Fund (SPOAF).
- Transfers \$8.0M from the Road Fund to the Illinois State Police Federal Projects Fund for purposes allowed under Section 11 of Article IX of the State Constitution.
- Transfers \$200M from General Funds to the Technology Management Revolving Fund.
- Transfers \$3.0M from the Compassionate Use of Medical Cannabis Fund to the DHS Community Services Fund.
- Transfers amounts from the Prescription Drug Affordability Fund to the General Funds, after making transfers to DCEO Projects Fund, at the direction of DOI.
- Transfers \$6.0M from the Illinois Agricultural Loan Guarantee Fund to General Funds.
- Transfers \$4.0M from the Illinois Farmer and Agribusiness Loan Guarantee Fund to General Funds.
- Transfers \$20.0M from the Insurance Producer Administration Fund to General Funds.

#### ***Government Administration***

- Provides CMS with specific authority to engage in site readiness work and extends the sunset on the Design-Build Procurement Act from January 1, 2026 to January 1, 2027.
- Clarifies that CMS has the authority to bill agencies for professional services previously provided by CMS but now provided by EEC and the Commission on Equity and Inclusion (CEI), payable from the Professional Services Fund.
- Clarifies the Department of Military Affairs' authority to utilize the Capital Development Fund for capital projects.
- Extends the existing practice directing that State Pensions Fund contributions comprise a portion of the state's required contributions to SURS through FY 2026.
- Extends the current practice of allowing the Personal Property Replacement Tax Fund (PPRT) to be used for ICCB community college base operating grants and IDPH local health protection grants to local health departments through FY 2026.
- Allow the PPRT to be used for DoIT costs associated with the Illinois Century Network and broadband projects in FY 2026.
- Sets the share of personal income taxes at 9.15% and the share of corporate income taxes at 14.0% to be deposited into the Income Tax Refund Fund during FY 2026.
- Modifies the distribution of video gaming tax proceeds to provide 2% to the State Gaming Fund to support IGB administrative costs.
- Repeals the Access to Affordable Insulin Act.
- Extends the clarification that the EEC sets aside amounts necessary for the use of the Chief Procurement Officers for the ordinary and contingent expenses of their respective procurement offices through FY 2026.
- Clarifies that the Office of Statewide Pretrial Services (OSPS) shall only reimburse local pretrial services agencies for salaries of pretrial officers and pretrial supervisors, and that

salaries of such staff who also perform probation duties shall not be reimbursed by both OSPS and the Supreme Court.

- Authorizes ILETSB to set the salary of the Statewide PTSD Mental Health Coordinator.
- Increases the DCEO Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Phase I matching award cap to \$75,000, and allows DCEO to make up to \$250,000 in SBIR/STTR Phase II awards.
- Specifies that the Illinois Procurement Code does not apply to HFS for the Integrated Eligibility System (IES) to satisfy federal mandates or deadlines.
- Increases the annual transfer from the Capital Projects Fund to the Illinois Works Fund by \$7.5M, to a total of \$27.5M.
- Permits the Board of Trustees of the University of Illinois to sell, lease, or transfer real estate to a state agency.
- Expands the Treasurer's investment borrowing authority to allow additional funds to receive transfers.
- Establishes the Budget Reserve for Immediate Disbursements and Governmental Emergencies (BRIDGE) Fund, and directs transfers to the Fund from various other funds with large balances.
- Creates the Tier 2 Social Security Wage Base (SSWB) Reserve Fund, and transfers \$75.0M to the Fund to address the Tier 2 pension Social Security safe harbor issue.
- Requires HFS to notify GOMB prior to making or agreeing to make advance payments to hospitals and submit monthly reporting on advance payments.
- Specifies that plans related to DOC closures no longer trigger the COGFA notice requirement.
- Changes the name of the Driver Services Administration Fund to the DMV Transformation Fund, and clarifies that the Fund will not be used for visitor's driver's license costs.
- Increases Community Care Program rates beginning January 1, 2026, subject to federal approval.

#### ***General Services, Human Services, Public Safety, and Education***

- Authorizes DNR to provide coupons for camping fee waivers during the 2025 Illinois State Fair and the DuQuoin State Fair.
- Exempts Illinois Affordable Housing Act grants from DHS to the Illinois Housing Development Authority (IDHA) from the Illinois Grant Funds Recovery Act's time limit on the expenditure of grant funds.
- Modifies the distribution of insurance fee proceeds, reducing the Law Enforcement Training Fund share from 90% to 80% and directing 10% to the State Police Vehicle Fund.
- Creates the Supreme Court Indirect Cost Fund and authorizes deposits of indirect cost reimbursements.
- Establishes the Office of Statewide Pretrial Services State Projects Fund, Office of Statewide Pretrial Services Federal Projects Fund, and the Office of Statewide Pretrial Services Indirect Cost Fund.
- Extend the repayment timeframe from 7 days to 30 days on IOC's emergency fund transfer authority to cover payroll costs.
- Expands the allowable uses of the Fair and Exposition Fund.
- Updates the Private Colleges and Universities Capital Distribution Formula Act to provide that funds recouped from Illinois Jobs Now! Program grants are not subject to a redistribution provision in order to close out the Program.
- Extends a waiver of the matching requirement for Open Space Lands Acquisition and Development Fund (OSLAD) grants to distressed communities through FY 2026.

- Provides for wage increases to community-based developmental disability (DD) service providers, intellectual disability (ID)/DD, and medically complex (MC)/DD facilities of \$0.80 per hour for direct care staff, effective January 1, 2026.
- Updates the Kinship in Demand (KIND) Act to allow DCFS to capture additional federal matching funds.
- Provides a 5% increase in the allowable service cost for DD clients receiving home and community-based services, effective January 1, 2026.
- Transfers program authority for the federally funded Motor Vehicle Safety Program from IDOT to ISP.
- Modifies the senior leadership of ALPLM, setting the Executive Director on par with code for department directors and replacing the unpaid Illinois State Historian with a salaried Chief State Historical Officer.
- Authorizes IDOT to use the Road Fund for port district grants in FY 2026.
- Authorizes DCEO to grant funds from the Energy Transition Assistance Fund to the Illinois Finance Authority.
- Modifies the Comparable Wage Index (CWI) definition to implement a methodology developed by the University of Illinois rather than Texas A&M University in the Evidence-Based Funding (EBF) formula.
- Allows school districts to submit claims to ISBE for tuition payment reimbursements by September 15, rather than August 15, and allows ISBE to make the first quarterly payment in November, rather than September, in FY 2026.
- Allows HFS to make payments to long term care providers and licensed nursing homes from the State CURE fund in FY 2026, subject to appropriation,
- Eliminates the exclusion of a Medicaid Medicare Alignment Initiative Plan from the managed care organization (MCO) assessment.
- Clarifies that IEMA-OHS may make Not-for-Profit Security Grants to nonprofits that provide medical or behavioral health services.
- Directs IDPH to coordinate long term healthcare strategy and sustainability planning.
- Pauses the requirement that ISBE make Property Tax Relief Grants if new EBF funds exceed base funding by more than \$300.0M, in FY 2026.
- Implements the Family Violence Option of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and authorizes DHS to provide at least \$1,240/month assistance for four months to families in a housing crisis (flood, fire, violence, etc.).
- Authorizes HFS to transfer amounts received from unpaid hospital assessments and penalties from the Hospital Provider Fund to the Healthcare Provider Relief Fund, provided that there are no outstanding assessment-related payments owed to hospitals that could not be paid from the remaining Hospital Provider Fund resources.

### ***Fund Consolidations***

- Moves the ERIC Operations Trust Fund to the Elections Special Projects Fund.
- Moves the Youth Drug Abuse Prevention to the Drug Treatment Fund.
- Moves the Youth Alcoholism & Substance Abuse Prevention Fund to General Funds.
- Moves the Child Abuse Prevention Fund to the DCFS Children's Services Fund.
- Clarifies that the Lyme Disease Awareness Fund has never received any funds and that the DNR has no plans to utilize the Fund.
- Clarifies that the 2-1-1 Account Fund has never received any funds and that DHS retains the authority of 2-1-1 service to provide assistance to the designated lead agency.
- Moves the Penny Severns Breast, Cervical, and Ovarian Cancer Research Fund to the Carolyn Adams Ticket for the Cure Grant Fund.
- Moves the Heartsaver AED Fund to General Funds.

- Moves the Prescription Pill and Drug Disposal Fund to the Criminal Justice Information Projects Fund.
- Moves the Municipal Economic Development Fund to General Funds.
- Moves the Illinois Veterans Rehabilitation Fund to General Funds.
- Moves the Low-Level Radioactive Waste Facility, Post-Closure Care and Compensation Fund to the Low-Level Radioactive Waste Facility Development and Operation Fund.
- Moves the Police Training Board Services Fund to the Law Enforcement Training Fund.
- Moves the Airport Land Loan Revolving Fund to the General Obligation Bond Retirement and Interest Fund.
- Moves the Illinois Animal Abuse Fund to Livestock Management Facilities Fund.
- Moves the National Guard and Naval Militia Grant Fund to General Funds.
- Moves the Secretary of State Police DUI Fund to the Secretary of State Police Services Fund.
- Moves the Illinois EMS Memorial Scholarship and Training Fund to the Secretary of State Special License Plate Fund.
- Moves the St. Jude Children's Research Fund to the Secretary of State Special License Plate Fund.
- Moves the Illinois Department of Corrections Parole Division Offender Supervision Fund to the Department of Corrections Reimbursement and Education Fund.
- Moves the Housing for Families Fund to the Homelessness Prevention Revenue Fund.
- Moves the Autism Care Fund to the Autism Awareness Fund.
- Moves the BHE Data and Research Cost Recovery Fund to General Funds.
- Moves the Law Enforcement Recruitment and Retention Fund to the Law Enforcement Training Fund.
- Closes out the Farmers Market Technology Improvement Fund Office of the Comptroller.
- Moves the Job Opportunities for Qualified Applicants Enforcement Fund to the Child Labor and Day and Temporary Labor Services Enforcement Fund.
- Moves the Child Bereavement Fund to the Child Labor and Day and Temporary Labor Services Enforcement Fund.
- Clarifies that the Police Training Academy Job Training Program and Scholarship Fund has never received any funds since its inception, and that ISAC retains authority to operate the scholarship program.
- Moves the Illinois Habitat Endowment Trust Fund to the Illinois Habitat Fund.
- Moves the MPEA Reserve Fund to General Funds.
- Moves the Agrichemical Incident Response Trust Fund to the Pesticide Control Fund.
- Repeals an obsolete reference to the Treasurer's Rental Fee Fund, which was abolished in PA 103-234 and transferred to the State Treasurer's Bank Services Trust Fund.
- Repeals an obsolete reference to the Capital Litigation Trust Fund, which was abolished in PA 96-1543 and transferred to the Death Penalty Abolition Fund.

## FY 2026 Revenue Omnibus

**HB 2755 (Tarver/Villanueva)** creates the FY 2026 revenue omnibus containing \$876M in new revenue sources, technical changes, and DCEO business development tax credit cleanup. See below for highlights. [HB 2755](#) passed the House unanimously on April 8, prior to being amended. It passed the Senate by a vote of 31-25-0 on May 31 and the House concurred by a vote of 71-43-0 on May 31. The bill now awaits the governor's signature.

### ***Revenue Enhancements***

- \$198M from a Delinquent Tax Payment Incentive Program.

- \$30M from a Corporate Franchise Tax Delinquent Tax Payment Incentive Program.
- \$171M from pausing the 1% sales tax transfer from GRF to the Road Fund.
- \$5M from subjecting short-term rental facilitators to the Hotel Operators' Occupation Tax (HOOT).
- \$40M from increasing the Telecommunications Excise Tax from 7% to 8.65% to fund the statewide 9-8-8 suicide prevention lifeline system.
- Levels the playing field on sales taxes for tangible personal property to in-state purchases from out of state retailers with gross sales over \$100,000. This provision is expected to be revenue positive for local governments.
- \$72M from switching from the Joyce to the Finnegan method for allocating income tax.
- \$64M from repealing several interests and royalties paid to overseas affiliates. The Income Tax Act includes several items that don't need to be added to the taxpayer's income. By repealing these exclusions, the taxable income will increase.
- \$200M from including 50% of the Global Intangible Low-Taxed Income (GILTI) into corporate taxable income to prevent multinational corporations from shifting profits to low-tax countries.
- Clarifies that to allocate gains and losses from sales or exchanges in a Subchapter S corporation or in certain partnerships, Income Tax Act apportionment is to be based on the average of the entity's Illinois apportionment factor over the year of the sale and the two preceding tax years.
- Creates the remote retailer amnesty program, allowing remote retailers time to come into compliance with reporting retailers' occupation tax on a destination-based sales tax.
- \$36M from creating a new wagering tax of \$0.25 for the first \$20M in combined tier 1 and tier 2 wagers. After \$20M, institutes a tax of \$0.50 on combined tier 1 and tier 2 wagers.
- \$50M from harmonizing the tax rates for vape and tobacco products by increasing the tobacco tax rate from 36% to 45%, effective July 1, 2025. Expands the tobacco products definition to include nicotine analogs and any form of chemical nicotine, except for smoking cessation products.
- Increases filing fees for the Pollution Control Board and IEPA base civil penalties to keep up with inflation.
- Expands the Motor Fuel Tax to include municipalities that are only partially located in Cook County.

### **Tax Credits Changes**

- Provides that DCEO may certify River's Edge Redevelopment Zones in the City of Sterling and the City of Alton.
- Creates a new Advanced Innovating Manufacturing for Illinois (AIM) tax credit, which provides investment tax credits for incentives to small and medium-sized manufacturers of critically demanding goods at a minimum capital investment of \$10M and a maximum credit amount of 7% of the applicant's total capital improvements.
- Adds definitions and makes other technical changes to the Apprenticeship Education Expense Credit.
- Expands the Reimagining Energy and Vehicles (REV) tax credit to add renewable energy products, EV or hybrid aircraft, fully electric propulsion systems for airliners, battery recycling and reuse, green steel, electrical transformer or transformer component parts, EV component part services, renewable energy service, or battery raw materials service provider to the definition of "project."
- Adjusts size criteria for a quantum computing enterprise zone from a minimum of half a square mile to a minimum of 100 acres and from a maximum of four square miles to a maximum of 640 acres.

- Creates the American Hostage Tax Liability Postponement Act waiving penalties and interest for unpaid income taxes if a taxpayer is detained abroad.
- Adjusts the EV purchase rebate to \$2,000 for new EV purchases and \$1,500 for new EV motorcycle purchases. Low-income applicants qualify for an additional \$2,000 rebate for new or used EV non-motorcycle purchases.
- Adjusts eligibility requirements for the Illinois Gives Tax Credit Act to require a pending application with the Community Foundation National Standards Board for new applicants or renewals on July 1, 2025, and require full National Standards accreditation on July 1, 2026. Additionally, allows for increased joint filing limits under the Credit.
- Makes cleanup changes to the Film Tax Credit, defining “above-the-line” and “below-the-line” spending fair market value for related and unrelated parties for productions after the effective date.
- Requires e-filing under the Cigarette Tax Act
- Creates a grocery tax exemption for food for human consumption meant to be consumed off premises to where it is sole.
- Clarifies the definition of surplus relating to an excess cash balance in the Income Tax Refund Fund.
- Clarifies that incidental use of motor fuel on private roads or private highways in the operation of motor vehicle does not form the basis for a claim or refund and updates the definition of “motor fuel” in accordance.
- Formalizes the distribution of liquor tax revenues to reflect a split of 57% to General Funds and 43% to the Capital Projects Fund.
- Removes a harsh prohibition listed in the High Impact Business program that does not account for business volatility.
- Aligns the definition of “high voltage direct converter station” in the Economic Development for a Growing Economy Program (EDGE) program with the definition under the Illinois Power Act.
- Establishes a rebuttable presumption that the tax exemption for motor vehicles sold to nonresidents does not apply if the purchaser is an LLC with at least one member residing in Illinois.
- Provides the rolling stock exemption for limousines only applies to those not subject to the Transportation Network Providers Act.
- Exempts motor vehicles purchased for resale from motor vehicle privilege tax by a retailer registered under Retailers’ Occupation Tax Act.
- Adds a definition of “climate resilience project” to the Climate Bank Loan Financing Act under the Illinois Finance Authority (IFA) and expands IFA’s ability to finance climate resilience projects.
- Provides that on January 1, 2026 all supplier’s and receiver’s licenses under the Motor Fuel Tax Law shall be converted to distributor’s licenses and corresponding receiver’s licenses.
- Extends the Illinois Lottery’s authority to sell tickets via an online platform.
- Creates special EDGE credit agreements for new steel worse and rod product manufacturing, meeting certain eligibility criteria.
- Provides 10 days to tobacco product manufacturers and distributors to cure deficiencies in information required to be submitted to the Attorney General under the Tobacco Products Manufacturer’s Escrow Enforcement Act, and allows tobacco manufacturers to assign permanently placed funds into an escrow account with the state.

#### ***Property Tax Changes***

- Provides for special property tax assessments for affordable housing shall also apply to rehabbed housing put into service.

- Outlines TIF information on a property tax bill.
- Postpones this year's Cook County tax sale and pauses accrual of interest penalties on unpaid property taxes.

## **Bond Authorization Act of 2025**

**HB 3374 (Rita/Sims)** creates the Bond Authorization Act of 2025 which increases the state's bonding authority by \$1.75B, including \$875M in General Obligation Bonds, \$675M in capital development bonds, and \$200M in accelerated pension buyout program bonds. [HB 3374](#) passed the House by a vote of 74-39-0 on April 11, prior to being amended. It passed the Senate by a vote of 37-19-0 on June 1, and the House concurred unanimously on June 1. The bill now awaits the governor's signature.

## **Medicaid Omnibus**

**SB 2437 (Aquino/Moeller)** creates the FY 2026 Medicaid Omnibus making various programmatic and clean-up changes to the Medicaid program. Details on specific provisions are listed below. [SB 2437](#) passed the Senate unanimously on April 10, prior to being amended. It passed the House by a vote of 76-39-0 on May 31, and the Senate concurred by a vote of 36-19-0 on June 1. The bill now awaits the governor's signature.

- Creates the Certified Family Health Aide Program which establishes a certification pathway for family members or designated caregivers to deliver in-home shift nursing services to medically fragile, technology-dependent individuals.
- Requires hospitals and birthing centers to allow Medicaid-certified doulas as part of the care team. Also permits the IDPH and HFS to issue standing preventive care recommendations (e.g., doulas, lactation consultants).
- Contains clean-up language that separates medical assistance from the food and cash program from the Asylum Applicants and Torture Victims (AATV) and Victims of Trafficking, Torture, or Other Serious Crimes (VTTC) programs.
- Directs HFS, DHS, and IDPH to develop screening guidelines for providers treating Medicaid patients on antipsychotics in state-run residential facilities.
- Requires HFS to publish biannual reports on prior authorization mandates and clinically denied prescriptions for mental health medications, among other items.
- Mandates a study on rates and reimbursement for in-home shift nursing services for children (under 21) and adults (21+) under relevant Medicaid waivers, at a 50% matchable rate.
- Requires HFS to reimburse long-term ambulatory ECG (electrocardiogram) monitoring at no less than 80% of the Medicare Physician Fee Schedule, pending federal approval.
- Adds Medicaid coverage for over-the-counter choline supplements for pregnant individuals.
- Updates Vendor System Information to Change the Name of the Vendor.
- Authorizes HFS to collaborate with other agencies to provide employment-related services to noncustodial parents with child support orders. This makes permanent the child support pilot program that was enacted last year.
- Delays implementation of the 72-hour standard and gold card legislation passed last year to July 1, 2026.
- Allows rural hospitals (in counties <325,000 population) to apply to operate in multiple contiguous counties if acquired through bankruptcy and properly licensed.

- Codifies that 100% of staff hours must count toward nursing home staff-to-resident ratios for specific CMS payroll-based job codes, with limited exceptions.
- Permits HFS to seek a federal waiver omitting the City of Hope from the Hospital Assessment Program.

## **Prescription Drug Affordability Act**

**HB 1697 (Manley/Koehler)** creates the Prescription Drug Affordability Act making various changes aimed to lower drug prices and regulate pharmacy benefit managers in Illinois. Details on specific provisions are listed below. [HB 1697](#) passed the House unanimously on April 7, prior to being amended. It passed the Senate by a vote of 56-1-0 on May 29, and the House concurred by a vote of 115-1-1 on May 31. The bill now awaits the governor's signature.

- Provides that changes to pharmacy benefit manager (PBM) contract provisions apply to any health benefit plan amended, delivered, issued, or renewed on or after January 1, 2026.
- Provides that a pharmacy benefit manager or an affiliate acting on its behalf are prohibited from engaging in the following:
  - Spread pricing by PBMs or affiliates.
  - Steering of covered individuals to specific pharmacies.
  - Limiting access to drugs by misclassifying a drug as a specialty drug is contrary to the established definition.
  - Clarifies that these prohibitions apply when the pharmacy or pharmacist is enrolled with the health plan under terms offered to all pharmacies in the plan's coverage area.
- Requires PBMs or affiliated rebate aggregators to remit no less than 100% of any payments, rebates, or fees received from drug manufacturers, wholesalers, or other distributors to the health benefit plan sponsor or covered entity.
- Requires PBM contracts with insurers or plan sponsors to allow annual audits of rebate and fee records by or on behalf of the sponsor.
- Provides that each PBM must report the following information to the Department of Insurance (DOI), by August 1, 2025:
  - The name of each health benefit plan it administers.
  - The number of covered individuals for each plan.
  - The total number of covered individuals across all plans.
- Provides that a registered pharmacy benefit manager, as a condition of its authority to transact business in the state, must submit to DOI an amount equal to \$15 or an alternate amount as determined by the Director by rule per covered individual enrolled by the pharmacy benefit manager in the State.
- Provides that on or before September 1, 2026 and each September 1 thereafter, each registered PBM must submit a licensure payment of \$15 per covered individual (or another amount set by rule) to DOI.
- Clarifies that PBMs must comply with all provisions of the Pharmacy Benefit Managers Article of the Illinois Insurance Code, unless federal or state law preempts specific provisions.
- Amends the State Employees Group Insurance Act of 1971 and the School Code to require that health plans under these Acts comply with the PBM-related provisions of the Illinois Insurance Code.

## **Hospital Assessments Package**

**HB 2771 (Lilly/Aquino)** makes various changes to update the current hospital assessments. Details on specific provisions are listed below. [HB 2771](#) passed the House by a vote of 76-40-0 on April 9, prior to being amended. It passed the Senate unanimously on May 31, and the House concurred unanimously on May 31. The bill now awaits the governor's signature.

- Increases the Hospital Assessment Tax for both inpatient and outpatient services to allow for increased payments to hospitals, and makes the assessment increases conditional on federal approval.
- Updates the methodology for calculating hospital assessments, including how occupied and Medicare bed days are counted.
- Contains provisions pertaining to monthly reporting and compliance enforcement:
  - HFS must list each hospital's monthly assessment owed.
  - Reimbursements may be withheld for unpaid assessments over 90 days past due (with certain exceptions).
- Authorizes fund transfers from Hospital Provider Fund to:
  - The Medicaid Trust Fund
  - The Long-Term Care Provider Fund
  - The Healthcare Provider Relief Fund
- Includes provisions for safety-net hospitals that opt for high Medicaid classification to continue receiving supplemental payments.
- Grants the HFS emergency rulemaking authority.

### **Sunset Extension Omnibus**

**SB 2456 (Glowiak Hilton/Morgan)** extends the sunset dates on various provisions in the following statutes: the Freedom of Information Act, the Expressway Camera Act, the Election Code, the Illinois Lottery Law, the Blue-Ribbon Commission on Transportation Infrastructure Funding and Policy Act, the Renewable Energy Component Recycling Task Force Act, the Music Therapy Advisory Board Act, the Park Commissioners Land Sale Act, the Illinois Street Gang and Racketeer Influenced and Corrupt Organizations Law of the Criminal Code and the Eminent Domain Act. Details on specific provisions are listed below. [SB 2456](#) passed the Senate unanimously on April 9, prior to being amended. It passed the House by a vote of 83-31-0 on May 30, and the Senate concurred by a vote of 38-19-0 on June 1. The bill now awaits the governor's signature.

- Expressway Camera Act: Extended three years, now repealed on July 1, 2028.
- Access to Voting for Persons with Disabilities Advisory Task Force: Extended one year, now repealed on July 1, 2026.
- Public Financing of Judicial Elections Task Force: Extended one year, now repealed on July 1, 2026.
- Illinois Elections and Infrastructure Integrity Task Force: Extended one year, now repealed on June 1, 2026.
- Ranked-Choice and Voting Systems Task Force: Extended one year, now repealed on July 1, 2026.
- Renewable Energy Efficiency and Coal Resources Development Law: Extended five years, now repealed on December 31, 2030.
- Internet Lottery Program: Extended three years; now repealed on July 1, 2028.
- Blue-Ribbon Commission on Transportation Infrastructure Funding and Policy Act: Extended one year, now repealed on August 1, 2026.

- Renewable Energy Component Recycling Task Force:
  - Final report due date extended one year to January 1, 2026.
  - Task force extended six months to July 1, 2026.
- Music Therapy Advisory Board Act: Adds a repeal date of September 1, 2025.
- Public Building Commission Act: Certain provisions extended two years, now repealed on July 1, 2027.
- Sale of Joliet Park District Land (Park Commissioners Land Sale Act): Extended six months, now repealed on January 1, 2026.
- Illinois Street Gang and Racketeer Influenced and Corrupt Organizations Law: Extended two years, now repealed on June 1, 2027.
- Eminent Domain Act – Quick-take in Menard County: Corrects and extends the repeal date one year, now repealed on May 31, 2026.

## **TIF Extension Omnibus**

**HB 3662 (Tarver/Porfirio)** extends tax increment financing (TIF) agreements in the following municipalities: the City of Lewistown, the City of Elgin, the City of Carbondale, the City of Pittsfield, the City of Fairview Heights, the City of Vienna, the Village of Lyons, and the Village of Bridgeview. [HB 3662](#) passed the House by a vote of 72-42-0 on April 9, prior to being amended. It passed the Senate by a vote of 51-3-0 on May 31, and the House concurred by a vote of 87-20-1 on June 1. The bill now awaits the governor's signature.

## **Technical Pension Omnibus**

**HB 3193 (Kifowit/Martwick)** creates the technical pension omnibus bill that makes changes to various state pension systems. Details on specific provisions can be found below. [HB 3193](#) passed the House by a vote of 85-26-0 on April 11, prior to being amended. It passed the Senate unanimously on April 29 and the House concurred by a vote of 103-12-1 on May 31. The bill now awaits the governor's signature.

### ***General Changes***

- Clarifies that changes in the bill are retroactive to January 1, 2011, and are intended as technical corrections.
- Adjusts employer contributions across several retirement systems.
- Expands eligibility for military and other types of public service to count as creditable service.
- Grants pension fund boards the authority to digitally or electronically reproduce and store records in accordance with the Local Records Act.
- Specifies that changes constitute a state mandate without reimbursement under the State Mandates Act.

### ***Chicago Teachers Pension Fund (CTPF)***

- Clarifies when re-employment results in pension cancellation.
- Revises how service credit is calculated.
- Clarifies that retired teachers who exceed their return-to-work day limit will have benefits reduced on a pro rata basis rather than canceled.

### ***Illinois Municipal Retirement Fund (IMRF)***

- Defines eligibility for individuals who previously held elected office.

- Streamlines procedures for transferring service credit.
- Extend the period for employers to pay penalties on salary increases above 6% or 1.5x of Consumer Price Index (CPI) inflation from three years to seven years

***Metropolitan Water Reclamation District (MWRD) Retirement Fund***

- Refines eligibility for ordinary disease benefits.

***Firefighters' Pension Investment Fund (FPIF)***

- Adjusts occupational disease benefit eligibility, including for breast cancer resulting from firefighting duties after 7+ years of service.
- Clarifies trustee indemnification, requiring funds to indemnify trustees, staff, and consultants.
- Modifies the election process for the Firefighters' Pension Investment Fund Board.

***State Universities Retirement System (SURS)***

- Updates the calculation for final rate of earnings.
- Revises survivor benefit formulas.
- Adds an optional defined contribution plan.
- Modifies the deferred compensation plan.
- Increases employer contributions for rehired annuitants.
- Allows Downstate Teachers to participate in an optional defined contribution benefit.

***State Employees Retirement System (SERS)***

- Permits estimated payments for members electing alternative retirement annuities, to begin within 30 days of retirement or filing.

***Illinois Police Officers' Pension Investment Fund (IPOPIF)***

- Allows a sheriff's office law enforcement employee to transfer service credit from the downstate police pension fund to IMRF within six months of the bill's effective date.
- Permits downstate police pension fund members to transfer up to eight years of service from a firefighter pension fund, if the member was not terminated due to discipline.

**Police and Fire Pensions Omnibus**

**HB 3657 (Kifowit/Martwick)** is the police and fire pensions omnibus bill that contains clean-up language to ensure that there is parity between Tier 2 members of the Chicago Police and Chicago Fire pension funds and their downstate equivalents. Details on specific provisions can be found below. [HB 3567](#) passed the House unanimously on April 11, prior to being amended. It passed the Senate unanimously on May 30, and the House concurred unanimously on May 31. The bill now awaits the governor's signature.

- Updates the definition of "final average salary" for Tier 2 police officers to be the greater of the average monthly salary over the highest 96 consecutive months within the last 120 months of service, or the average monthly salary over the highest 48 consecutive months within the last 60 months of service.
- Increases the salary cap for pensionable earnings for Tier 2 police officers and firefighters to be adjusted annually by the lesser of 3% or the full CPI increase, rather than one-half of the CPI increase.
- Sets the surviving spouse's annuity for certain Tier 2 members at 54% of the member's monthly salary at the time of death.

- Provides that if a deceased Tier 2 police officer or firefighter has a surviving spouse and minor children, the guardian of the children shall receive 12% of the monthly salary or earned pension per child.
- Provides that if the surviving spouse dies and there are still children under 18, or if the deceased member leaves minor children but no surviving spouse, the guardian of each child shall receive a monthly pension equal to 20% of the monthly salary or earned pension.
- Amends the State Mandates Act to require implementation of the bill's provisions without reimbursement from the state.