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Office of the Governor  
JB Pritzker

## Gov. Pritzker Announces Passage of Seventh Consecutive Balanced Budget

*The \$55.1 billion budget invests in economic development, education, and healthcare, doubles down on fiscal discipline*

**SPRINGFIELD** – Today, the Illinois General Assembly passed the \$55.1 billion state FY26 budget that will deliver for working families, demonstrating strong fiscal discipline and responsible governance. This is the Governor’s seventh consecutive balanced budget that continues to get the state’s finances back on track while investing in economic development, education, and healthcare without raising taxes on working families.

“The passage of the FY26 balanced budget is a testament to Illinois’ fiscal responsibility,” **said Governor JB Pritzker**. “Even in the face of Trump and Congressional Republicans stalling the national economy, our state budget delivers for working families without raising their taxes while protecting the progress we are making for our long-term fiscal health. I’m grateful to Speaker Welch, President Harmon, the budget teams, and all the legislators and stakeholders who collaborated to shape and pass this legislation. I look forward to signing my seventh balanced budget in a row and continuing to build a stronger Illinois.”

“Since Governor Pritzker and I came into office, we have been focused on replacing fiscal chaos with strength and stability. For the seventh year in a row, we are delivering a balanced budget to working families without sacrificing responsibility or

compassion,” **said Lt. Governor Juliana Stratton.** “I am grateful to everyone who worked long hours to get this across the finish line to make our communities safer, happier, and more prosperous. No matter what chaos or reckless policies ooze out of the Trump administration, the people of Illinois know that their leaders are capable of working together to hammer out differences, cut through the noise, and do right by the working families of this state.”

“Despite the economic uncertainty emanating from Washington, we approved a budget that invests hundreds of millions of new dollars in public education, protects access to critical hospitals and health care facilities and does it all without raising state income or sales taxes,” **said Senate President Don Harmon.** “We all wish we could do more. But this is a responsible, balanced budget that continues our work to improve the lives of the great people of the great state of Illinois. I want to thank the members of the Senate Democratic Caucus, the House Democratic Caucus, Speaker Welch and Governor Pritzker for the united effort to achieve our shared goals.”

“In a year in which every aspect of our the budget making process has been affected by extreme and erratic leadership of Donald Trump and his allies, this balanced budget is crafted to be fiscally and socially responsible—because we see the decisions made in Washington right now are neither,” **said House Speaker Emanuel ‘Chris’ Welch.** “The decisions that shaped this budget were not easy, but were made strategically, using the best information we have to make the best decisions working families and seniors throughout Illinois.”

Each budget season has brought its own unique set of challenges, and this year was no exception. With new headwinds stemming from reckless economic policies from Washington impacting the economic outlook for states across the nation, Illinois is demonstrating fiscal discipline with a budget that only increases discretionary spending by less than 1% and is consistent with federal spending increases. Despite these constraints, Governor Pritzker and the General Assembly delivered on their promise of protecting the progress Illinois has made over the last six years while continuing to invest in priorities that will strengthen our communities and support working families.

Some highlights of the FY26 budget include:

## **ECONOMIC DEVELOPMENT**

- **\$500 million in funding for historic site readiness initiatives (Surplus to Success and DCEO Site Readiness Initiative):** The Governor’s site readiness

initiative, which includes the Surplus to Success program, represents the most significant investment in State history to make more sites across Illinois ready for business. This includes remediation of state-owned sites as well as efforts to market and recruit out-of-state businesses to call Illinois home.

- **Advancing Innovating Manufacturing for Illinois (AIM) Tax Credit (AIM Illinois)** - AIM Illinois is a new incentive program that supports manufacturers – particularly small and medium-sized companies – who are making significant capital investments. The program provides tax incentives to companies making large facility and equipment investments in Illinois – making the state more competitive to win and retain capital-intensive business.
- **Enhancing Key Incentive Programs:** The bill makes improvements to the several incentive programs based on industry feedback, including EDGE and REV Illinois. EDGE is expanded to provide additional incentives to companies investing \$100M or more, and REV has been expanded to include additional EV supply chain industries. This will make Illinois even more competitive in its efforts to attract and retain businesses.
- **Capital Investment Programs:** In addition to the site readiness capital initiatives, the FY26 budget funds several capital programs that invest in our workforce such as manufacturing training academies (\$24M); incentive programs that keep Illinois competitive like the Enterprise Fund (\$50M) and Prime Sites Capital Grant Program (\$75M); and funding for the Made in Illinois program (\$1.5M) which supports small and mid-sized manufacturers.

## EDUCATION

- Investing \$307 million in the **Evidenced-Based Funding (EBF) formula** – bringing the total EBF program to \$8.9 billion, which represents a \$2.1 billion aggregate increase in funding during the Pritzker Administration.
- Reaching historic levels of scholarship and grant funding with an additional \$10 million in **MAP grants** – bringing total funding to \$771.6 million annually across MAP and AIM HIGH – supporting 162,700 students.
- Building on **historic increases for higher education**, with a \$44 million (3 percent) increase for flexible operating funding for public universities (\$35 million) and community colleges (\$9 million).
- Maintaining \$748 million in **Smart Start Early Childhood Block Grants**. This funding has created more than 11,000 new preschool slots in preschool deserts throughout the state in the last two years.

## HEALTHCARE AND HUMAN SERVICES

- \$25 million appropriation for a grant for a new Pharmacy Benefits Management (PBM) program called the **Prescription Drug Affordability Fund**.

- \$15 million for the **Medical Debt Relief Program**. To date, the program has provided over \$100 million in debt relief for more than 100,000 Illinoisans – which represents \$1,000 in medical debt relief for every state dollar spent.
- \$24 million to maintain **support for reproductive health initiatives**, including \$10 million for the public facing navigation hotline to help patients access care.
- The FY26 budget continues to invest in **Home Illinois**, with a total of \$263.7 million funding dedicated to this part of the overall housing investment strategy.

## **PUBLIC SAFETY**

- The FY26 budget continues to prioritize **gun violence reduction programs** and resources through Reimagine Public Safety. The budget includes an additional \$46 million in state support to maintain programs and services previously covered by COVID-era federal funds.
- \$7.5 million in new funding for the **Not-for-Profit Security Grant Program**.

## **SOCIAL SECURITY RETIREMENT**

- The Pritzker Administration worked with the General Assembly to create a **new reserve fund for Social Security Wage Base (SSWB) for State Tier II members**.
- The FY26 budget sets aside \$75 million for this reserve, investing the amounts expected to be necessary to cover the estimated first-year costs of adjusting SSWB for State Tier II members until legislation is enacted.

## **LEGISLATIVE INITIATIVES**

In addition to the budget package, the General Assembly passed several pieces of legislation that the Governor outlined in his State of the State address earlier this year including:

- **Streamlining college admissions** by proactively offering admission to our Illinois public universities and community colleges based on academic performance, reducing the burden on parents and students.
- **Prescription Drug Affordability Act** will reign in the unfair practices of Pharmacy Benefit Managers, reduce drug costs for Illinois patients by hundreds of dollars per year on average, and protect independent pharmacists.
- **Expanding reproductive rights** for on campus to public universities in Illinois and shielding Illinois providers from punishment for delivering life-saving health care.

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