

Bang for Your Bridge? How Should (And Shouldn't) Illinois Fund Infrastructure?

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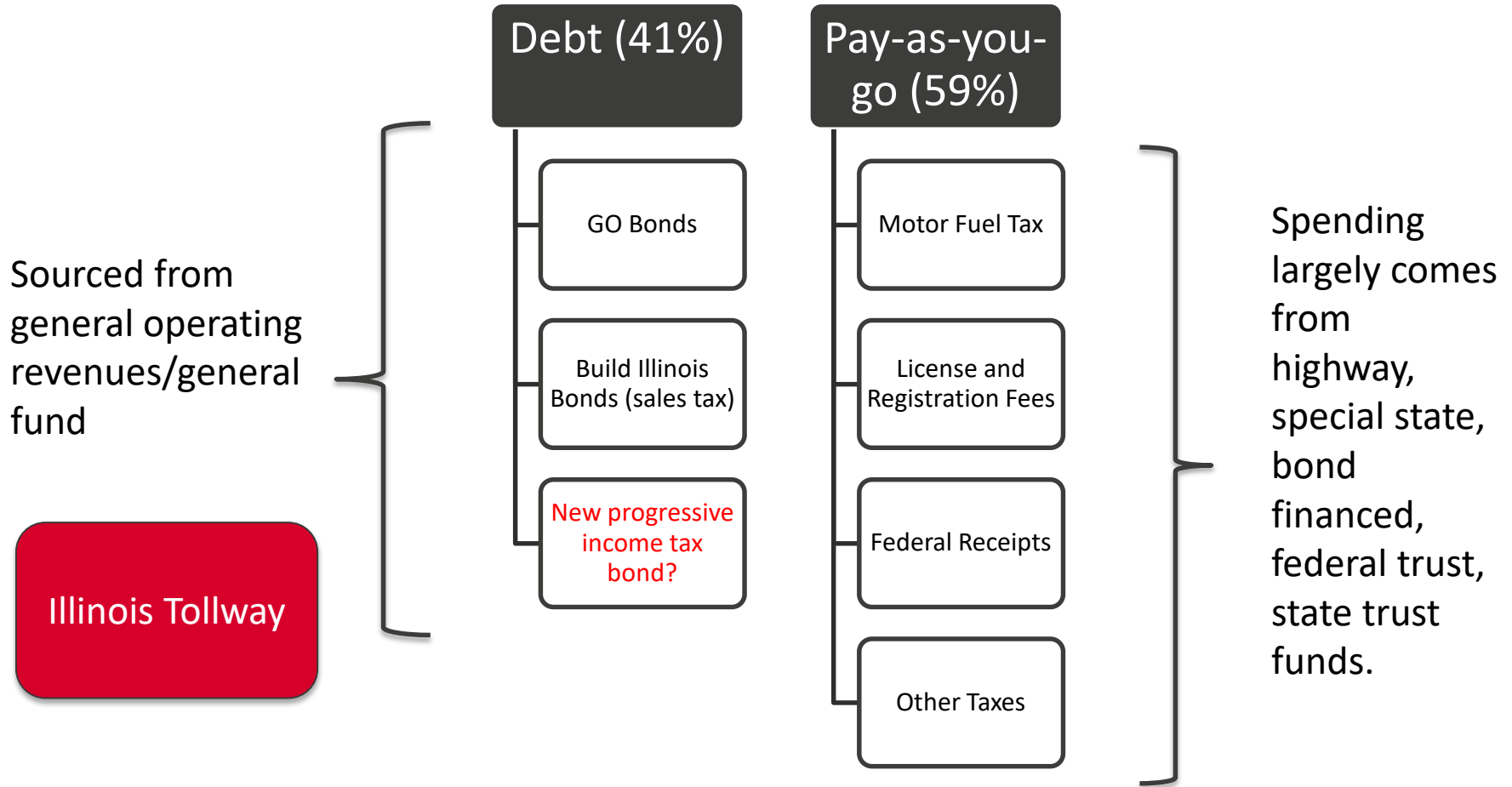
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April 5, 2019

How does Illinois currently fund its capital budget?

Source: Fiscal 2020 Capital Budget



Current Illinois Capital Funding Sources

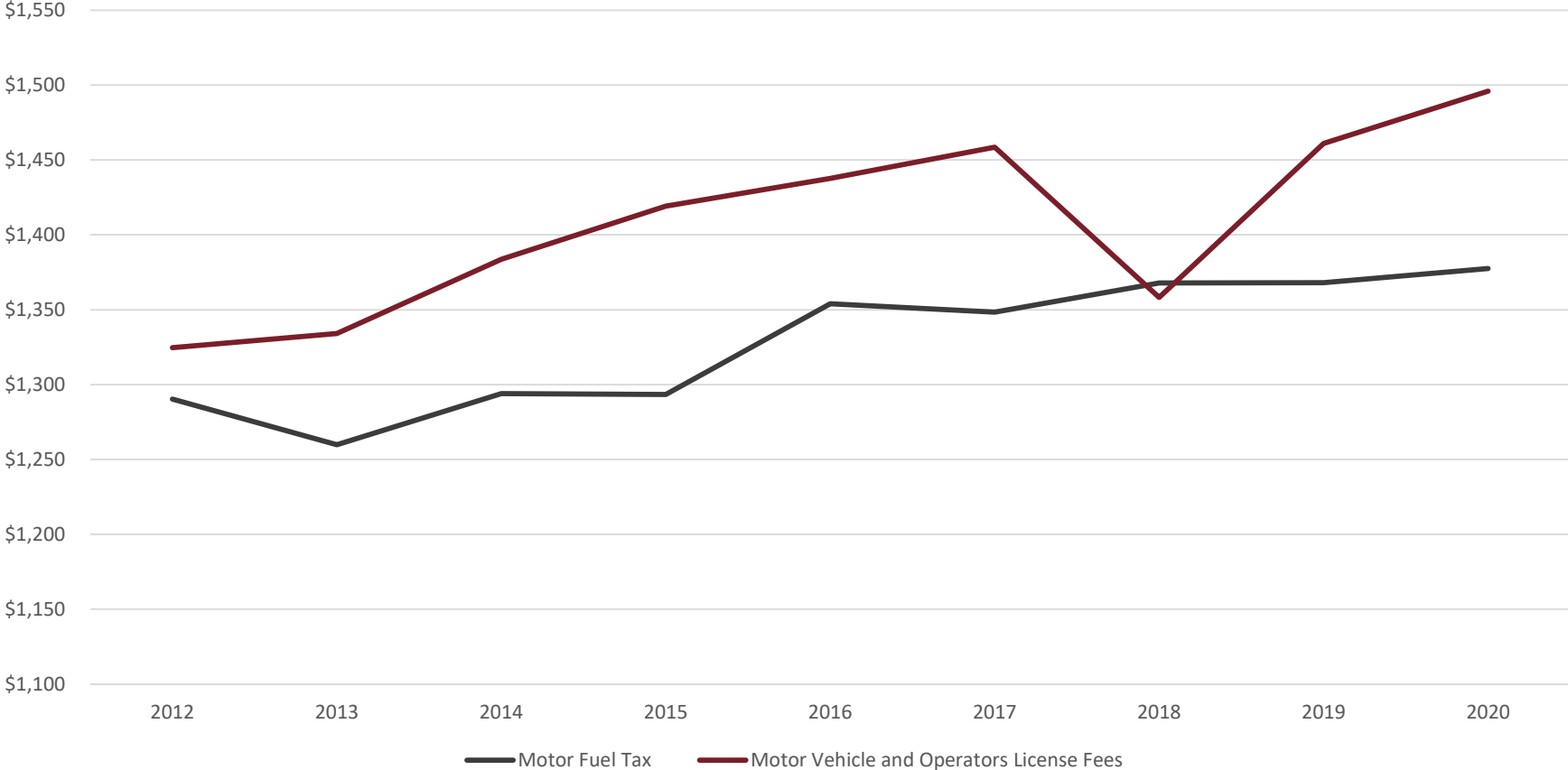
Source: Fiscal 2020 Capital Budget

Source (\$ millions)	Actual FY 2017	Actual FY 2018	Estimated FY 2019	Projected FY 2020
State Taxes				
Motor Fuel Tax.....	1,348.4	1,367.9	1,368.0	1,377.5
Telecommunications Tax.....	57.5	56.9	53.3	49.2
Cigarette Tax.....	14.7	14.6	0.0	0.0
Real Estate Transfer Tax.....	38.3	40.2	15.7	12.8
Other Taxes.....	0.4	0.4	0.6	0.6
Total State Taxes	1,459.2	1,480.1	1,437.6	1,440.0
Non-Tax State Sources				
Motor Vehicle and Operators License Fees.....	1,458.5	1,358.2	1,461.0	1,495.9
Water Revolving Fund Loan Repayment.....	213.2	154.5	111.8	178.0
Bond Issue Proceeds.....	1,584.3	1,860.2	1,277.3	1,221.0
Licenses, Fees and Registrations.....	59.9	59.4	58.9	58.8
Sale of Property, Other Earnings and Net Transfers.....	255.0	209.3	256.1	262.1
Total Non-Tax State Sources	3,571.0	3,641.6	3,165.1	3,215.8
Federal Receipts	2,291.2	1,722.5	1,683.5	2,138.1
TOTAL RECEIPTS ALL SOURCES	7,321.4	6,844.2	6,286.2	6,794.0

Note: The fiscal year 2020 recommended budget includes proposals that affect the distribution of Cigarette Tax and Real Estate Transfer Tax. Please see the *Fiscal Year 2020 Illinois State Budget - Chapter 4: Economic Outlook and Revenue Forecast* for details on these proposals.

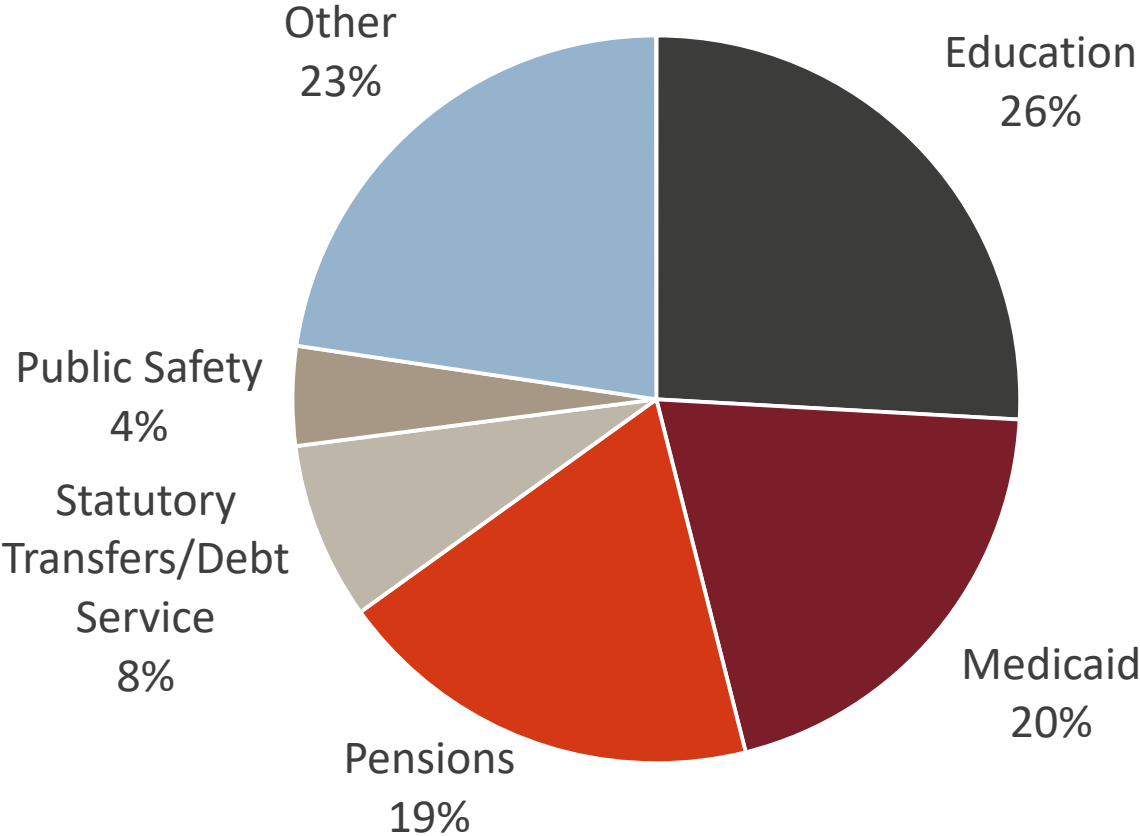
Illinois Motor Fuel Tax Growth Lags

(\$ millions)

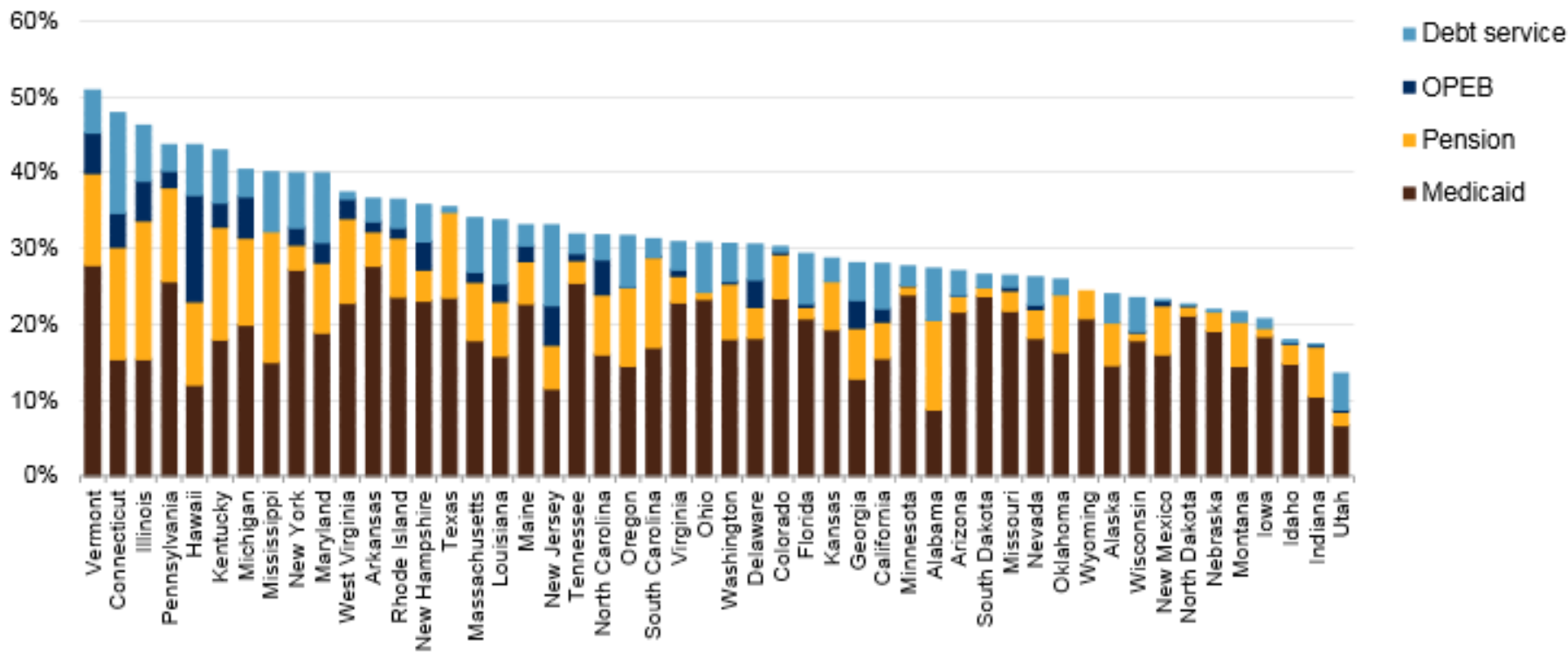


Illinois Estimated 2019 General Fund Spending

Source: Illinois Fiscal 2020 Budget in Brief



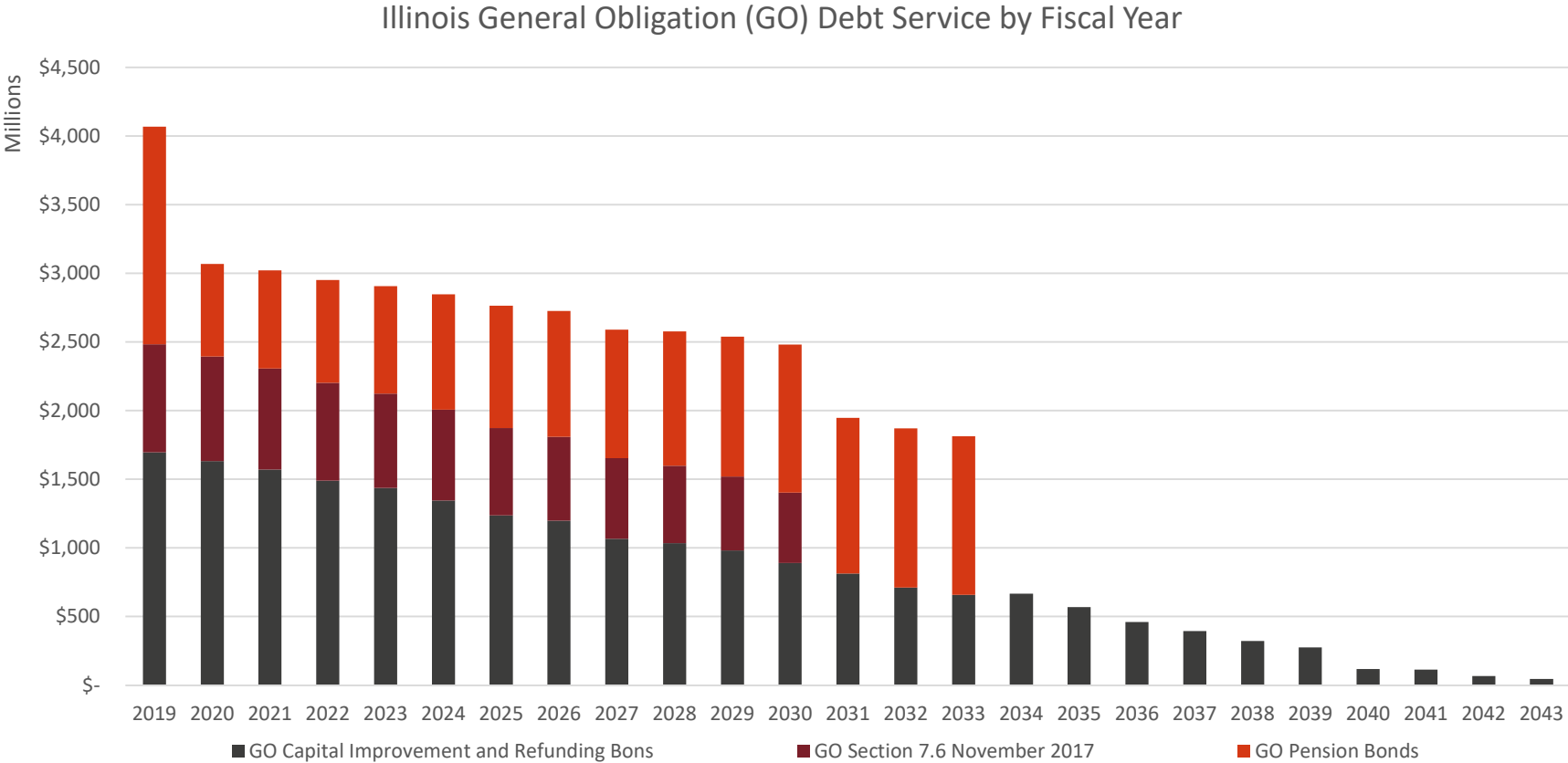
Combined Medicaid, Debt Service, And Pension And OPEB Contributions Share Of General Fund Expenditures



Source: When The Credit Cycle Turns, U.S. States May Be Tested In Unprecedented Ways: September 17, 2018

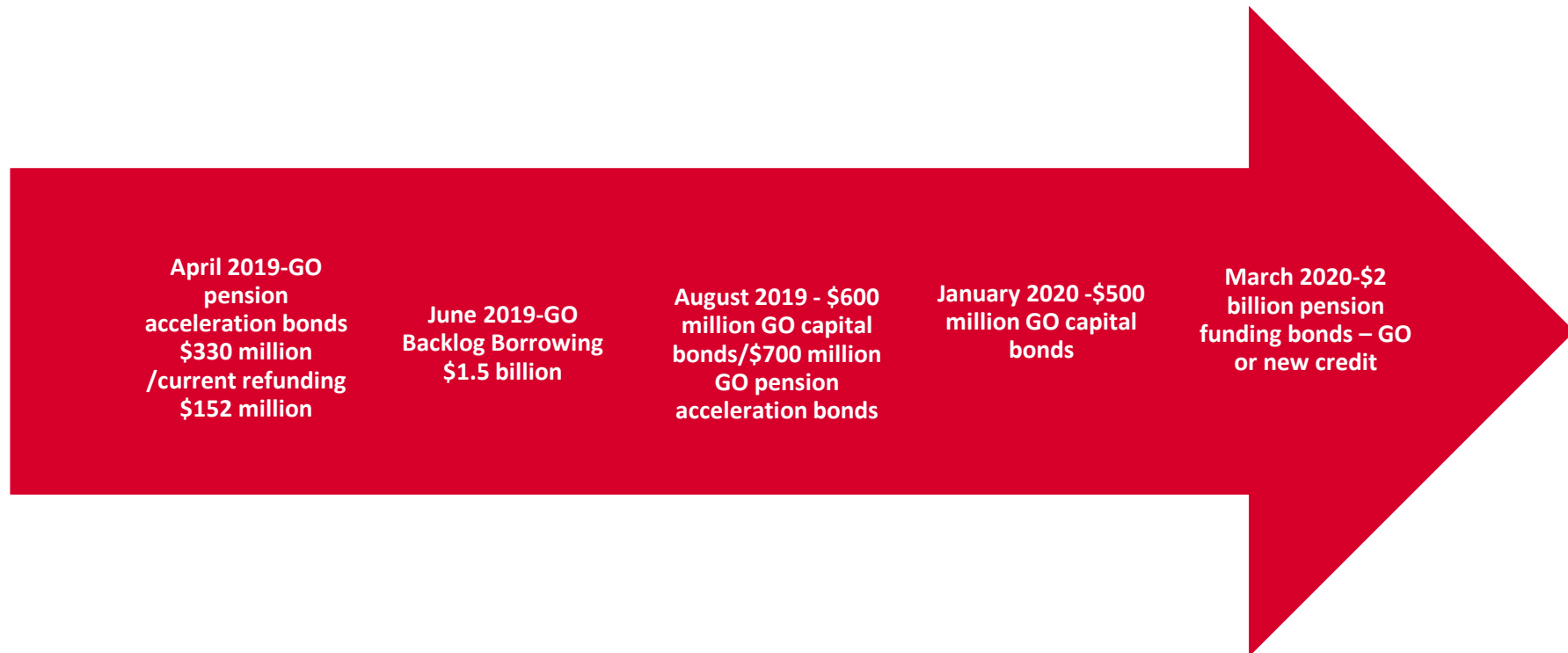
Illinois GO Debt Amortization

As of March 2019 (source April 2019 preliminary official statement)



Illinois' Future Debt Plans

(subject to legislative approval)



S&P Global Illinois Infrastructure Bond Ratings

BBB-/Stable

General
Obligation

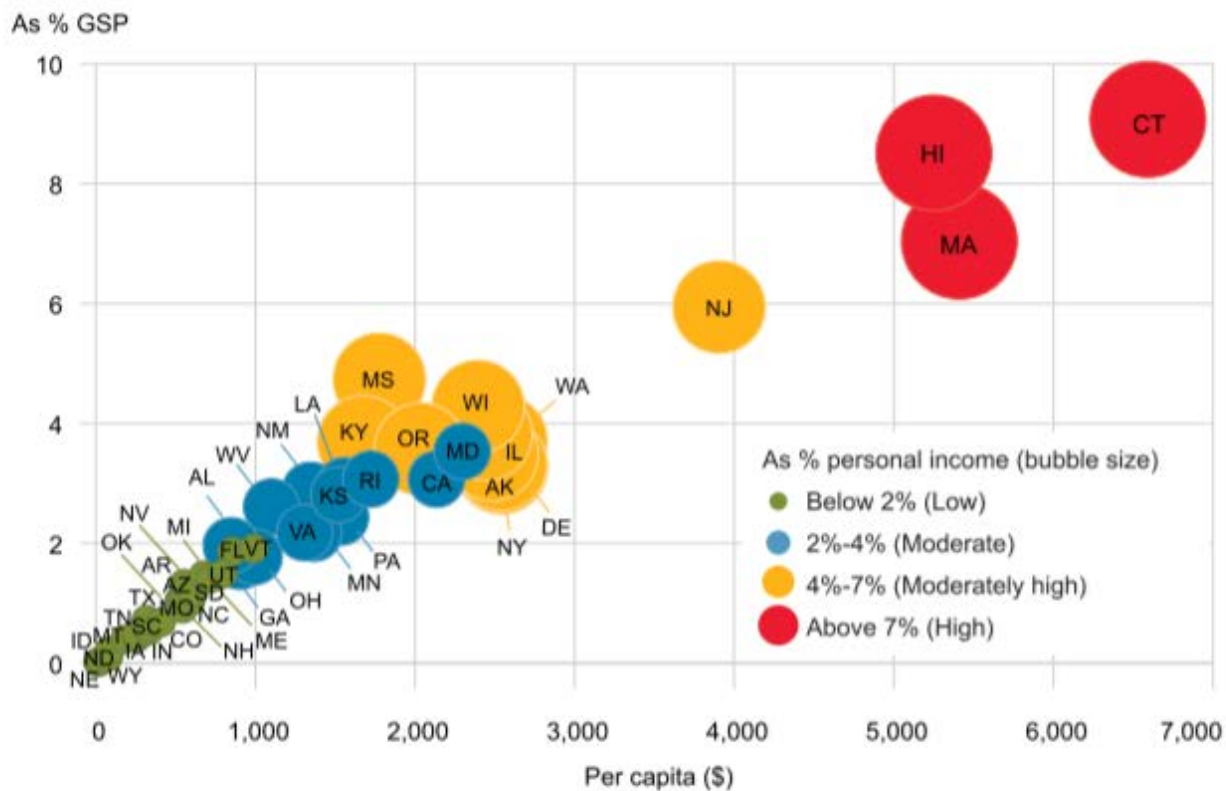
BBB/Stable

Build Illinois
(sales tax)

AA-/Stable

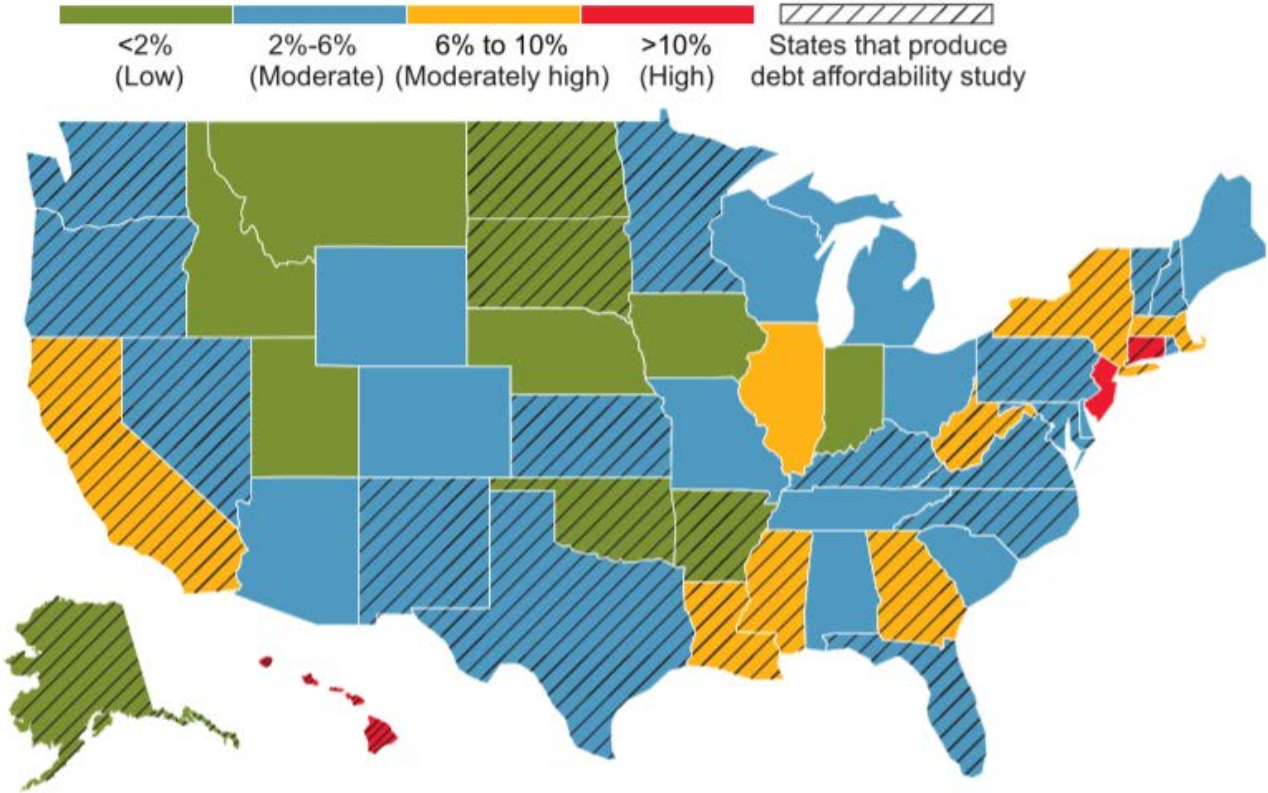
Illinois Tollway

Tax-Supported Debt Affordability Ratios



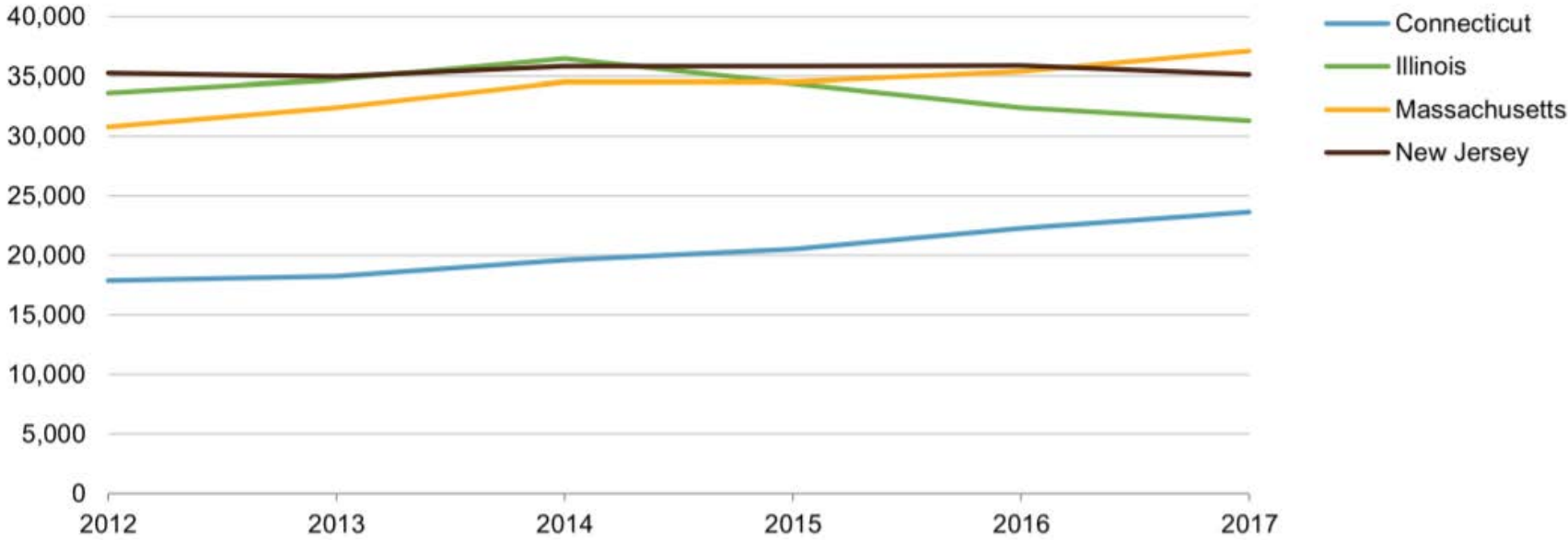
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Tax-Supported Debt Service As A% of General Governmental Spending



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Total Net Supported Debt



Source: S&P Global
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Top 10 States By Debt Metric (Fiscal 2017 audit)

Ranking	Total tax-supported debt	Per capita	As % personal income	As % GSP	Debt service as % general spending
1	California	Connecticut	Hawaii	Connecticut	Connecticut
2	New York	Massachusetts	Connecticut	Hawaii	Hawaii
3	Massachusetts	Hawaii	Massachusetts	Massachusetts	New Jersey
4	New Jersey	New Jersey	New Jersey	New Jersey	Illinois
5	Illinois	New York	Delaware	Mississippi	Massachusetts
6	Connecticut	Washington	Wisconsin	Wisconsin	Louisiana
7	Pennsylvania	Delaware	Mississippi	Illinois	Washington
8	Washington	Alaska	Illinois	Washington	Mississippi
9	Florida	Illinois	Washington	Kentucky	New York
10	Maryland	Wisconsin	Alaska	Oregon	California

Questions?

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