

# State of Illinois

\$2,450,000,000\*

General Obligation Bonds,

\$200,000,000 Taxable Series of May 2023A

\$1,000,000,000 Series of May 2023B

\$150,000,000 Series of May 2023C

\$1,100,000,000 Refunding Series of May 2023D



## Investor Presentation



*\*Preliminary, subject to change*

**April 2023**

# Disclaimer



This Investor Presentation is provided as of April 5, 2023, for a proposed offering by the State of Illinois (the “State”) of its General Obligation (“GO”) Bonds, Series of May 2023, in four separate series: General Obligation Bonds, Taxable Series of May 2023A (the “May 2023A Bonds”), General Obligation Bonds, Series of May 2023B (the “May 2023B Bonds”), General Obligation Bonds, Series of May 2023C (the “May 2023C Bonds”), and General Obligation Bonds, Refunding Series of May 2023D (the “May 2023D Bonds” and, together with the May 2023A Bonds, the May 2023B Bonds and the May 2023C Bonds, the “Bonds”). If you are viewing this presentation after April 5, 2023, there may have been events that occurred subsequent to such date that would have a material adverse effect on the financial information that is presented herein, and the State has not undertaken any obligation to update this electronic presentation. All market prices, financial data and other information provided herein are not warranted as to completeness or accuracy and are subject to change without notice.

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# Table of Contents



1. Executive Summary	4
2. Financial Update	6
3. Estimated FY 2023, and FY 2024 Proposed Budget	11
4. Illinois' Strong and Diverse Economy	16
5. Pension Update	21
6. Plan of Finance	23
7. Conclusion	28
8. Timeline and Contacts	30

# 1. Executive Summary



# Delivering Fiscal Responsibility



*Strong operating performance plus fiscal prudence position the State well for the future*

## Accomplishments

- Budget builds on **historic fiscal progress** with balanced budgets, eight credit rating upgrades, and significant paydown of the bill backlog
- **Record Budget Stabilization Funding level**
  - \$1.9 billion balance by end of FY 2023
  - Permanent dedicated revenue streams created
  - \$450M UI Trust loan repayment into fund
- State prudently taking advantage of economic conditions to fund reserves
- Continued economic recovery resulting in a FY 2022 general funds revenue increase of 12% over actual FY 2021

## Commitment to Pension Obligations

- Budget includes funding all pensions at statutory levels plus a proposed additional \$200 million towards Pension Fund contributions in FY 2023 bringing the total additional contributions to \$700 million across FY 2022 and FY 2023
- Conservative return assumption is below US median
- Committed to Statutory Funding Plan
  - 28 years into 50 year plan

## Strong Fiscal and Economic Foundation

- Diverse economy supports improving economic trends
- Illinois' population tops 13 million when adjusting for the undercount in the census reflecting growth in the last decade
  - Census Bureau's Post Enumeration Survey (PES) report issued on 5/8/22 found that Illinois' population was significantly undercounted by 2020 Census (by ~250,000 people)
- Illinois ranks 3rd among the 10 most populous states by per capita personal income and 11th amongst all states
- World class infrastructure with America's 5th largest GDP reaching \$1 trillion (world's 18th largest economy<sup>1</sup>)
- Seasonally adjusted unemployment rate continues to be near all time lows at a preliminary 4.5% in Feb. 2023

## Investing in Illinois' Future

- FY 2024 proposed budget makes **transformative, generational investments** in early childhood education and child care, the teacher pipeline, higher education, and efforts to fight poverty
- FY 2024 proposed budget provides \$46.5 billion of total capital appropriations (new and reappropriated)
- Strengthened the UI Trust Fund
- Created \$400 million Large Business Attraction Fund to attract businesses and stay competitive with other states

<sup>1</sup>According to the World Bank

## 2. Financial Update



# Fiscal Responsibility Results



## Delivering on a Promise of Fiscal Responsibility

Today – after more than 4 years of fiscal discipline:

- Retired bill backlog to accounts payable
- All Covid-related MLF borrowing repaid<sup>1</sup>
- All interfund borrowing repaid
- “Rainy Day” fund balance of \$1.9 billion<sup>2</sup> and growing
- Contributed to pensions at levels above statutory amounts
- 8 bond rating upgrades
- Economy over \$1 trillion

Illinois Fiscal Progress 2019 vs. Today		
	2019	Today
Bills Outstanding	\$8 billion <sup>3</sup>	Now Accounts Payable
Rainy Day Fund	\$60,000	\$1.9 billion <sup>2</sup>
Credit Ratings (S&P/Moody's/Fitch)	BBB-/Baa3/BBB	A-/A3/BBB+
Gross Domestic Product	\$881 billion	\$1.024 trillion
Pension Funded Ratio (Fair Value)	40.3%	43.8%

<sup>1</sup> Federal Reserve’s Municipal Liquidity Facility Borrowing/Short Term borrowing encompasses the issuance of the 2020 CURE Borrowing Act Notes and the 2020 Short-Term Certificates (together, the “MLF Borrowings”)

<sup>2</sup> Budget stabilization fund expected to reach \$1.9 billion by FYE 2023

<sup>3</sup> Consists of both accounts payable and bills more than 30 days past due

# State Backlog Is “Accounts Payable”

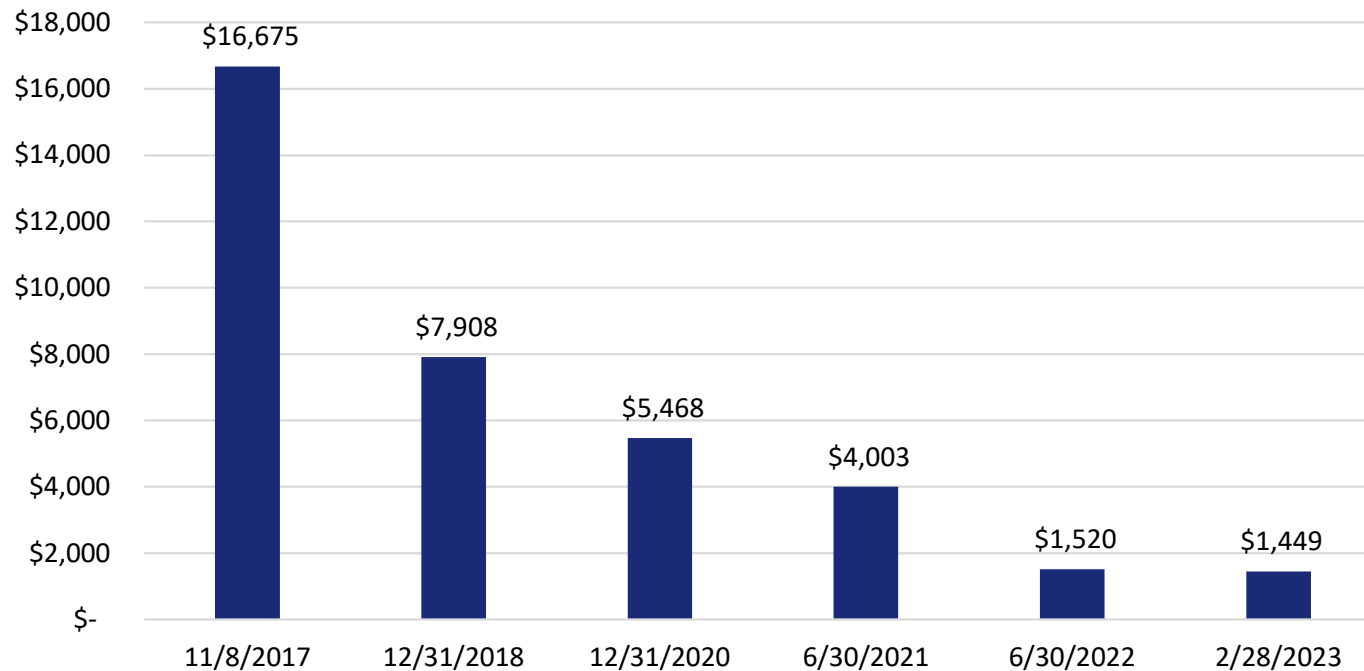


## Accounts payable reaches new lows

**End of FY 2022 accounts payable estimate totals \$1.52 billion, a reduction of \$15.155 billion, a 90% reduction since the end of the Budget Impasse**

- Accounts payable primarily include bills under 30 days and transfers to other State accounts
  - Estimated accounts payable totaled \$1,449 million as of February 28, 2023, of which \$525 million (36%) are transfers to other state funds
  - On average, less than half of what the State spends in a month
- End of FY 2023 accounts payable expected to be close to end of FY 2022 level

### General Funds Estimated Accounts Payable



Source: Illinois Office of the Comptroller, Debt Transparency Act reports



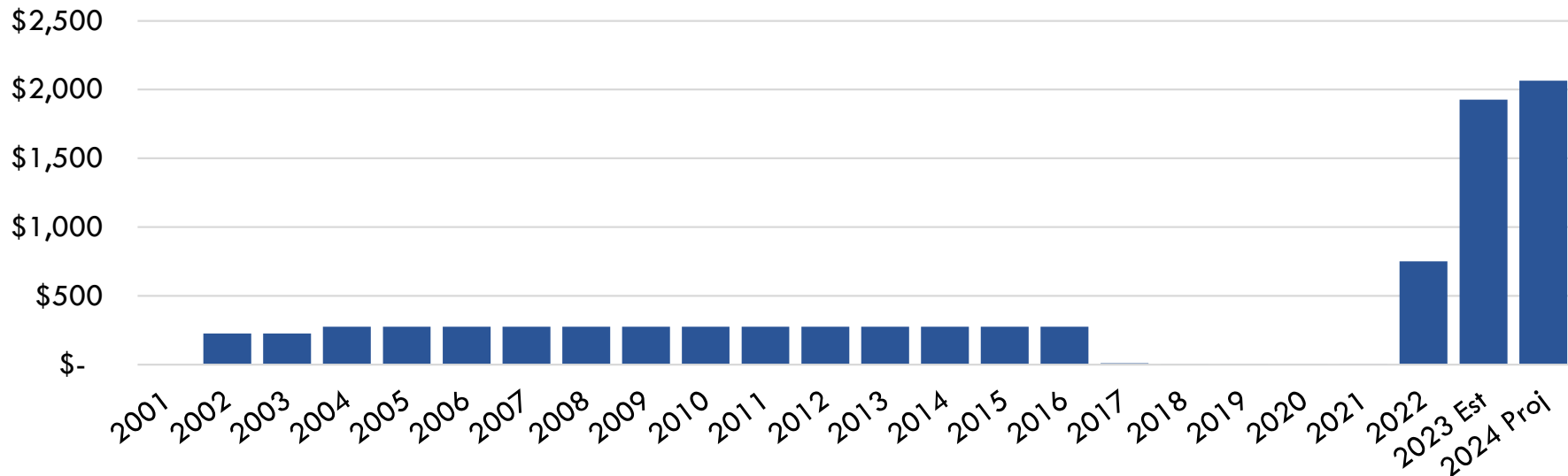
# Restoring the Budget Stabilization Fund



*Committed to a new era of fiscal responsibility by planning for a 'rainy day'*

- Record setting Budget Stabilization Fund balance of \$1.065 billion as of March 1<sup>st</sup>
  - The Governor and General Assembly deposited \$746 million into the fund in FY 2022
  - On track to deposit another \$1.174 billion in FY 2023
  - Under current statute, another \$138 million is estimated to be deposited in FY 2024
- Increasing dedicated Budget Stabilization Fund sources
  - Enacted FY 2023 budget creates **permanent revenue streams** for the Budget Stabilization Fund by
    - ✓ Depositing an ongoing portion of cannabis revenues (10% or approximately \$30 million)
    - ✓ PLUS transferring monthly, \$3.75 million into the Fund beginning July 1, 2023
  - UI Trust Fund loan of \$450 million is to make payments into the Budget Stabilization Fund over the next ten years
- The balance in the Budget Stabilization Fund is projected to total over \$2 billion by FYE 2024

**Budget Stabilization Fund**  
EOY Balance  
(\$ in millions)

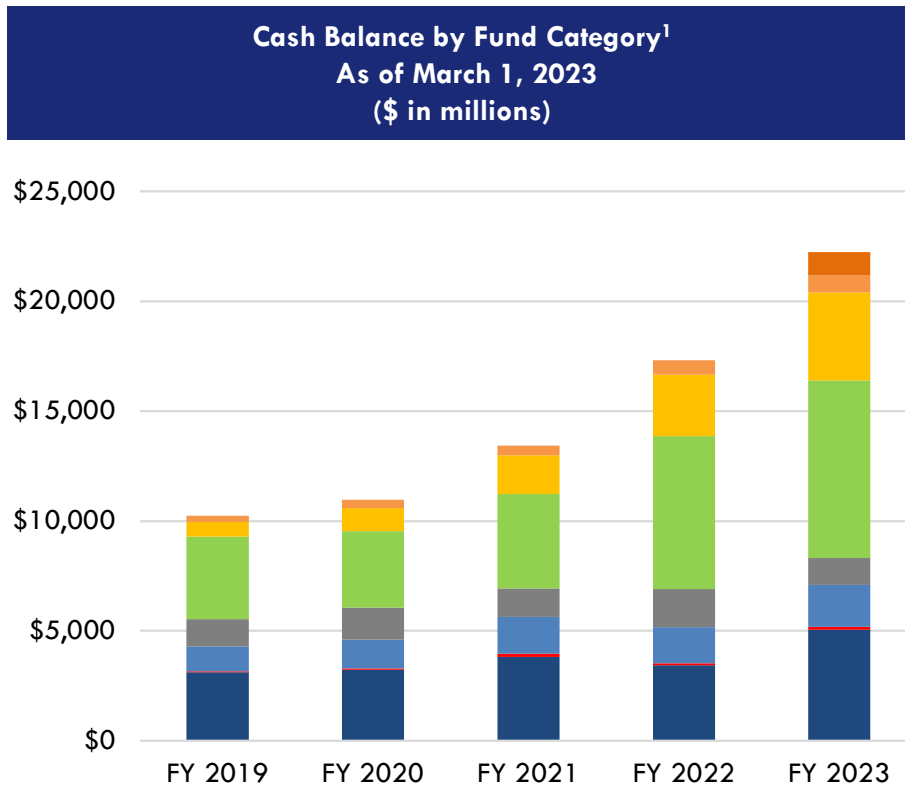


# Strong Cash Balances



*Illinois' cash position continues to outperform previous years*

- The State's cash balance was \$22.2 billion as of March 1, 2023



**Cash Balance by Fund Category**  
As of March 1, 2023  
(\$ in millions)

Fund Category <sup>1</sup>	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Funds-Budget Stabilization	\$0	\$0	\$2	\$22	\$1,065
General Funds-All other GF	263	366	415	634	758
Highway Funds <sup>2</sup>	673	1,052	1,760	2,806	4,012
Special State Funds	3,758	3,496	4,306	6,971	8,074
Bond Financed Funds	1,243	1,444	1,297	1,725	1,244
Debt Service Funds <sup>3</sup>	1,134	1,319	1,682	1,646	1,904
Revolving Funds	43	54	144	87	124
State Trust Funds	3,109	3,226	3,805	3,431	5,051
<b>March 1<sup>st</sup> Amounts</b>	<b>\$10,223</b>	<b>\$10,957</b>	<b>\$13,411</b>	<b>\$17,322</b>	<b>\$22,231</b>

- General Funds-Budget Stabilization
- Highway Funds<sup>2</sup>
- Bond Financed Funds
- Revolving Funds
- General Funds - All Other GF
- Special State Funds
- Debt Service Funds<sup>3</sup>
- State Trust Funds

Source: Illinois Office of the Comptroller and GOMB.

Note: Totals may not add due to rounding. Increase in cash balance is temporary and partly due to the timing of expenditures.

1 Does not include Federal Trust Funds.

2 Highway Funds are limited by the Illinois Constitution and State statute to support construction and maintenance of transportation and the debt service on certain GO Bonds issued for transportation projects.

3 Includes the General Obligation Bond Retirement and Interest Fund.

### 3. Estimated FY 2023, and Proposed FY 2024 Budget



# General Funds Revenues Summary



## Conservative revenue forecasting with a 2.8% decrease from FY 2023

- General Funds FY 2024 revenues are estimated to total \$49.944 billion, a \$1.4 billion, decrease from revised FY 2023 estimates
- FY 2024 individual income taxes are forecasted to grow \$778 million, 3.3%, due to moderating growth assumptions
- General funds sales tax growth almost flat due to continued phase-in of shift of motor fuel sales taxes to Road Fund
- Other transfers-in are expected to drop by \$1.279 billion due to the one-time nature of certain FY 2023 transfers
- Federal revenue forecast essentially flat from FY 2023

General Funds Resources (\$ in millions)	Estimated FY 2023	Projected FY 2024	Percent Change
<b>RESOURCES</b>			
<b>State Sources: Revenues</b>			
Net Individual Income Taxes	23,881	24,659	3.3%
Net Corporate Income Taxes	5,723	5,548	-3.1%
Net Sales Taxes	10,390	10,415	0.2%
Public Utility Taxes	731	721	-1.4%
All Other Sources	2,590	2,537	-2.0%
<b>Total State Sources: Revenues</b>	<b>43,315</b>	<b>43,880</b>	<b>1.3%</b>
<b>State Sources: Transfers In</b>			
Lottery	718	759	5.7%
Gaming	157	175	11.5%
Adult-Use Cannabis	114	116	1.8%
Other Transfers	2,279	1,000	-56.1%
<b>Total State Sources</b>	<b>46,583</b>	<b>45,930</b>	<b>-1.4%</b>
Federal Sources	4,013	4,014	0.0%
<b>SUBTOTAL, RESOURCES</b>	<b>50,596</b>	<b>49,944</b>	<b>-1.3%</b>
ARPA Reimbursement for Essential Services	763	-	-
<b>TOTAL RESOURCES</b>	<b>51,359</b>	<b>49,944</b>	<b>-2.8%</b>

Note: Totals may not add due to rounding

# General Funds Expenditures Summary



## Paying down debt and saving for a rainy day

- Proposed FY 2024 General Funds expenditures total \$49.642 billion, a \$349 million (0.7%) decrease from FY 2023 estimated spending
- The proposed budget reflects full payment of the certified FY 2024 pension contribution plus an additional \$200 million pension contribution in FY 2023 for a combined total of \$400 million in FY 2023
- Estimated FY 2023 budgetary surplus of \$1.368 billion
  - \$1.174 billion will be set aside in Budget Stabilization Fund
  - Reflects amount after proposed spring supplemental appropriations of \$490 million and proposed set asides for pensions and early childhood capital
- Projected FY 2024 budgetary surplus of \$303 million, with an estimated \$138 million reserved in the Budget Stabilization Fund

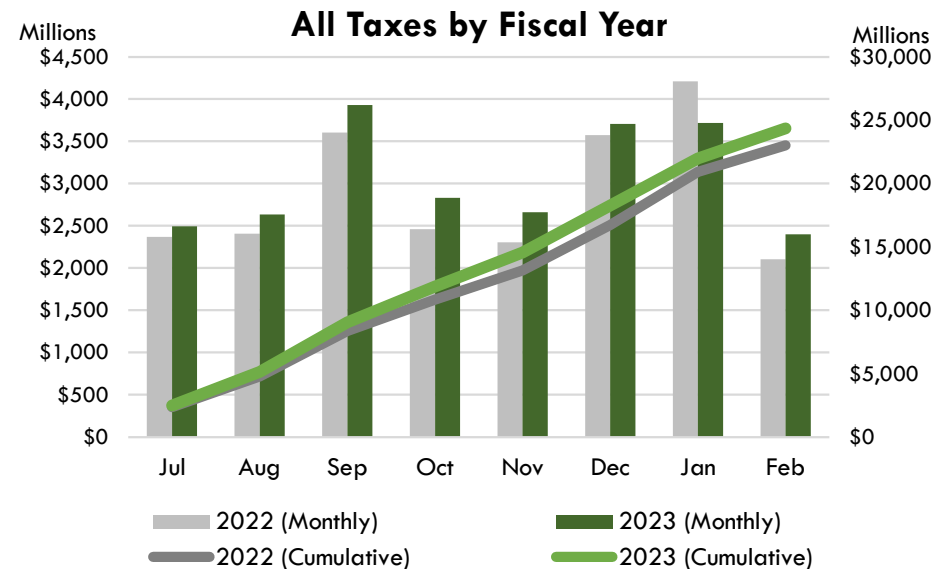
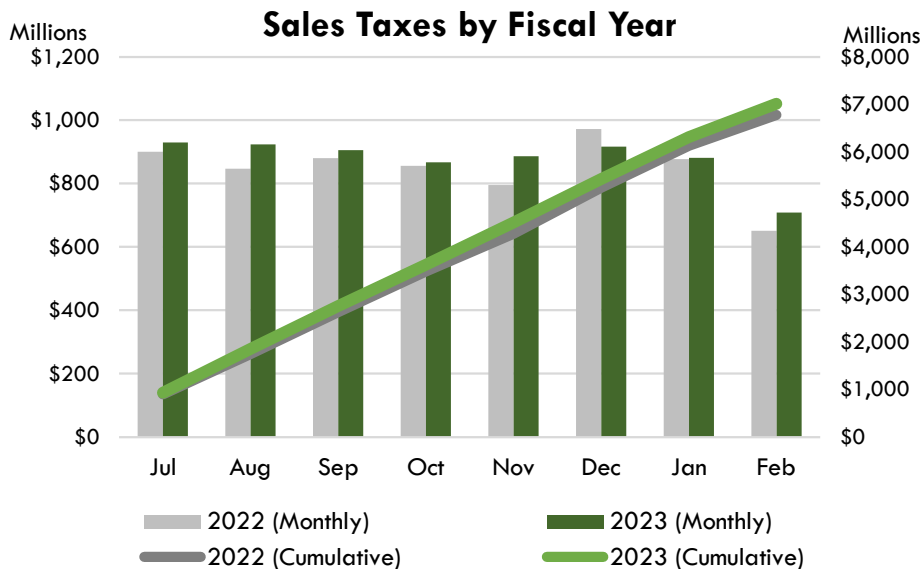
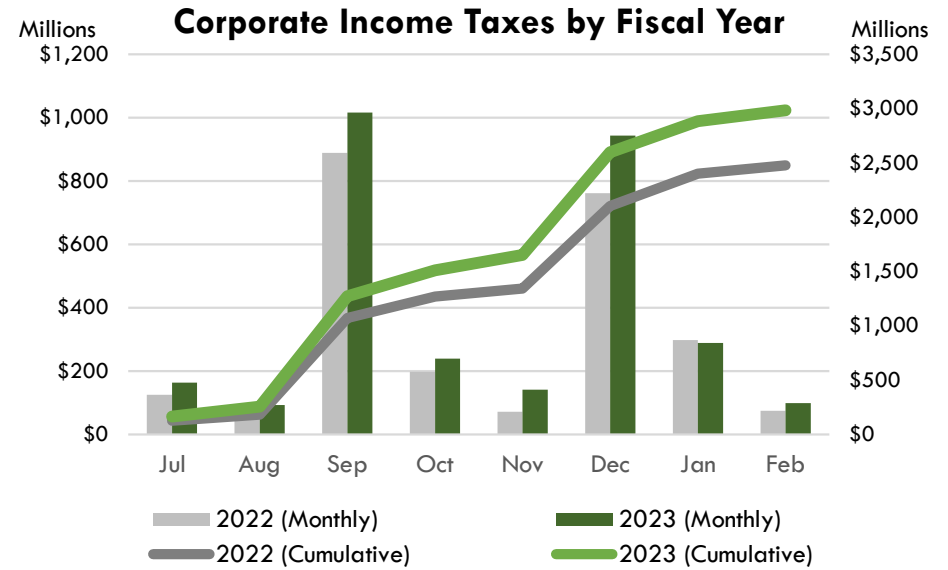
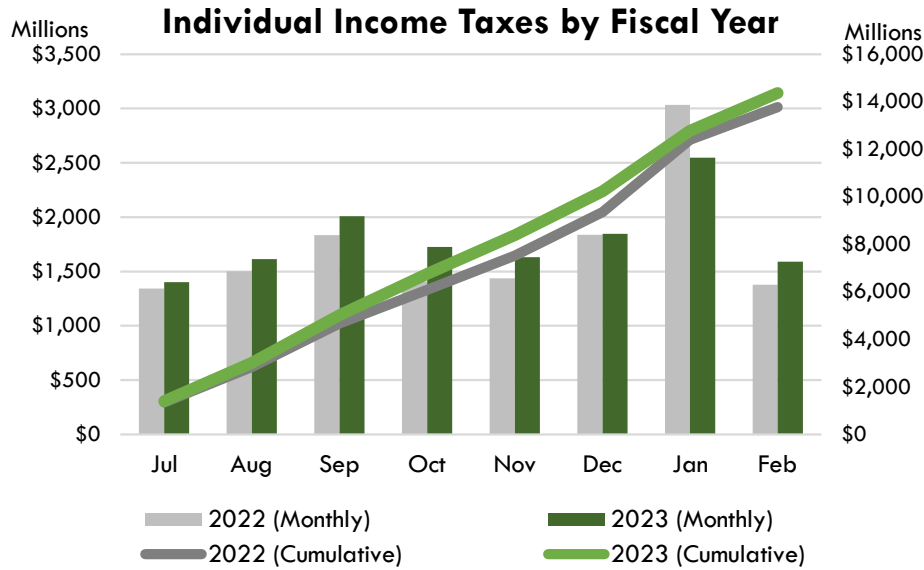
General Funds Expenditures (\$ in millions)	Estimated FY 2023	Projected FY 2024	Percent Change
<b>EXPENDITURES</b>			
Education	12,008	12,799	6.6%
Economic Development	258	323	25.2%
Public Safety	2,238	2,462	10.0%
Human Services	8,988	9,900	10.1%
Healthcare	8,361	9,070	8.5%
Environment and Culture	89	98	10.1%
Government Services	3,828	3,824	-0.1%
UI Trust Fund Payment	1,820	-	-100.0%
Proposed Spring Supplemental Appropriations	490	-	-100.0%
Unspent Appropriations	(745)	(700)	-6.0%
<b>Total Operating Budget</b>	<b>37,336</b>	<b>37,776</b>	<b>1.2%</b>
<b>EXPENDITURES: PENSIONS</b>			
K-12 Education Pensions	5,894	6,043	2.5%
State Universities' Pensions	1,904	1,918	0.7%
State Employees' Pensions	1,834	1,871	2.0%
<b>Total Pension Costs</b>	<b>9,632</b>	<b>9,833</b>	<b>2.1%</b>
<b>EXPENDITURES: TRANSFERS OUT</b>			
Statutory Transfers Out	873	436	-50.1%
Pension Stabilization Fund Contribution	200	-	-100.0%
Property Tax Rebate Checks to Individuals	50	-	-100.0%
Grocery Tax Replacement to Local Governments	75	-	-100.0%
GO Bond Debt Service	1,525	1,596	4.7%
Proposed Supplemental FY 2023 Pension Contribution	200	-	-100.0%
Proposed Supplemental Early Childhood Capital	100	-	-100.0%
<b>Total Transfers Out</b>	<b>3,023</b>	<b>2,032</b>	<b>-32.8%</b>
<b>TOTAL EXPENDITURES</b>	<b>49,991</b>	<b>49,642</b>	<b>-0.7%</b>
<b>General Funds Surplus/(Deficit)</b>	<b>1,368</b>	<b>303</b>	<b>-77.9%</b>
<b>Budget Stabilization Fund Contribution</b>	<b>(1,174)</b>	<b>(138)</b>	<b>-88.2%</b>
<b>Adjusted General Funds Surplus/(Deficit)</b>	<b>194</b>	<b>165</b>	<b>-15.1%</b>

Note: Totals may not add due to rounding

# General Funds Monthly Revenues (FY Year-to-Date)



**Preliminary year-to-date (February) FY 2023 tax revenues are up 6% over FY 2022**



Note: The top three revenues of the General Fund are included.

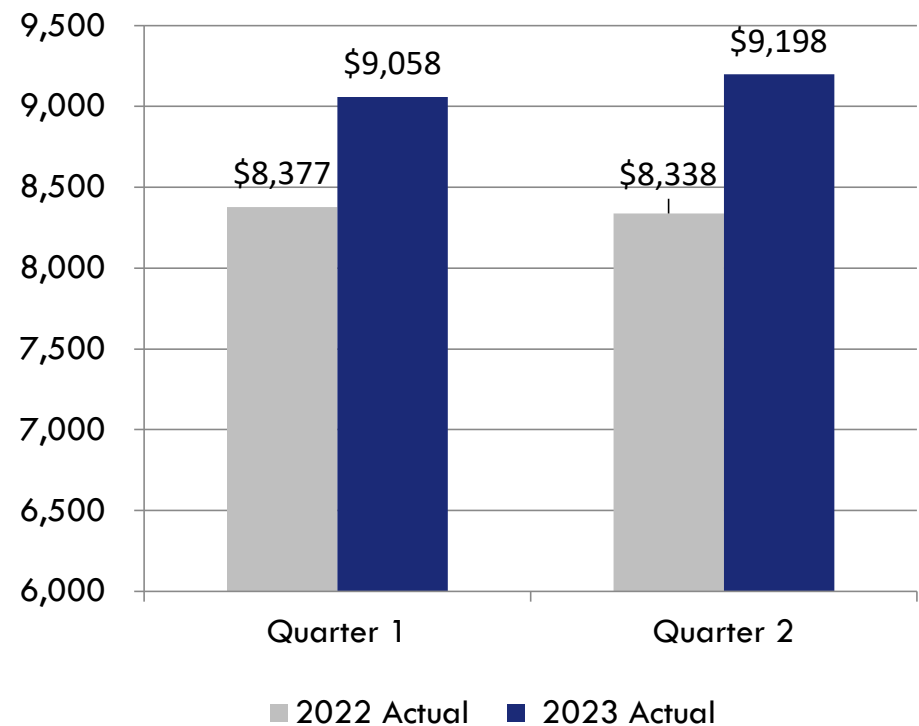
# FY 2023 Tax Revenues are Trending Higher in All Categories



- Top three general fund taxes grew by 8.1% in the first quarter year over year followed by 10.3% growth year over year for the second quarter

Tax Revenues Comparison (\$ in Millions)				
	2022	2023	Diff.	Diff.
	Actual	Actual	(\$)	(%)
<b>Individual Income Tax</b>				
Qtr 1 (July-September)	\$ 4,678	\$ 5,026	\$ 348	7.4%
Qtr 2 (October-December)	4,684	5,205	521	11.1%
<b>Corporate Income Tax</b>				
Qtr 1 (July-September)	1,072	1,273	201	18.7%
Qtr 2 (October-December)	1,031	1,323	292	28.4%
<b>Sales Tax</b>				
Qtr 1 (July-September)	2,627	2,759	132	5.0%
Qtr 2 (October-December)	2,623	2,669	46	1.8%
<b>Total Top Three GF Taxes</b>				
Qtr 1 (July-September)	\$ 8,377	\$ 9,058	\$ 681	8.1%
Qtr 2 (October-December)	\$ 8,338	\$ 9,198	\$ 860	10.3%

Quarterly Top Three GF Taxes by Fiscal Year  
(\$ in millions)



## 4. Illinois' Strong and Diverse Economy





# Illinois' Strong Economic Foundation



*The strength of the State's economic foundation has been evident through the pandemic*

## Strong and Diverse Economy

- Illinois is well-positioned for long-term stability through economic cycles
- State's deep and diversified economy is a major attraction for workers and recent graduates across the nation
- Illinois is home to 37 Fortune 500 companies<sup>4</sup>

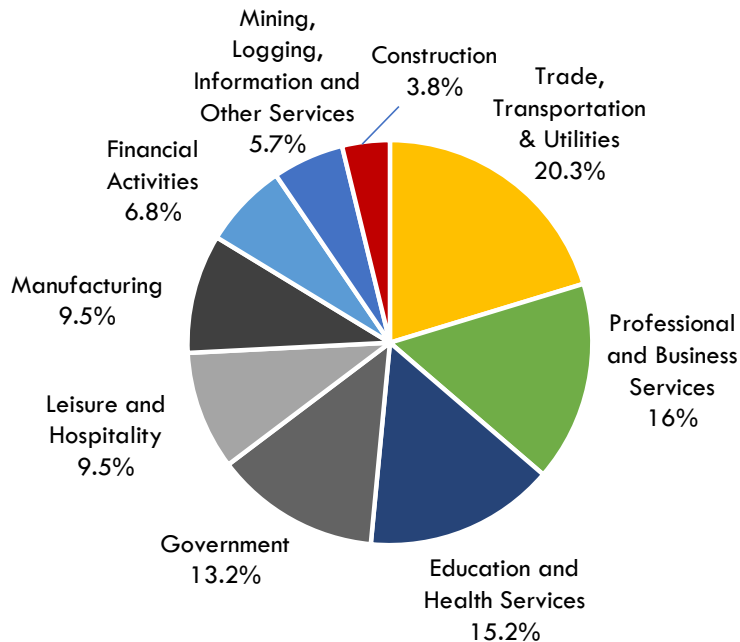
## Expansive Transportation and Logistics Network

- State is home to the 4th and 26th busiest U.S. airports - O'Hare and Midway<sup>1</sup>
- All of the nation's class 1 transcontinental railroads operate within the State<sup>2</sup>

## Highly Educated Population

- Illinois is home to top ranked universities, bringing talented and educated individuals to the State
- 37.1% of Illinois residents have college degrees, above the U.S. at 34.6% and the Midwest region at 32.8%<sup>3</sup>

### IL NON-AGRICULTURAL PAYROLL JOBS BY INDUSTRY



Northern Illinois University



1. FAA, Commercial Service (Rank Order) based on Calendar Year 2021 as of September 16, 2022 2. IDOT, <http://idot.illinois.gov/transportation-system/Network-Overview/rail-system/index>  
 3. Based on 2021 data from the FRED, [2021, Educational Attainment, Annual: Bachelor's Degree or Higher by State | FRED | St. Louis Fed \(stlouisfed.org\)](https://fred.stlouisfed.org/), those with a bachelor's degree or higher as a share of population 25 years or older. 4. Fortune 500 rankings for 2022

# Corporate Investments and Expansions



## *Business expansion across the state*

Illinois is home to 37 Fortune 500 headquarters, but continues to attract growing businesses throughout the State. Here is a sample of recently announced investments and expansions:

- Kellogg's announced the relocation of a headquarters and snack division to Chicago
- State's sale of the James R. Thompson Center to a private entity to allow for the expansion of Google's Chicago-based workforce
- T/CCI became the State's first Reimagining Electric Vehicles (REV) tax credit recipient for its EV compressor manufacturing facility expansion in Decatur
- In Decatur, ADM and LG-Chem announced a joint venture to develop two production facilities for eco-friendly bioplastics
- In Rockford, AAR announced a multi-year agreement with United Airlines, adding up to 250 aviation maintenance technician positions
- In Bloomington, Rivian has nearly tripled its workforce to build electric vehicles over the past year, and Ferrero announced its first ever U.S. Kinder Bueno production facility
- In Elk Grove Village, Prime Data Centers is constructing a \$1 billion dollar new data center

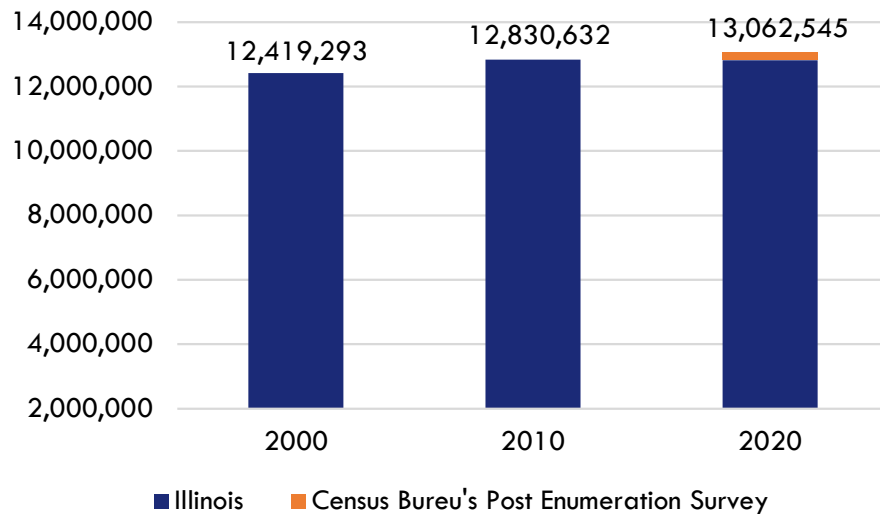


# Illinois' Robust Economic Indicators

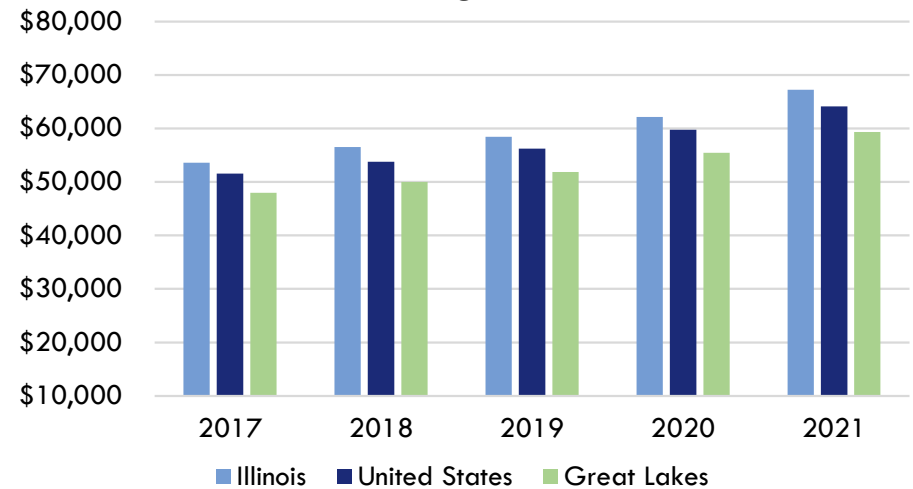


*The State's recovery in economic indicators demonstrates the State's resiliency*

### Illinois' Population



### Per Capita Personal Income Surpasses National and Regional Measures <sup>1</sup>



- Illinois' population tops 13 million for the first time. Illinois' population estimated to have **grown not diminished** contrary to news headlines
  - Census Bureau's Post Enumeration Survey (PES) report issued on 5/8/22 found that Illinois had its population **significantly undercounted** by the 2020 Census (by ~250,000 people)
- Illinois' per capita income is ranked 1st among the Great Lakes region and 3rd among the 10 most populous states<sup>1</sup>
- Illinois' GDP grew 18.2% since pre-pandemic levels of January 2020 (\$880.9 billion), with State GDP reaching \$1.041 trillion by 3<sup>rd</sup> Quarter 2022<sup>2</sup>, which ranks fifth among U.S. states and exceeds many sovereign nations including Saudi Arabia's and Switzerland's GDPs<sup>3</sup>
- Illinois' non-seasonally adjusted unemployment rate has fallen from the pandemic high of 17.7% in April 2020 to 5.1% in February 2022 and to an even further preliminary 4.5% in February 2023<sup>4</sup>

1. Bureau of Economic Analysis retrieved February 14, 2023. The Great Lakes region includes Illinois, Indiana, Michigan, Ohio and Wisconsin.

2. Bureau of Economic Analysis, Gross Domestic Product by State and Personal Income by State, 3 Quarter 2022 and Year 2022.

3. International Monetary Fund, World Economic Outlook (October 2022) <https://statisticstimes.com/economy/projected-world-gdp-ranking.php>

4. U.S. Bureau of Labor Statistics, data as of March 1, 2023

Note: Adjusted Illinois population is for illustration purposes only. The Census Bureau's Post Enumeration Survey (PES) is a follow-up survey to the census count meant to examine the results for accuracy through additional statistical sampling. Adjusted total includes the estimated 250,000 undercount found in 2020 Post-Enumeration Survey Estimation Report plus the April 1, 2020 State of Illinois's population base estimate of 12,812,545 as of December 2022 Source: U.S. Census,

[www2.census.gov/programs-surveys/decennial/coverage-measurement/pes/census-coverage-estimates-for-people-in-the-united-states-by-state-and-census-operations.pdf](https://www2.census.gov/programs-surveys/decennial/coverage-measurement/pes/census-coverage-estimates-for-people-in-the-united-states-by-state-and-census-operations.pdf)

# Illinois' Debt Burden Measures

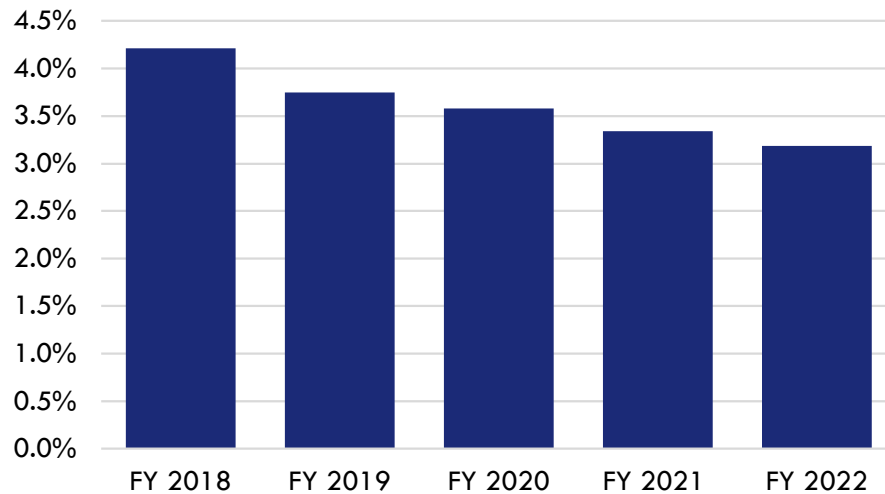


*Illinois has a conservative debt profile*

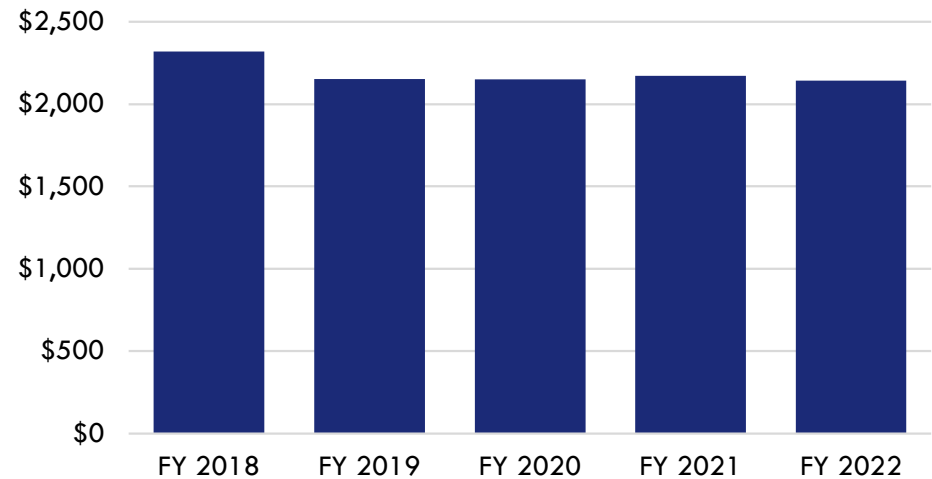
## Debt Service for Long-Term GO Bonds as a Percentage of Appropriations<sup>1</sup>

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total Appropriations (in millions)	\$43,557	\$47,324	\$49,904	\$53,625	\$57,235 <sup>2</sup>
Total GO Debt Service as a Percentage of Appropriations	9.3%	6.6%	6.4%	6.2%	5.9%

## Outstanding Long-Term GO Debt as a Percentage of Total Personal Income<sup>3</sup>



## Outstanding Long-Term GO Debt per Capita<sup>3</sup>



Note: Estimated and projected personal income and population numbers come from the Bureau of Economic Analysis. Data reflects current debt outstanding.

<sup>1</sup> Appropriations include the Road Fund and the General Funds. The General Funds include the General Revenue Fund, the Education Assistance Fund, the Common School Fund, the General Revenue-Common School Special Account Fund, the Fund for the Advancement of Education, the Commitment to Human Services Fund and the Budget Stabilization Fund. Appropriations in this table have been restated to include all the funds currently included in the definition of General Funds.

<sup>2</sup> Preliminary, subject to change. Total Appropriations for Fiscal Year 2023 include enacted Fiscal Year 2023 appropriations and supplemental appropriations contained in Public Acts 102-1121 and 102-1122. It does not include the Governor's proposed Fiscal Year 2024 introduced budget's supplemental changes to the Fiscal Year 2023 budget.

<sup>3</sup> GO Debt includes only debt issued under the General Obligation Bond Act and not debt issued under the Short-Term Borrowing Act or CURE Borrowing Act. Personal Income and population data as of December 2022, Debt outstanding as of June 30 of each fiscal year. Personal Income and population data reflects an average of four quarters of BEA data for all years.

## 5. Pension Update



# Funding Our Pension Obligations



- The FY 2024 budget proposal fully funds the certified pension contribution of \$9.8 billion from the General Funds
- UAAL (actuarial) funded ratio increased year over year from 42.4% in FY 2021 to 44.1% in FY 2022 while the UAAL (fair value) funded ratio decreased from 46.6% to 43.8%
- Investment performance as of June 30, 2022 for TRS was (1.2)%, SURS was (1.4)%, and SERS, GARS and JRS was (6.4)%
- Investment return estimates for the current fiscal year: (i) TRS: 4.4% year-to-date investment return through the end of January, 2023; (ii) SURS: 2.9% year-to-date investment return through January 2023; and (iii) SERS, JRS and GARS: 1.2% year-to-date investment return through February 2023
- Governor continues to explore additional ways to manage our pension commitments:
  - Governor’s proposal to contribute an additional \$200 million in FY 2023 following \$500 million of additional contributions in FY 2022 and FY 2023
  - Public Act 102-718 authorizes an additional \$1 billion in GO Bond Authorization towards the pension buyout programs and extends the option to participate to June 30, 2026

## Investment Rate of Return Assumptions Used by the Retirement Systems

	2009	2022
TRS	8.50%	7.00%
SURS	8.50%	6.50%
SERS	8.50%	6.75%
GARS	8.00%	6.50%
JRS	8.00%	6.50%
Weighted Average*	8.49%	6.84%

\*Each plan’s rate of return has been weighted according to FY 2022 fiduciary net position

**Additional pension contributions coupled with the pension buyout program reduce the share of the General Funds budget going towards pensions**

## 6. Plan of Finance



# Issuance Terms



## Financing Overview

Use of Proceeds	<p>2023A - accelerated pension benefit payments</p> <p>2023B - capital projects (various)</p> <p>2023C - capital projects (technology)</p> <p>2023D - current refunding</p>
Security	<p>The Bonds are direct, general obligations of the State issued pursuant to Section 9 of Article IX of the Illinois Constitution and fund accelerated pension benefit payments pursuant to the Bond Act (“GO Bonds”), and by law the full faith and credit of the State is pledged for the punctual payment of interest on the Bonds as the interest becomes due and for the punctual payment of the principal thereof at maturity, or any earlier redemption date, and premium, if any. The Bond Act provides that the section of the Bond Act making such pledge is irrevocable until all GO Bonds issued under the Bond Act, including the Bonds, have been paid in full.</p>
Interest Payment Dates*	<p>2023A through 2023C - May 1 and November 1, commencing November 1, 2023</p> <p>2023D – July 1 and January 1, commencing July 1, 2023</p>
Principal Payment Dates*	<p>2023A through 2023C - May 1, commencing May 1, 2024</p> <p>2023D - July 1, commencing July 1, 2023</p>
Mode	Fixed-Rate
Ratings (S&P/Moody's/Fitch )	A- (Stable)/ A3 (Stable) / BBB+ (Positive)
Sale Date	Week of April 17th
Closing	Week of May 8th

\*Preliminary, subject to change



# Preliminary Amortization Schedule\*



Year	2023-A Pension	2023-B Capital	2023-C Technology	2023-D Refunding	2023-May Total
2023					-
2024	48,000,000		15,000,000		63,000,000
2025	48,000,000		15,000,000		63,000,000
2026	48,000,000		15,000,000		63,000,000
2027	48,000,000		15,000,000		63,000,000
2028	8,000,000	40,000,000	15,000,000		63,000,000
2029		48,000,000	15,000,000		63,000,000
2030		48,000,000	15,000,000		63,000,000
2031		48,000,000	15,000,000		63,000,000
2032		48,000,000	15,000,000		63,000,000
2033		48,000,000	15,000,000		63,000,000
2034		48,000,000			48,000,000
2035		48,000,000			48,000,000
2036		48,000,000			48,000,000
2037		48,000,000			48,000,000
2038		48,000,000			48,000,000
2039		48,000,000			48,000,000
2040		48,000,000			48,000,000
2041		48,000,000			48,000,000
2042		48,000,000			48,000,000
2043		48,000,000			48,000,000
2044		48,000,000			48,000,000
2045		48,000,000			48,000,000
2046		48,000,000			48,000,000
2047		48,000,000			48,000,000
2048		48,000,000			48,000,000
	<u>200,000,000</u>	<u>1,000,000,000</u>	<u>150,000,000</u>		<u>1,350,000,000</u>

Month:

May

May

May

July

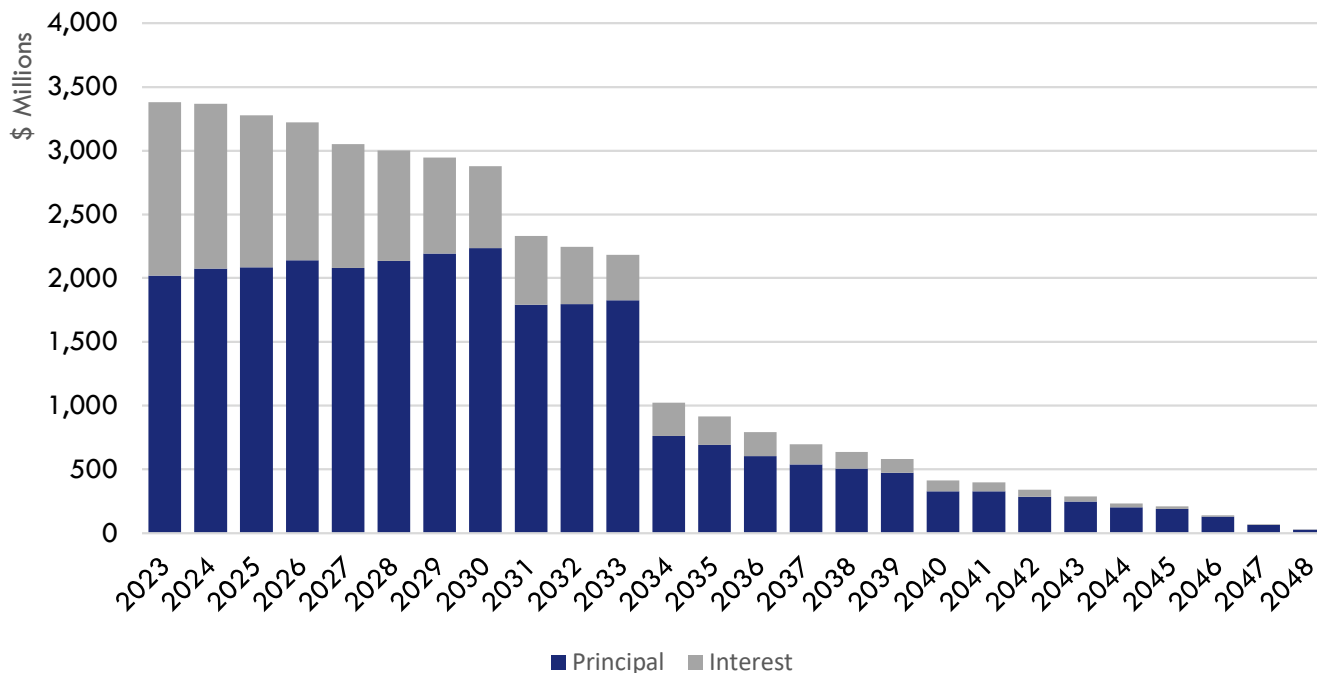
\*Preliminary, subject to change



# General Obligation Bond Overview

- General Obligation bonds are backed by the full faith and credit of the State
- There is a continuing appropriation in place to ensure bond repayment without action by the General Assembly
- GOBRI is a separate fund in the Treasury that is dedicated to the payment of debt service on GO bonds and short-term debt
- All of the State's outstanding debt is fixed rate, with no variable rate debt or interest rate swap agreements

**General Obligation Debt Service By Fiscal Year<sup>1</sup>**



Par Outstanding as of March 1, 2023	
Capital Improvement and Refunding Bonds	\$13.7 Billion
Pension Acceleration Bonds	\$1.1 Billion
Bill Backlog Bonds	\$3.5 Billion
Pension Funding Bonds	\$8.0 Billion
<b>Total</b>	<b>\$26.3 Billion</b>

**Outstanding Debt**

Fixed Rate  
100%

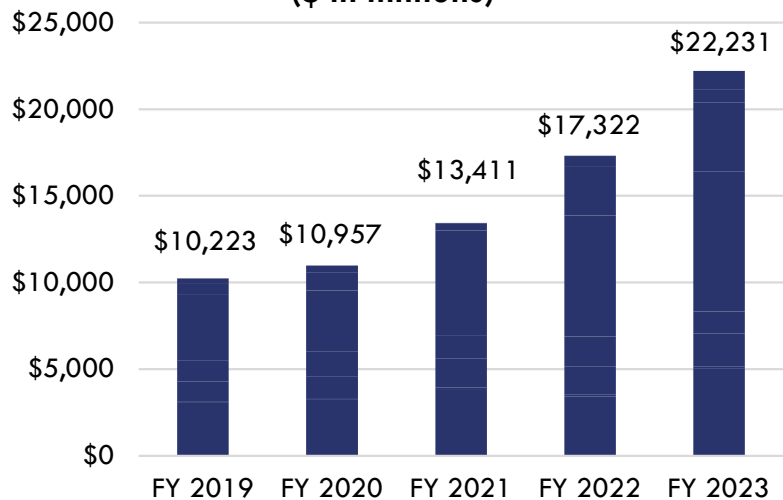
<sup>1</sup>Includes all debt service paid or payable during FY 2023



# General Obligation Bond Overview

- Monies are transferred monthly to the GOBRI Fund and, by law, are used for the payment of GO Bonds issued under the Bond Act, and for the payment of Short-Term Debt
- The Bond Act constitutes an irrevocable and continuing authority for and direction to the Treasurer and Comptroller to make the necessary transfers to the GOBRI Fund
  - The State can draw from all State funds in the State Treasury that are not restricted by law to another use if needed to pay debt service on GO bonds
  - The cash balance in the GOBRI Fund on March 1, 2023 was approximately \$1.28 billion
- Segregation of funds for debt service begins 12 months in advance for principal payments and 6 months in advance for interest payments on GO Bonds

**Cash Balances as of March 1<sup>st</sup>  
Fiscal Years 2019 - 2023  
(\$ in millions)**



TRANSFERS TO THE GOBRI FUND FOR PAYMENT OF DEBT SERVICE <sup>2</sup>					
FISCAL YEARS 2018-2022					
(\$ IN MILLIONS)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
General Revenue Fund					
GO Bonds	\$ 2,899	\$ 2,701	\$ 1,870	\$ 1,529	\$ 1,230
Road Fund <sup>3</sup>	349	339	379	431	470
School Infrastructure Fund <sup>3</sup>	172	107	145	385	281
Capital Projects Fund <sup>3</sup>	285	431	638	783	1,468
<b>Total</b>	<b>\$ 3,706</b>	<b>\$ 3,579</b>	<b>\$ 3,031</b>	<b>\$ 3,128</b>	<b>\$ 3,448</b>

Note: Totals may not add due to rounding

1. Does not include Federal Trust Funds. Includes GOBRI.
2. Does not include debt service transfers on MLF borrowings and short-term debt as may have been from time to time outstanding.
3. Each of the Road Fund, the School Infrastructure Fund ("SIF") and the Capital Projects Fund ("CPF") all pay a portion of the debt service on the State's GO Bonds. Under the State Finance Act, SIF and CPF supplement General Revenue Fund transfers. Pursuant to Section 15 of the GO Bond Act, monies are not required to be transferred if amounts in the GOBRI Fund are sufficient. Therefore, in years in which one or more of these funds is able to pay a greater portion of such debt service, the transfers from the GRF can be reduced.

## 7. Conclusion



# Positioning Illinois for the Future



## Historic fiscal progress

- Eight credit rating upgrades
- Reduced General Funds accounts payable
- State's deep and diversified economy reaches a GDP of \$1 trillion

## State tax revenue growth and sound fiscal policy is driving a stronger balance sheet

- Proposed balanced operating budget, with an projected FY 2024 surplus of \$303 million

## Managing pension commitments continues to be a priority

- Additional \$1 billion authorization for bond funding of pension buyouts, extending the program to 2026
- Proposed additional \$200 million pension fund contribution in FY 2023 would bring the total additional pension fund contributions to \$700 million across FY 2022 and FY 2023

## Key Fiscal steps have included:

- Eliminated the bill backlog
- Eliminated the UI Trust balance and strengthened UI Trust Fund for the future
- Record budget stabilization funding level expected to grow to over \$2.0 billion
  - Legislation directs *permanent revenue streams* to the Budget Stabilization Fund plus \$450M loan repayment from the UI Trust Fund

**The State is in the strongest fiscal position in a generation due to continued strong operating results, significant debt paydown, and replenishment of the budget and pension stabilization funds**

## 8. Timeline and Contacts



# Transaction Timeline and Contacts



Date	Event	March 2023							April 2023							May 2023						
		S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
March 31 <sup>st</sup>	Posted POS				1	2	3	4							1		1	2	3	4	5	6
April 17 <sup>th</sup>	Investor Meeting	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
Week of April 17 <sup>th</sup>	Sale Date	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
Week of May 8 <sup>th</sup>	Closing	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
		26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
									30													

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