**Illinois House Republicans have three main priorities for the FY 26 budget.**

1. Economic Growth (through reform and good policy).
2. Reducing Costs (agency efficiencies, doge, structural reform).
3. No tax increases (expose and oppose).

**Budget Topline Talkers**

* This is the largest budget proposal in state history.
* The Governor’s total FY26 proposed budget is $55.235 billion, a nearly $2 billion increase compared to the FY25 enacted budget – a 3.7% increase.
* The Governor’s FY26 revenue estimate includes $590 million in additional revenue from statutory changes that are not yet in effect and include some pretty aggressive revenue assumptions from the last forecast we received in November 2024.
	+ In fact, GOMB is assuming that the state will take in an additional $2 billion in revenue compared to what was estimated last November.
	+ Clearly, we need to wait for the Commission on Government Forecasting and Accountability to release their revenue estimate in early March before we put stock in the Governor’s revenue assumptions.
* The state is faced with at least a $425 million deficit for FY26 based on existing revenue and the Governor’s spending plan and aggressive revenue assumptions.
* The Governor’s proposal includes needed cuts to completely defund the Health Benefits for Immigrant Adults (age 42 -64), but this budget proposal still funds the Health Benefits for Immigrant Seniors plan ($110 million).
* The governor’s budget does not reflect the overall priorities of the Illinois taxpayers and families.
* Illinois’ budget should be based on estimated revenue. Instead, the Governor proposed $590 million in new taxes, transfers, and other budget gimmicks in an attempt to sustain the uncontrollable spending we have seen over the past six years.
* Instead of reducing overall spending, the Governor is asking taxpayers to again foot the bill so that he can cater to his core constituencies.
* We support a balanced budget without tax hikes and will continue to advocate for a balanced budget without tax increases.

**State of the State Topline Talkers**

* The fact is that the ‘State of the State’ does not look good, and it must improve.
* Our state has spent an estimated $2.8 billion so far for migrants and undocumented residents and continues to spend on services for undocumented immigrants.
* For the 10 years in a row Illinois lost [population](https://www.illinoispolicy.org/illinois-population-drops-for-10th-year-in-a-row-during-2023/#:~:text=Illinois'%20population%20declined%20by%2032%2C826,Illinois%2C%20according%20to%20census%20estimates.)--- in the past year, Illinois has only gained population from migrants coming to Illinois.
* Illinois has the second-highest [property taxes](https://finance.yahoo.com/news/states-highest-property-taxes-230003864.html) in the nation.
* The political environment in our state is arguably the most corrupt in the nation – we need to adopt stronger anti-corruption reforms.
* ***No amount of blaming President Trump erases the poor behavior and bad decisions Illinois Democrats have made in misspending billions in Illinois taxpayer dollars.***

**Republican Priorities Toplines:**

* **Zero-based budgeting** - rather than just slowing the size of the growth of government, we can implement zero-based budgeting that makes every agency verify every penny they spend through an appropriate and thorough appropriations process.
* **No new taxes** - ex) graduated income tax. Instead, we need to give some taxpayer relief - working for reforms to provide meaningful tax relief to Illinois residents.
* **END THE SANCTUARY STATE** policies that have cost our taxpayers billions of dollars. The amount of our budget deficit is almost equal to the amount of money that has been spent over the last few years on cash, health care, and shelter services for illegal/undocumented immigrants who have come here because Illinois operates as a sanctuary state.
* House Republicans are sponsoring a repeal of the TRUST Act that constitutes our sanctuary state policy that has blown a huge hole in our budget. We need to prioritize services for Illinois citizens and our most vulnerable first.
* A **real appropriations process** - this means that all appropriations committees meet in individual working groups to craft a balanced budget based on existing revenues. For years, the HGOP caucus has been roped out of real budget discussions because the state was flush with COVID cash.
* Sunlight is a great disinfectant. For the past several years, we have seen the budget drop on the last day of Session with just hours to go to review thousands of pages of spending, oftentimes sent to agencies in lump sums. Ending that practice and giving the public ample time to review the budget could save our state a LOT of money.
* I want to see some accountability for the mistakes of overspending and overtaxing that have driven residents and businesses out of Illinois.
* I want to hear an admission that we can’t tax our way into prosperity. It’s been tried, and it has failed.
* I want to hear a plan that shrinks the size of government, lowers taxes and the cost of living for our residents, and encourages our residents to stay in Illinois rather than leave for more business and tax-friendly states.
* And I certainly don’t want to hear our caucus be called names like “carnival barkers”, “spelunkers of misery”, or “doom grifters” for sounding the alarm on out-of-control budgets – because our warnings have now come true.

**Immigration spending:**

The annual budget address marks a starting point for negotiations for the FY26 state budget.

The budget represents the spending priorities of the Governor and legislators.

The priorities expressed by Governor Pritzker today are upside down/backward/wrong. In his address, Governor Pritzker called names, played the blame game, and once more promised to send hard-working taxpayer dollars to the Sanctuary City of Chicago to further subsidize the immigration disaster that Democrats from President Biden down to Mayor Brandon Johnson have put upon our country and state through insane/misguided/irresponsible/ill-planned/terribly coordinated Sanctuary city and state policies.

Biden’s open-border policies have ended, but the immigration crisis in Chicago is the direct result of insane/irresponsible/unpatriotic/misguided policy decisions made by Democrat politicians who control the legislature and the Governor’s mansion.

While Governor Pritzker finally recognized it is time to cut costs for Healthcare to Immigrant Adults, it doesn’t undo the fact we have spent over $2.8 billion since 2022 --- money that should have been spent on Illinois citizens.

| **Undocumented and Migrant Spending FY23-FY25** |
| --- |
| **Support Services** | **$ Amount** | **Agency** | **Fiscal Year** |
| Asylum Seeker Assistance  | $478,000,000 | DHS, IHDA, IEMA, HFS | FY23 and FY24 |
| New Additional State Investments | $160,000,000 | DHS | FY24 |
| Emergency Funding Request | $182,000,000 | DHS | FY25 |
| **Healthcare for Undocumented** | **$ Amount** | **Agency** | **Fiscal Year** |
| HBIA/HBIS | $619,200,000 | HFS | FY23  |
| HBIA/HBIS | $773,200,000 | HFS | FY24 (projected) |
| HBIA/HBIS | $629,000,000 | HFS | FY25 |
| **TOTAL**  | **$2,841,400,000** |  |

**Is this Budget Proposal “balanced”?**

* Is the $2.048 billion upward revision in FY26 revenue compared to the November estimate trustworthy? We need to wait to hear what CGFA reports.
* There are 4 major changes that will need to be enacted for the Governor to hit his revenue target (assuming the estimate is accurate)
	1. $198 million in GRF - Delinquent Tax Payment Incentive Program
	2. $171 million in GRF – Pause the final shift (1%) of state sales taxes on motor fuel purchases to Road Fund
	3. $100 million in GRF – Realignment of tax treatment for table and electronic games at casinos
	4. $20 million in GRF – Eliminating the 280E Deduction for state-level deduction for cannabis industry business expenses
* Without these changes, the proposed budget is $425 million out of balance
* The proposal also zeroes out several GRF member projects (not an uncommon practice) – but when all things are considered (HBIA, Welcoming Centers, and other Reductions) is this proposal D.O.A.? Does anyone believe that the majority party in the General Assembly will allow these programs to be cut? Expect tax hikes.
* We are still increasing spending at a greater rate than revenue is expected to grow
	1. Revenue projected to grow by $1.618 billion compared to FY25 revised estimate – 3% increase
	2. Expenditures projected to grow by nearly $2 billion compared to FY25 – 3.7% increase (not including the FY25 supplemental request of $550 million
* $55.235 billion spend is, again, the largest budget in state history. Over $15 billion higher (38% increase) compared to Pritzker’s first budget year (FY20)
	1. Somehow, and despite several tax increases, we are out of money.
* Mass Transit Fiscal Cliff and We Are One Pension Proposal are pressures not contemplated in the Governor’s budget (although he is proposing fixing the Tier 2 wage base/Safe Harbor fix for $78 million in FY26.

**Taxes/ Need for Tax Relief:**

COVID-19 funding from the Federal government has run out, and it’s time for Democrats to face the reality that they have over-promised, overspent, and underdelivered for Illinois taxpayers. Taxpayers and job creators are going to face this reality as well.

Illinois is one of 44 states that imposes a corporate income tax. The nonpartisan Tax Foundation recently ranked Illinois as the 2nd worst place state of those 44 for corporate taxes with Illinois’ corporate tax rate clocking in at 9.5%.

As the Illinois economy lags behind neighboring states, our confiscatory tax rates hurt our residents and the businesses both large and small that employ them.

Corporate taxes in Illinois are already the 3rd highest in the country. The Governor is now talking about raising business taxes even higher to pay for out-of-control spending.

WalletHub has again ranked Illinois 50th out of the 50 states and Washington D.C. in overall property tax burden.

Illinoisans consistently pay some of the highest combined tax burden in the nation after paying income, sales, property taxes, and fees.

Biden-era inflation, high taxes, and dwindling economic opportunities have harmed working families and individuals in the state of Illinois. Our citizens cannot afford more out of control spending, misplaced priorities, higher taxes, and more inflation.

Knowing that our families are struggling under the weight of some of the highest taxes in the country, House Republicans have introduced multiple bills that would provide permanent tax relief on things like food, medicine, and school supplies.

**Transparency/Budget Practices:**

For years, Democrats who control the House and Senate have taken an unethical and irresponsible approach to budgeting that have led us to this precarious financial position.

* Democrats have shut out all Republican input and negotiated billions of dollars of new spending behind closed doors.
* Democrats have repeatedly introduced budgets spending billions of dollars in the dead of the night at the 11th hour of Session with very little to no time for Republicans to review the document before voting on it.
* Democrats have increased baseline spending by billions of dollars despite warnings that revenues from the Federal government were one-time infusions related to COVID. Now taxpayers will be on the hook for the Democrats’ reckless spending policies.
* Democrats have prioritized spending money on special projects in Democrat-represented districts while cutting out important projects in districts represented by Republicans.

State law requires that the House of Representatives adopts a Revenue Estimate prior to passing any spending plan. This practice has been abandoned by House Democrats for years, leading to confusion and a lack of transparency for the public.

Our focus will be to hold the Democrat supermajorities in the House and Senate responsible for these unethical, non-transparent, reckless budget practices that have led our state to the financial brink.

If recent history repeats itself, we should expect to see Democrats vote to spend more of your hard-earned money and refuse to pass legislation that would cut taxes or reduce financial pressures on working families saddled with the worst inflation in more than 40 years.