

FISCAL FOCUS

**Exploring
Southern
Illinois**
PG 28

INSIDE STORIES

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MAY 2025



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

FROM THE COMPTROLLER

Meeting challenges,
planning for the future



Dear Readers,

Welcome to our latest edition of Fiscal Focus. This issue covers several topics including a look at how schools are faring under Evidence Based Funding, and the return on investment for the state's Breast and Cervical Cancer program.

It's already been such a crazy year with so much uncertainty regarding federal funding and threats to vital programs for our most vulnerable. I am closely monitoring the situation and continue to pay bills on time and faster than the private sector. Illinois has made such a comeback, and is a wonderful place to raise a family, run a business or go to school. I don't want to see us return to the days of having to make nearly impossible choices about which bills to pay and programs to fund.

This Fiscal Focus takes us inside the Chicago Children's Advocacy Center, serving and protecting young victims of abuse and highlights economic development happening around the state. What I am really excited about in this issue is showing you the beauty of southern Illinois, and the many activities offered in the region. Whether you want to soar through the trees or hike in the hills, there is so much available right here in our state. Southern Illinois is truly a magical and beautiful place that everyone needs to visit.

People often envision Chicago or miles and miles of cornfields. But Southern Illinois is like a whole other world, lush with forests, rock formations, wineries and kind-hearted residents. I brought 13 Central Asian business leaders to tour the area, see its business potential and natural beauty, but what they were most impressed with was the Southern hospitality that greeted them. I hope you're inspired to check out the area. You will be so glad you did.

Susana A. Mendoza

A handwritten signature in black ink that reads "Susana A. Mendoza". The signature is written in a cursive, flowing style.

Illinois State Comptroller

ASYLUM SEEKERS TRANSPARENCY PORTAL



In February of 2024, amidst busloads of asylum seekers being sent to Chicago from Texas, Comptroller Susana Mendoza opened a new transparency portal on the Illinois Office of Comptroller (IOC) website. The transparency portal displays how much state government is spending on the needs of these migrants.

It's modeled after Comptroller Mendoza's nationally recognized COVID-19 expenditure transparency portal, which tracked - down to the last glove - expenses related to coping with the pandemic. That database was cited in an Associated Press survey of all 50 states to gauge how transparent they are with details about their COVID-related spending. The survey showed Illinois led the pack. Of all the states, "Illinois has one of the most detailed tracking websites," the AP report stated, adding that, "In most states, it's not that easy."

Through the Asylum Seekers Transparency Portal, users can see expenditures, with information

including the vendor's name, which agency paid the vendor, which state fund the money came from, contract information and the total amount paid. The idea is to provide as much transparency as possible so taxpayers can see what is being spent, and to keep a visible, running total of state expenditures.

The database is built based on the reporting of state agencies. On November 1, 2023, the IOC started requiring state agencies to signify via coding, grants and operational expenses related to the care of asylum seekers.

This transparency portal is useful in painting a picture of how much of the burden the state is shouldering when it comes to the thousands of migrants that have been bused to Illinois, many in the dead of winter.

It should be noted however, that the transparency portal does not include:

- The bulk of the \$478 million Governor JB Pritzker announced in his budget address that has already been spent or appropriated towards asylum seekers.
- Other funding for routine immigration-type services, such as medical or rental assistance that may not be identified by the agency as "asylum seeker" spending.

The IOC database currently shows more than \$158 million dollars in asylum seeker expenditures reported to the Office of Comptroller since November 1, 2023.

To view the portal, visit: <https://illinoiscomptroller.gov/financial-reports-data/data-sets-portals/chartsgraphs/asylum-seekers>

BY THE NUMBERS



In the past four years, Illinois has invested \$57 million in breast and cervical cancer screenings and education.

Last fall, the Illinois Office of Comptroller (IOC) launched a new website to reflect the return on investment of the Illinois Breast and Cervical Cancer Program (IBCCP). The program provides free mammograms, breast exams, pelvic exams and pap smears for eligible women, in most cases women who don't have insurance or whose insurance doesn't cover these screenings.

"My office prioritizes transparency, and our efforts focus on making sure taxpayers know how their money is being spent," said Comptroller Mendoza. "There is no doubt programs designed to catch and treat breast and cervical cancer in its earliest stages are a great investment."

According to the Centers for Disease Control and Prevention (CDC), detecting breast and cervical cancer early on helps reduce the cost of treatment and increases a patient's chances of survival.

Find more information about IBCCP at: <https://dph.illinois.gov/topics-services/life-stages-populations/womens-health-services/ibccp.html>

\$29.8 BILLION ----- annual cost of breast cancer care in 2020.

\$119,000 ----- average cost per patient to treat breast cancer.

272,000+ ----- new cases of breast cancer diagnosed nationally in 2021.

26% ----- reduction in breast cancer deaths for women aged 50 to 74 who are screened every two years.

\$2.3 BILLION ----- annual cost of cervical cancer care in 2020.

\$160,000 ----- average cost per patient to treat cervical cancer.

13,000 ----- new cases of cervical cancer diagnosed nationally in 2021.

90% ----- of women diagnosed with early-stage cervical cancer live five years or more.

20% ----- of women diagnosed with late-stage cervical cancer live five years or more.

≈ 15,000 ----- breast cancer screenings through the IBCCP in FY 2024.

5,000+ ----- cervical screenings through the IBCCP in FY 2024.

CHICAGO CHILDREN'S ADVOCACY CENTER

Championing Child Protection in Illinois

On Chicago's Near Southwest Side, the [Chicago Children's Advocacy Center \(ChicagoCAC\)](#) serves as a vital nexus for young survivors of abuse. As the largest children's advocacy center in Illinois, ChicagoCAC has been at the forefront of child protection services for over two decades, coordinating the efforts of child protection staff, law enforcement professionals, medical experts, and mental health practitioners.

Founded in 2001, ChicagoCAC has a clear and powerful mission: "to unite public, private and community partners to ensure the safety, health and well-being of abused children." This mission drives every aspect of the center's daily operations, reflecting a deep-rooted commitment to child protection.

Jason Wynkoop, Chief Program Officer of Advocacy & Investigation, emphasizes the unique and critical role ChicagoCAC plays in Chicago: "I want people to understand that we're standing in a very important gap for families, and that we're the only people in Chicago that do this work. So, we're the only people in Chicago that coordinate these investigations and to coordinate services across the city with other agencies. We have a really critical role in this infrastructure for survivors of child sexual abuse."

The ChicagoCAC's approach is as comprehensive as it is compassionate. At the core of their services are forensic interviews, conducted by specially trained



An exterior view of the ChicagoCAC facilities.



IOC and ChicagoCAC members on a tour of the facilities.

professionals in an environment carefully designed to support children through their healing journey. These interviews are crucial in gathering information while minimizing trauma to the child.

ChicagoCAC provides a full spectrum of care, addressing both the immediate and long-term needs of abused children and their families. The center offers medical examinations provided by expert pediatricians with extensive experience in child abuse cases. This medical expertise ensures that children receive the care they need while also gathering crucial evidence when necessary. Understanding that the impact of abuse extends beyond physical harm, ChicagoCAC provides extensive mental health services. These include trauma-focused therapy for both children and their caregivers. When the pandemic caused shutdowns, the center was able to shift to telehealth options, ensuring that vital mental health support remained accessible

even during challenging times. On a recent visit to the facility, the Comptroller was impressed with the comprehensive scope of care and services offered, noting how the center's integrated approach creates a supportive environment for children during incredibly difficult circumstances.

Family advocacy is a necessary element of ChicagoCAC's comprehensive approach. The center provides support and resources to families and caregivers, helping to create a stable and supportive environment essential for children's healing journey.

ChicagoCAC's impact is both extensive and vital. Each year, the center serves more than 2,000 children and families, providing a critical safety net for Chicago's youth. Additionally, they coordinate investigations for over 3,000 reports of child sexual abuse annually. This multidisciplinary approach ensures that children receive comprehensive care while minimizing the trauma of the investigative process.



Jason Winkoop and Comptroller Mendoza on a tour of the ChicagoCAC facilities.

In addition to direct services, ChicagoCAC extends its influence through professional education. The center provides specialized training to over 2,000 professionals annually, helping to build a network of informed and capable individuals across various fields related to child protection.

Rhiannon Reaves, LCPC, Director of Clinical Services, highlights one of ChicagoCAC's long-standing initiatives: "We do have a coalition called Casa CD, which is dedicated to prevention of sexual abuse of kids with disabilities. It's an initiative we've had here for a long time, and we've tried to work with our partners and community agencies on expanding awareness and training and best practices in responsiveness to youth with disabilities who experience sexual abuse."

ChicagoCAC's effectiveness stems from its strong partnerships with key stakeholders in child protection. The center works closely with the Chicago Police Department, the Department of Children and Family Services, and the Cook County State's Attorney's Office. This coordinated approach ensures

a comprehensive response to child abuse cases, from investigation to prosecution and beyond.

As a non-profit organization, ChicagoCAC operates with a deep commitment to fiscal responsibility and transparency. In fiscal year 2020, the center's total revenue was approximately \$10.6 million, with about 67% coming from government grants. The efficient use of these resources is reflected in ChicagoCAC's four-star rating from Charity Navigator, a testament to the center's strong financial health and commitment to accountability.

ChicagoCAC continues to evolve and expand its services to meet the changing needs of the community. In April 2023, the center received a significant boost to its capabilities with a \$1 million federal grant, earmarked by Illinois Senators Dick Durbin and Tammy Duckworth. This funding addresses a critical need: as of early 2023, 257 children were on the waitlist for services, with average wait times stretching to 86 days. Moreover, about 33% of cases

were considered severe, a 10% increase from pre-pandemic levels. The grant is intended to allow ChicagoCAC to construct new private offices within the center, significantly reducing wait times and improving their capacity to serve children in need.

The ongoing Growing & Giving campaign represents an even more ambitious expansion of ChicagoCAC's capabilities. Char Rivette, CEO of the center, has outlined plans for a new 50,000-square-foot building that will connect to the current 42,000-square-foot facility. This expansion, with an expected cost of \$40 million, will more than double ChicagoCAC's physical capacity. The project has already secured significant support, including funding from state and federal governments, and a \$5 million commitment from the city of Chicago. This multi-level government backing underscores the recognized importance of ChicagoCAC's work in child protection and advocacy.

These expansion efforts aim to enable ChicagoCAC to extend its care and support to more children and families throughout Chicago, addressing the growing need for their crucial services. However, Michelle Swenson, CPA, Chief Financial & Operations Officer, notes a challenge the organization faces: "We are somewhat of an under-the-radar nonprofit. People tend to know about us only when they need us, and I would love for us to be more known out in the community, that we are a resource to people." This highlights the ongoing need for increased awareness of ChicagoCAC's vital role in the community.

The ChicagoCAC exemplifies the vital role that specialized non-profit organizations play in our child protection system. By coordinating efforts across multiple agencies, providing comprehensive services, and continuously adapting to community needs, ChicagoCAC not only aids in the investigation and prosecution of child abuse cases but also helps young survivors begin their journey of healing. As Chicago continues to face the challenge of child abuse, the ChicagoCAC stands ready, a beacon of hope and a champion for those who need it most.

ECONOMIC DEVELOPMENT NOTES

The time for growth in Illinois is now, and that was evident in 2024. Here's a look at some of the economic developments and tourism efforts around the state last year and continuing into 2025.

MARCH 2024

In March, the Illinois Office of Tourism launched an effort to promote outdoor activities in Illinois. The video series was called "Real People, Real Stories, Real Outdoors," and featured people talking about their love of fishing in Illinois, nature escapes near Chicago and the unique beauty of southern Illinois. The state is home to 70 state parks and recreation areas, 2,900 lakes and seven national scenic byways, all pumping money into the state's economy.

There was also a push to help the public plan to see the April 8th eclipse, especially in the Carbondale area which benefitted from the influx of visitors to the area for the event.

Also in March, Site Selection Magazine ranked Illinois #2 in the nation for corporate expansion and relocation for the second year in a row, with 552 such projects in 2023.

APRIL 2024

French agriculture-tech firm Innovafeed opened the North American Insect Innovation Center (NAIIC) in Decatur. The company is a global leader in the production of insect ingredients for high-quality animal feed, pet food and plant nutrition and this is their first plant in North America. The innovative bug farm which grows black soldier flies is working closely with ADM, connecting the plant to the company's corn processing wet mill.

MAY 2024

In May, Bedrock Materials, which is a battery technology startup, revealed plans to locate its research and development headquarters in Chicago, creating at least 25 new jobs. The company works to make electric vehicles more affordable by commercializing sodium-ion battery materials.

MAY 2024, CONTINUED

Additionally, Governor Pritzker announced in May that there was a 39% increase in international visitors to Illinois from 2022 to 2023. An estimated 2.16 million people visited the state from other countries last year, pumping nearly \$2.7 billion into Illinois' economy.

JUNE 2024

IRONMAN announced in late June that Rockford would host the IRONMAN 70.3 triathlon from 2025 to 2027. This will be the first time IRONMAN has been held in Illinois and the race is expected to have an economic impact of about \$45 million over the three years.

Also in June, Governor Pritzker announced that 2023 was a record year for export sales, totaling over \$78.7 billion. Illinois is the fifth leading state in the U.S. for exports.

JULY 2024

Federal, state and local leaders announced the Illinois Quantum and Microelectronics Park (IQMP) would be built on the south side of Chicago. The park is a 128-acre public-private venture which will include shared cryogenic facilities, labs and research areas. PsiQuantum was named as the quantum campus' first tenant.

AUGUST 2024

Ymer Technology manufactures electric vehicle (EV) components for the heavy equipment industry and celebrated the grand opening of its new U.S. headquarters in Buffalo Grove. Ymer joins several other companies in the EV industry that now call Illinois home.

SEPTEMBER 2024

Crysalis Biosciences Inc. took advantage of the state's Reimagining Energy and Vehicles in Illinois (REV Illinois) program and announced plans to develop a first of its kind sustainable aviation fuel plant in Sauget. It will be a \$239.5 investment and create at least 35 new jobs.

OCTOBER 2024

Systemex America, Inc., which manufactures medical diagnostic equipment, announced the expansion of operations in northeastern Illinois, creating 110 new full-time jobs and retaining nearly 550 existing jobs.

Additionally, \$7.9 million was awarded as part of 11 grants through the Illinois Grocery Initiative to address food deserts and grocery stores on the verge of closing.

NOVEMBER 2024

In November, Governor Pritzker announced Wiegel Tool Works' \$5.5 million investment to expand its headquarters in Wood Dale. Wiegel is purchasing state of the art machinery and equipment to produce products for the clean energy sector.

Also in November, the state announced \$2.3 million for tourism grant programs. The money can be used for new events and festivals, or to expand existing attractions like museums and amusement parks. Another \$857,000 was awarded to 11 local tourism and convention bureaus across the state.

DECEMBER 2024

Southwest Illinois received some great news in December, as Avina Clean Hydrogen announced they would be building an \$820 million sustainable aviation fuel facility, creating an estimated 150 new full-time jobs, plus 1,000 construction jobs in the area. The state-of-the-art facility is expected to produce up to 120 gallons of green fuel annually.

JANUARY 2025

In January, the Governor announced that private sector investments in Illinois nearly doubled from \$6.3 billion in 2023 to \$12.5 billion in 2024. Especially remarkable was the increased investments in the growing industries of quantum and clean energy.

There was also the long-awaited news that Stellantis would reopen its plant in Belvidere to produce a new mid-size truck. The deal includes bringing back 1,500 union workers with production set to begin in 2027. The plant was idled in February 2023, leaving about 1,000 people out of work. Stellantis will be investing \$1.2 billion into the Belvidere plant.

FEBRUARY 2025

New investments to the tune of \$4 million in the Freedman Seating Company's Chicago manufacturing facility were announced in February. This will create 50 new full-time jobs and retain 676 jobs. Freedman is one of the world's largest specialty seating manufacturers.

Also in February, the Governor announced an \$18.6 million investment in Holcim's Chicago operation headquarters for the company's North American spinoff - Amrize.

MARCH 2025

In March, Site Selection Magazine ranked Illinois #2 for corporate expansion and relocation for the third year in a row. According to the Illinois Department of Commerce and Economic Opportunity, there were 664 business expansion or relocation projects last year in Illinois (up from 552 in 2023). Companies include PsiQuantum, Systemex America, Wieland Rolled Products North America and Ymer Technology.

APRIL 2025

The Governor announced a \$25 million capital investment in Epic Medical's new IV manufacturing facility in Pekin, which will initially create 50 new full-time jobs. This will be the company's first U.S. facility.

MAY 2025

Electric bus company Damera announced plans to open its first U.S. assembly plant in the Peoria area. It's estimated the company will make a capital investment of more than \$31.5 million over four years and create 90 new full-time jobs.

PRE-PAYING PENSIONS



A new cash management tool brings more stability to state pension systems.

The 2024 spring legislative session produced a new cash management tool championed by Illinois Comptroller Susana Mendoza. A provision in the Fiscal Year 2025 Budget Implementation Bill gave her the ability to pre-pay pension payments

This is important for a few reasons. First, it brings more stability to the state's five pension systems by making an early payment in months when the state can afford to do so. Secondly, it lets those systems keep more money in their investment portfolios and further grow earnings.

Last summer, the IOC made the first pension pre-payment as allowed under the new language. The July payment to the state pension systems totaled \$1.284 billion, which includes \$422 million in pre-payments towards November's monthly installment, or 50% more than the usual monthly amount. The Comptroller selected November since it is a month with historically low state receipt deposits, and any help to address expenses for this month is effective cash management.

On November 6, the IOC processed this additional required payment from the state's General Revenue Fund with additional funds made possible from revenue deposits from the Income Tax Refund Fund.

Previously, state law prohibited the IOC from making more than one preset monthly payment to the pension systems. The change, which Comptroller Mendoza sought during the spring session, allows her to pay more into state pensions earlier in the year when fund balances are strong.

The IOC put this new cash management tool to work last fall. Comptroller Mendoza penned a letter to the four legislative leaders, notifying them that her office had received the State Employees' Retirement System's (SERS) final General Revenue Fund (GRF) employer contribution obligation for FY 2024. This is the total amount the state must put toward the pension systems for FY 2024, and it came to \$1.940 billion...\$263 million higher than originally anticipated and appropriated.

After pre-paying 50% of the retirement system's November payments in July, Comptroller Mendoza directed additional funds in November to make up for that shortfall through continuing appropriation authority. She further encouraged budgeteers to make sure this final contribution amount was included in current budget document totals, since the \$263 million reduced GRF balances more than expected.

The move was applauded by pension system leaders;

"The pre-payment of monthly state contributions allows the retirement systems to keep assets working to generate investment returns longer, improving the financial condition of the systems and potentially reducing required state contributions in the future. We appreciate the efforts of Comptroller Mendoza in

getting this law enacted and in making accelerated payments the first month the option is available," said Tim Blair, Executive Secretary of the State Retirement Systems.

It's anticipated that pre-paying \$422 million of the state's monthly pension contribution will allow funds to remain invested for a few months longer, generating an additional \$7 million.

TIER 2 CONCERNS

Tier 2 was intended to help ease rapidly rising state pension costs in Illinois and the underfunding of state pensions. It applied to workers hired starting in 2011. The benefits are a reduced version of the original Tier 1 package state workers have been receiving for decades.

Since Tier 2 took effect, concerns have been raised. Under Tier 2, employees must work more years for full retirement benefits and receive less benefits than their Tier 1 co-workers. Those covered by the state pension systems include some local first responders, and police departments have expressed frustration about the change, saying it is making it harder to recruit new officers. Others covered by the state pension systems are teachers, firefighters and nurses.

Another problem is that the Tier 2 benefits may violate what's called federal "Safe Harbor" laws, which say that plans like pensions can't be worth less

than what a person would get from Social Security. If Tier 2 doesn't comply with the law, the state and many employees who don't pay into Social Security, including teachers and university employees, may have to start paying federal payroll taxes.

IS THE FIX TOO COSTLY?

The legislature's Commission on Government Forecasting and Accountability (CGFA) released an analysis of a union-supported bill (HB 5909) from the previous general assembly that tweaks Tier 2 benefits to comply with Safe Harbor laws, increases pension benefits for first responders and brings the retirement age requirements more in line with the Tier 1 plan. The report from CGFA found these changes would cost taxpayers nearly \$30 billion through the end of Fiscal Year 2045.

At press time, legislation addressing Tier 2 was under debate.

SECA

State and University
Employees Combined
Appeal



The IOC kicked off the 2024 SECA campaign with a breakfast fundraiser.

The [State and University Employees Combined Appeal \(SECA\)](#) wrapped up in mid-November. SECA offers state government and university employees the opportunity to donate to their favorite charities through payroll deduction.

The theme of the 2024 recent campaign was "Do Good, Feel Good," since it always feels great to help others, and SECA makes that easy. There are more than 1,600 local, state and national charities in the program, and the one and only Mr. T was SECA's Honorary Chair.

"The charities address needs like after school programs, animal shelters, cancer research and support for sexual assault survivors and the homeless," said Comptroller Mendoza. "No donation is too small to make a difference and I'm so proud of the state employees who participate every year."

The 2024 campaign received over 1,520 donations and including three statewide fundraisers, SECA raised nearly \$344,000!

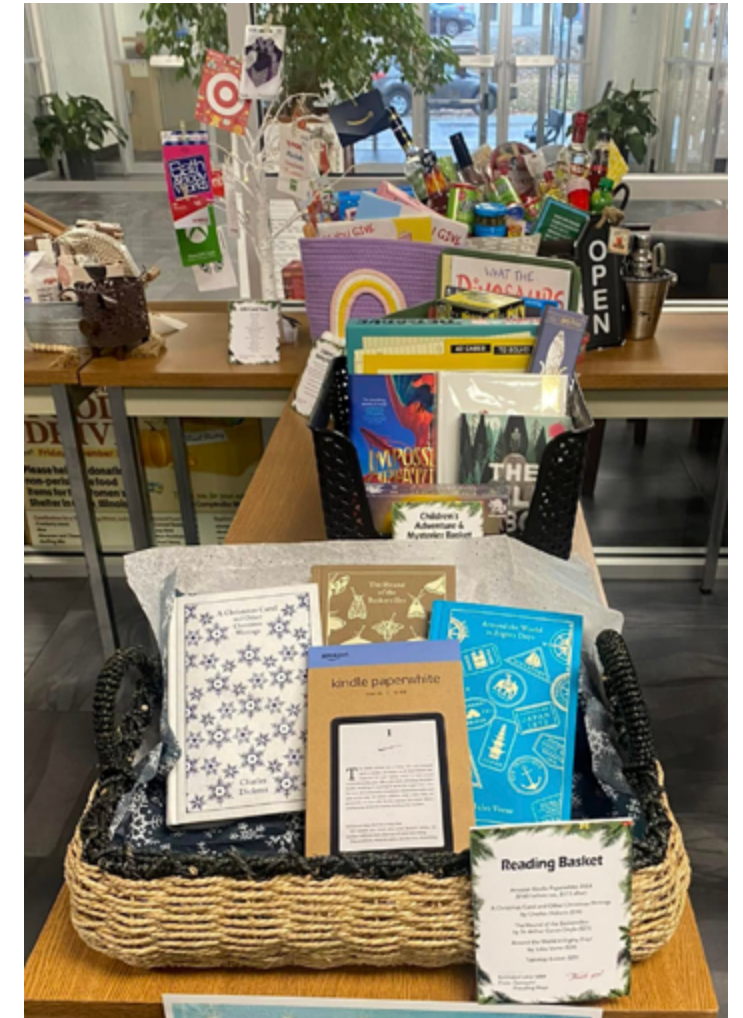
The annual SECA campaign is held each fall when employees can sign up to donate a certain amount from each paycheck to the charities of their choice. One-time gifts are also an option.



Golfers line up for a round of play at the annual SECA golf outing in Springfield.

SECA "Ambassadors" at state agencies and universities also organize fundraisers throughout the campaign, such as golf outings, bake sales and chili cook-off contests to benefit various causes.

The 2025 SECA campaign kicks off September 17th and runs through November 12th. The theme this year is "Chip In and Help Out."



A table of gift baskets from the SECA Silent Auction hosted last November.

The SECA workplace giving campaign was created in 1983 and since then, state employees have contributed more than \$84 million dollars through the program. It is administered by the Illinois Office of Comptroller.



EVIDENCE-BASED FUNDING

A Look at the State's Efforts Towards Equitable Funding

School funding in Illinois is always a hot topic. Most parents probably think their child's school should be receiving more money. Some districts get more than others, and local taxpayers are often asked to help pick up the slack.

There have been changes in recent years to make funding more equitable around the state, so that the schools struggling the most receive a larger chunk of state money. Recently, leadership at the Illinois Federation of Teachers (IFT) and the Illinois Education Association (IEA) penned a joint letter raising concerns about the Evidenced Based Formula (EBF) that was put into place in 2017. They said ...

"Since adopting the [EBF], Illinois has only provided the statutory minimum of about \$350 million annually, leaving a funding gap of \$2.3 billion. Amid record inflation and shrinking government grants, this funding is increasingly insufficient."

When considering this complex issue, it's important to review the history of this massive change in how the state funds schools and take a look at how it's working so far.

2017 SCHOOL FUNDING REFORMS

In 2017 the Illinois General Assembly passed, and Governor Bruce Rauner signed into law historic legislation to overhaul the way schools are funded by the state. Prior to the passage of PA100 -0465 (Manar/Davis), Illinois had the most regressive school funding formula in the nation. A report by the Education Trust in 2015 found that for every dollar Illinois spent on non-low-income students, the state spent only \$0.81 on low-income students.¹ This disinvestment in Illinois' most at-risk youth showed across income levels and racial lines. For example, the achievement gap between white students and black students in fourth grade reading proficiency, a key indicator of future success and earning potential, was 31% in 2017.²



Comptroller Mendoza and Chicago Fire coaches hold a soccer clinic at Chicago Public School's Smyser Elementary.

HOW DID THESE INEQUITIES GET SO BAD?

Under the new law, Illinois went from a one-size-fits-all General State Aid (GSA) funding model for schools to the Evidence Based Funding (EBF) model that focuses on the individual student needs of a school district. Under the previous formula, a district's funding was based heavily on student attendance and was cobbled together through a combination of state and local dollars to provide a baseline per pupil amount. This per pupil figure was called the Foundation Level, and by the last year of GSA (Fiscal Year 2017), that level had not been raised in seven years, despite recommendations from the Education Funding Advisory Board to raise the amount from \$6,119 per student to \$9,423 per student.³ In fact, in its 2017 report to the

General Assembly, the Education Funding Advisory Board (EFAB) noted that the Foundation Level set in statute had fallen short of their recommendations since the first recommendation was adopted in FY 2002. To make matters worse, years of proration, a policy that cut school funding by the same percentage for each district, had deepened the funding disparities among school districts.⁴

In their January 2015 report to the General Assembly, EFAB implored members of the General Assembly to end the practice of proration, which in FY 2015 resulted in districts receiving only 89% of dollars owed to them.

At the risk of having our initial recommendation ignored, EFAB is compelled to note that if underfunding is to continue, then

the policy of prorations should be ended... Imagine a year in which the state appropriates funding sufficient to cover only 90% of the GSA claim and how that would affect two districts—one heavily reliant upon state resources, which constitute 60% of its budget, and another less reliant upon the state and receiving only 10% of its total budget from the state. Each district may lose 10% of its GSA claim. But the district dependent upon the state loses 6% of its total budget. The wealthier district's 10% cut in GSA results in only a 1% cut in its total budget. So, a seemingly fair method of dealing with a funding shortfall ultimately has a more devastating effect on our school districts that are least capable of absorbing funding losses.⁵

miracle influx of state revenues, or relief of other state funding pressures, it is clear that Illinois is not going to meet its goal of 90% school funding by 2027. As the state gets closer to this deadline, questions are being raised about what sort of financial progress Illinois has made in school funding, and what impact EBF has had.

HOW DOES EBF WORK?

EBF recognizes the unique characteristics of students that make up a school district and calculates how much funding a school district needs based on their student population. The model includes 34 cost factors that take into account the demographics, regional wage differences, and research-based interventions and investments needed in each district. Based on these cost factors, the Illinois State Board of Education (ISBE) calculates each district's Adequacy Target which represents what full funding for each district means. The model then calculates a district's local capacity target to determine how much a district can contribute toward their own Adequacy Target. The formula then looks at what the district received from the state in the previous year to determine the district's current adequacy funding. Districts are placed into four tiers based on their level of adequacy and new money is then distributed to the least well-funded districts starting with (and most heavily to) Tier 1 and 2 districts. Fifty percent of new dollars are distributed to Tier 1 school districts, 49% goes to Tier 2 districts, 0.09 % goes to Tier 3 and 0.01% goes to Tier 4.

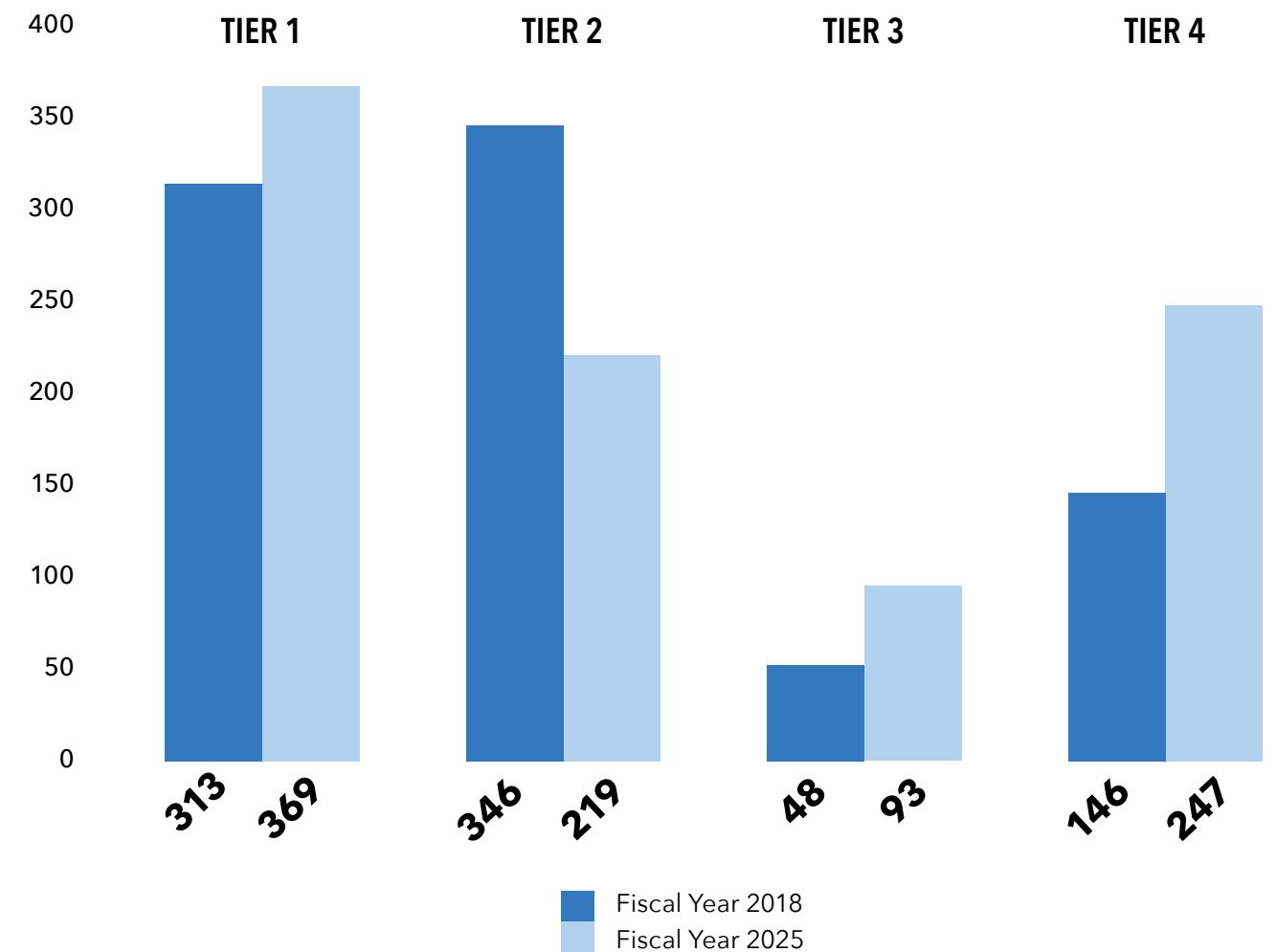
As mentioned above, statute requires that the state increase funding to by a minimum of \$350 million each year - with \$300 million to go through the EBF formula, and \$50 million to go to the Tax Relief Grant Fund.⁷ The state has met that obligation each year

NEW FORMULA FUNDING GOALS

After years of advocacy and negotiations on the part of education reform groups, former State Senator Andy Manar and State Representative Will Davis, the new Evidence Based Funding (EBF) formula was signed into law with a statutorily established 90% funding goal by 2027. The law also included a non-binding agreement to appropriate an additional \$300 million to be distributed using the new formula, and an additional \$50 million a year to fund a property tax relief grant. In FY 2025, after seven years of the General Assembly making good on its funding commitment (except for FY 2021, when the state was in the early chaos of COVID-19), the amount still required to get all districts to 90% adequacy stands at \$2.33 billion.⁶ To meet this funding target by FY 2027, the state would need to increase funding by \$1.1 billion each of the next two years, which just isn't feasible. Short of a

Total Yearly EBF Contribution and CPS EBF State Contribution

(source ISBE EBF calculation data)



the formula has been in place, except for FY 2021, when state resources were limited due to COVID-19 and lawmakers held school funding flat. The law imposes a deadline of getting each district to 90% adequacy by 2027. This would represent full funding for a district, because in general, the remaining 10% comes from federal money.

SHIFTING TIERS

Importantly, every year, ISBE recalculates the "cutoff" points delineating the various tiers. As the state does a better job funding districts overall (by making good on its

promise to appropriate at least \$300 million through EBF each year), the cutoff for being a Tier 1 school increases. In FY 2018, districts funded at 65% adequacy or lower were considered Tier 1. In FY 2025 that number increased to 78%, representing significant state progress. The graph above further illustrates how district tier counts have changed since EBF was enacted.⁸

In FY 2018, \$366.6 million was available for EBF new tier funding, while in FY 2025, \$350 million was available for tier funding, with \$50 million being distributed through a Property Tax Relief Grant. However, these

numbers are a little misleading as total FY 2025 appropriations for K-12 funding, which includes new tier funding of \$8.629 billion, are much higher than total K-12 funding appropriations for FY 2018, which was \$6.676 billion. This resulted in a \$1.953 billion increase in funding for K-12 districts in FY 2025 compared to FY 2018.

Additionally, in the 2018 school year there were approximately 1.2 million students in districts funded at or below 70% adequacy. That number has decreased to approximately 177,000 for the 2024 school year. The number of students in districts with at least 90% funding adequacy has increased by nearly half a million in the same time period. The percentage of low-income students in districts with 70% or lower adequacy was 79% in the 2018 school year. That number decreased to 8% for the 2024 school year.⁹

PUTTING THE MONEY TO GOOD USE

According to the 2024 Evidence-Based Funding Spending Report from the Illinois State Board of Education, Tier 1 districts have used the increased funding to reduce class sizes as a top strategy to improve student growth. School districts have also been hiring more core teachers, improving curriculum and learning tools, and expanding pupil support services.

SUCCESS STORIES

In a November 7, 2024, article in the Belleville News Democrat, Belleville Township High School District Superintendent Brian Mentzer said, "The model has probably been the single most significant financial event of my 27-year career for schools."

The article noted that the district has been able to drive down its class sizes by hiring more staff and expand its extracurricular

offerings. The increased state support also "relieves the stress placed on other pieces of the puzzle," like the local tax levy, Mentzer said.

Four years ago, the group Stand for Children Illinois put together several videos about what EBF has meant for some schools.

Teachers and parents in the Zion Elementary School District said the new funding formula had helped schools offer more dual language programs, provide school supplies to needy students and not rely so heavily on local property taxes.

An elementary school in West Chicago said EBF increased dollars for teacher hiring, reading programs and student transportation.

Monmouth-Roseville High School has been able to hire more qualified teachers and offer programs to meet the needs of both rural and English as a Second Language students.

The Carmi-White Jr./Sr. High School at one point had to cut important programs like fine arts, vocational and athletics. Now, the district has more funding and is not in such a dire financial situation. The programs have been rebuilt.

And Vienna High School now offers a Certified Nursing Assistant program so students can begin a career right after graduation. Special needs students have more resources in the classroom.

TRENDS IN ACHIEVEMENT

The move to the new funding formula was motivated by the need to not only close the funding gap between students of color and their white counterparts and the gap between low-income students and non-low-income students, but to close the achievement gap as well. Studies show that



Comptroller Mendoza visits students at the Chinese Mutual Aid Association Chicago-Office.

money matters to student outcomes, and in some cases additional funding matters more for some students than for others. Reduced class size raises achievement, teacher quality and subsequent increased teacher wages raises achievement, and targeted interventions raise achievement. What is more, the effect of these factors is "more pronounced for students of color and those in schools serving concentrations of students in poverty."¹⁰

The data shows that the EBF model distributes funds to Illinois school districts in a highly equitable way. From FY 2018 to FY 2023, nearly 60% of new funding through EBF has gone to low-income students and the overall gap to adequacy for school

districts has been reduced by \$1.53 billion.¹¹ This has helped the poorest of districts address long-standing needs.

While the new formula has provided significant resources to the districts most in need, whether there has been a corresponding reduction in the achievement gap is a complicated question.

Two years into the new formula, the COVID-19 pandemic shuttered schools across the world. States, including Illinois, are still recovering from learning loss.

According to a report by the Illinois Workforce and Education Collaborative, the Discovery Partners Institute, and the University of Illinois, Illinois has had a strong

recovery compared to other states but is not back to pre-pandemic levels of achievement.

The study showed that students of color, students eligible for free and reduced priced lunches, and students who experienced more remote learning during the 2021 school year saw the sharpest declines in achievement. The study also shows that for those same demographic groups there was a steep increase in absenteeism, which can lead to more challenges with learning and development.¹²

However, these demographic groups have seen the fastest recovery, possibly

because of the significant progress Illinois has made in directing more resources to those groups. Unfortunately, according to the 2024 Education Recovery Scorecard (a collaboration between the Center for Education Policy Research at Harvard University and the Educational Opportunity Project at Stanford University), these demographic groups have not yet caught up in math, resulting in widened income and racial gaps compared to pre-pandemic levels.

“Statewide, relative to white students, math achievement gaps for Black and Hispanic students grew by .18 and .26 grade

equivalents since 2019.” The picture is a little rosier in reading where Illinois is one of only three states where achievement has surpassed 2019 levels.¹³

Now, more than ever, having a funding formula that is targeted to those students most in need is critical to learning recovery. It is a story that is thematic about the pandemic; low-income and minority groups have been hit the hardest. Fortunately, Illinois is on the right track by directing most of the \$2.1 billion investment in EBF to low-income and minority students.

According to the Center for Tax and Budget Accountability, an additional \$2.3 billion is needed to meet the statutory 90% funding goal by 2027, and with current funding progress, Illinois is on track to meet that goal at best by 2034.

The question remains that if the state stays on that track, and the 90% funding benchmark is delayed by several years, what, if any, effect will that have on Illinois school districts? And given the pressing needs of other components of the state budget, can more money be found to shorten up that timeframe? Many advocates are pushing for the state to appropriate at least \$550 million new dollars to EBF each year to keep pace with inflation and make up for the lost FY 2021 year of funding.

adequacy funding target with the remaining 10% coming from federal resources by 2027, so it’s a bit like comparing apples and oranges. The mayor seemed to be accounting for state dollars that would outpace statutory goals. Again, fully funding EBF would also require substantial new revenues.

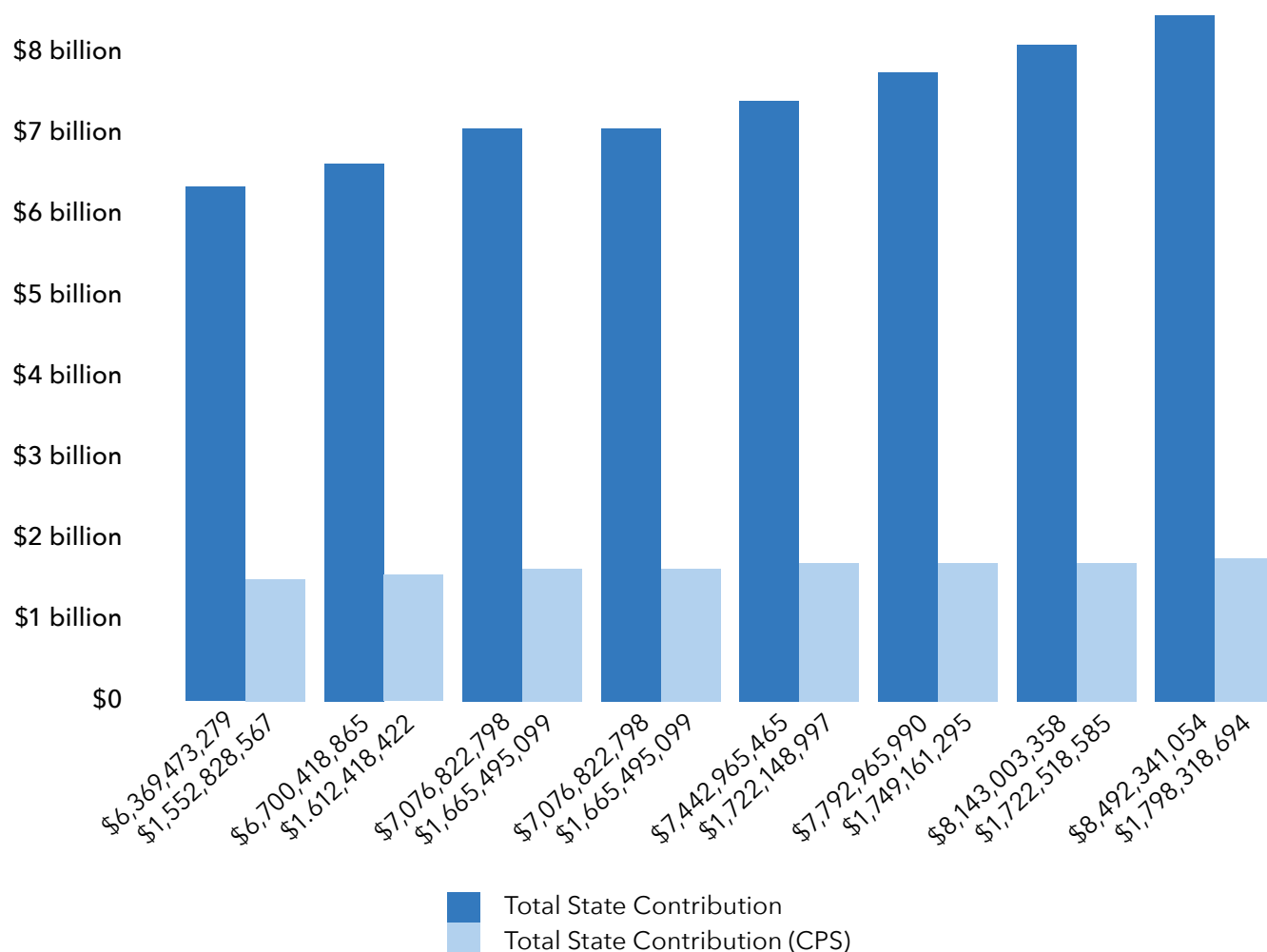
When it comes to school districts, Chicago is an anomaly. Since Chicago Public Schools (CPS) has its own pension system, putting in its own contributions (the state covers employer pensions costs for all other districts), state law dictates that CPS’ local capacity target portion of the EBF be reduced by an amount equal to the CPS pension contribution. The state helps pay some pension costs for Chicago schools, but the bulk is covered by CPS.

According to the Civic Federation, to reach the statutorily required \$1 billion FY 2025 CPS pension contribution, the state will contribute \$353.9 million while CPS will be responsible for paying the remaining \$661.6 million. The required yearly pension contribution amount is annually subtracted from the district’s local capacity target. That lowers CPS’ funding adequacy, which affects tier placement and ultimately how much state funding the district receives. In other words, subtracting this amount makes CPS eligible for more tier funding under EBF. Chicago is the only district that receives this treatment statewide, because it is the only district that has its own pension fund.

Chicago Public Schools was originally classified as a Tier 1 district but has since been reclassified as a Tier 2 district. The graph below shows how statewide EBF allocations have increased at a higher rate than EBF allocations to CPS. However, the percentage of statewide EBF contributions allocated to CPS has only decreased from 24% to 21% during this time. It is also worth

Total Yearly EBF Contribution and CPS EBF State Contribution

(source ISBE EBF calculation data)



CHICAGO PUBLIC SCHOOLS SAY THEY ARE OWED MORE

Chicago Mayor Brandon Johnson has told the media that the state owes CPS \$1.1 billion in school funding dollars. According to the State Board of Education (via Capitol Fax), this is the amount that CPS would have received in FY 24 if the state had immediately funded schools at 100% adequacy levels. However, as previously discussed, state law established a 90%



Comptroller Mendoza speaks with students at the Hadi School of Excellence.

noting that CPS becoming a Tier 2 district means they receive less tier funding on a year-to-year basis.

Another factor impacting CPS funding was the discovery of a coding error in FY 22. The coding error resulted in overstated payments to Chicago Public Schools of \$6,726,771 in Fiscal Year 2019, \$17,910,724 in Fiscal Year 2020, \$17,910,724 in Fiscal Year 2021, and \$44,964,721 in Fiscal Year 2022 for a cumulative total of \$87,512,940. CPS entered into a payment plan with the state to pay back the overstated payments (the above graphs reflect these changes).

During the fiscal years 2022 and 2023, Chicago saw a significant increase in their local Corporate Personal Property Replacement Tax (CPPRT) revenue, increasing by \$304.5 million in FY 2022 and another \$73.3 million in FY 2023. While this increase in local revenue benefited CPS during FY 2022 and FY 2023, the CPPRT data used to calculate local capacity in EBF lags by two years.

These increases in CPPRT impacted CPS' local capacity calculation for FY 2024 and FY 2025, lowering the amount paid to the district by the state. The district's CPPRT revenue dipped back down in FY 2024 and FY 2025, which will have an impact on their state funding for the next two fiscal years.

¹ Source: The Education Trust, Funding Gaps 2015.

² Source: Nation's Report Card, NAEP Data Explorer 2017. ³ Source: Illinois Education Funding Advisory Board, Illinois Education Funding Recommendations, January 2017.

³ Source: Illinois Education Funding Advisory Board, Illinois Education Funding Recommendations, January 2017.

⁴ For several years, the General Assembly appropriated less than ISBE needed to assure each district received its full share of the agreed-upon foundation level of \$6,119/pupil. With no guidelines, ISBE prorated funding, providing every district an equal percent of what they were owed (which ranged from 95% down to 89% over time). Those district more heavily reliant on state funding as a percentage of their overall revenue were, not surprisingly, much more significantly, and negatively, impacted than better-off districts who received relatively modest amounts of state funding.

⁵ Source: Illinois Education Funding Advisory Board, Illinois Education Funding Recommendations, January 2015.

⁶ Source: Center for Tax and Budget Accountability (2024, May), Fully Funding the Evidence-Based Formula: FY 2025 Proposed General Fund Budget.

⁷ If the General Assembly appropriates less than the full \$300M to EBF required in the statute, the law calls for new dollars to be distributed even more heavily in favor of Tier 1 and Tier 2 districts.

⁸ According to ISBE funding distribution calculation data in FY 2018, there were 313 districts classified as Tier 1, 346 classified as Tier 2, 48 classified as Tier 3 and 146 classified as Tier 4 (certain types of districts were not initially assigned tiers). Improvements were seen over time. In FY 25, 369 districts were classified as Tier 1, 219 were classified as Tier 2, 93 were classified as Tier 3 and 247 were classified as Tier 4. The increase in Tier 1 schools is due to the rising levels of adequacy.

⁹ Source: Advance Illinois Equity Dashboard.

¹⁰ Source: Baker, B. (2017) How Money Matters for Schools.

¹¹ Source: Center for Tax and Budget Accountability (2023, March). Educating Illinois: A Look at the Evidence-Based Funding Formula.

¹² Source: Torres, M., Cashdollar, S., Bates, M. (2024, July). Descriptive Trends in Student Renewal Outcomes in Illinois: Test Scores, Enrollment and Attendance.

¹³ Source: Education Recovery Scorecard, 2024. Center for Education Policy Research at Harvard University.

EXPLORING SOUTHERN ILLINOIS

Looking for the thrills of the Great Outdoors this summer?

Don't look overseas—or even out-of-state.

Southern Illinois offers adventure for the whole family: rock-climbing, waterfalls, zip-lining, hiking, boating and Southern hospitality.

In roughly the same time it takes you to drive to Door County, Wisconsin, or Sleeping Bear Dunes, Michigan, you can climb the spectacular [Garden of the Gods](#) in Illinois' Shawnee National Forest.

I set off with State Sen. Dale Fowler, R-Harrisburg – whose district includes many of Southern Illinois' natural wonders – and my husband and son to explore some of these attractions so I can tell you first-hand about them.

Fiscal Focus generally concentrates on state financial issues. And this is an important financial issue for the state of Illinois.

Southern Illinois tourism spending generated \$4.6 billion in state and local tax revenue in 2023, according to Tourism Economics. This spending directly supported 278,200 jobs in the state's tourism and hospitality industry, an increase of 7,600 jobs from the previous year.

Discover Downstate Illinois reported¹ that Southern Illinois tourism generated a local economic impact of \$1.15 billion and contributed \$74.5 million in local tax revenue while directly supporting 12,080 jobs in the tourism and hospitality industry.

Here is just a sample of some of the places we visited.

ZIP-LINING

Marc and Candy Miles and their fun-loving crew gave us a wild ride through the treetops of the Shawnee National Forest at their [Shawnee Bluffs Canopy Tour](#).

We felt safe and well-guided all the way through the beautiful 83 acres of private woods outside Makanda. The tour consists of eight zip lines, the



Comptroller Mendoza and Senator Fowler enjoy a treetop walkway at Shawnee Bluffs Canopy Tour

longest stretching more than 1,100 feet, which zig-zags across the property's bluffs and through the valley. It includes 11 platforms high in the trees and three aerial suspension bridges.

You'll be surprised how many good one-liners about trees these tour guides have accumulated as they calm your nerves about strapping yourselves to the zip-lines to hurl yourselves across these beautiful ravines.

With the wind in your hair, the sun breaking through the tree canopy to warm your face and the zip-lines whistling, you feel free as the birds. My son, my husband and I had such a great time.

Marc & Candy opened this course a dozen years ago and they make it better every year. Bloomberg TV featured them on their "World's Greatest" show. Miles' team of 45 employees clearly love their job guiding you through the tree tops and their enthusiasm is infectious.

Definitely put this adventure on your list for your trip!

GIANT CITY LODGE

After working up an appetite at the Zip line, satisfy your hunger at the [Giant City Lodge](#).

If you've never heard of the Lodge's legendary Family Style Fried Chicken Dinner, you are in for a treat. Not just the fried chicken, but the dumplings, the mashed potatoes the chicken livers... Oh... Wash it down with a bit of sweet tea.

Walk in and admire the Lodge's architecture. The Civilian Conservation Corps began construction on the Lodge and the surrounding cabins at Giant City State Park back in the '30s. It has been modernized over the years but the original grandeur remains.



Senator Fowler, Comptroller Mendoza, and Giant City managers Mikey and Mike Kelley stand in the lobby of the Giant City Lodge.

Enjoy the trails through the [Giant City State Park](#) named for the unique impressions made by its massive sandstone structures, clothed in lush garments of ferns, moss, large flowering mints, hundreds of species of wild flowers, and 75-plus varieties of towering trees. These trails attract more than 1.5 million visitors annually.

The state park is a great place for camping, picnicking, hunting & fishing, rock climbing & rappelling and horseback riding. You and your family can stay in the [cabins](#) right here in the middle of all this nature.

GARDEN OF THE GODS

The amazing sandstone outcroppings pushed up by glaciers shifting the contours of Southern Illinois ages ago gives you an up-in-the-mountains feeling people don't realize is possible in Illinois. You could stand here for hours in the [Garden of the Gods](#) taking all this majestic scenery in.

Climbing these picturesque ancient structures gives you a commanding view of the Shawnee National Forest. Let your kids pick out the Camel, the Turtle and other beast-like images the rocks form.

We saw a bride and groom decked out in all their formalwear making the trek up to embrace all this beauty as part of their wedding day. What great pictures those will



Comptroller Mendoza stands on a rock at Garden of the Gods in Shawnee National Forest



Jim Ewers and Comptroller Mendoza stand in front of the vineyard at Blue Sky Winery.

be with the stunning rocks and the Shawnee treetops serving as a backdrop for their special day.

This is so different than the red rocks of Colorado Springs that comprise another well-known “[Garden of the Gods](#).” That national natural landmark is absolutely worth touring to enjoy its arid desert beauty from the ground. Illinois’ “[Garden of the Gods](#)” is lush and green and allows you to tour it from the top looking down.

SHAWNEE HILLS WINE TRAIL

Celebrate the 30th anniversary of the [Shawnee Hills Wine Trail](#) with a visit to any of a dozen wineries operating around Southern Illinois. In addition to the traditional varieties, they offer plenty of sweet wines and red and white sangria that go down well on a warm summer day.

Tuscany is 5,000 miles from Illinois. But looking at that Spanish tile roof atop the [Blue Sky Winery](#) on a hill overlooking the rolling green hills here where people enjoy glasses of wine on the grounds sloping down to the lake, you can certainly feel like you’re in Italy or Napa or Sonoma.

A live band played on a small stage as families enjoyed pizza; strolled the grounds and laughed over glasses of wine and sangria.

Owner Jim Ewers guided us through rows of Chambourcin, Norton, Vignoles, Seyval, Cabernet Franc, Traminette, Niagara and Chardonnay grapes growing on the hills around the vineyard. The elevations here allow for a long growing season. He showed us the lower level of the winery where the grapes are pressed, the wine ferments and is ultimately brought upstairs for us to enjoy.



A budding grape vine at Blue Sky Vineyard.

WOULD YA BELIEVE, ALPACAS?

You don’t need to bring your kids to Peru to pet the softest fur you’ve ever felt. Right here in Southern Illinois Judy Hoepker and her daughter Morgan Stevenson are breeding Alpacas, these South American animals whose fur you need to touch to believe.

Make a reservation to tour their [Rolling Oak Alpaca Ranch](#) and see these lovable animals they’re breeding here. Walk among them and let them eat out of your hand.

Judy and Morgan can tell you which of the Alpacas like to be petted and which are better admired from a distance.



Comptroller Mendoza, her son, and friends feed alpacas at Rolling Oak Alpaca Ranch.



Sen. Fowler holds a baby alpaca next to Comptroller Mendoza.

We got an earful of a male alpaca orgling – what a sound! – when he was not allowed to visit a female alpaca he wanted to be with.

Check out Judy and Morgan’s shop where they spin that soft fur into some of the silkiest, most comfortable socks you’ll ever wear or the comfiest pillows to put on your couch.

CAVE-IN-ROCK STATE PARK

You and your kids will love a visit to [Cave-in-Rock State Park](#) on the Ohio River. Don’t worry – the bats will leave you alone as you explore their home. The 120-foot-deep, 50-foot-high cave was worn out of this limestone bluff on the Ohio River by floods.

Deep in the cool cave admire the silhouettes of those standing near the opening at the river bank. You’ll still have enough light to see around the interior.



Comptroller Mendoza holds a baby alpaca.



Kids explore the cave at Cave-in-Rock State Park.

You’ll hardly be the first visitors to this historic site used by Native Americans for millennia, river pirates, even Hollywood movie makers. Local lore says the outlaws Frank and Jesse James hid out from the law here.

Jimmy Stewart, John Wayne, Henry Fonda, and Carroll Baker all filmed scenes in the cave when legendary director John Ford filmed scenes for his 1962 epic Western “[How the West Was Won](#)” there.

Fess Parker as Dave Crockett, along with Buddy Epsen, fought river pirates hiding out in the cave in Walt Disney’s 1956 movie “[Davy Crockett and the River Pirates](#).”

CAVE-IN-ROCK RESTAURANT

After exploring the cave, head up to the top of the bluff to the [Cave-in-Rock Restaurant](#).

Enjoy the amazing views of the Ohio River and dig into the amazing pork chops – still mad at myself that I didn’t order two!

On a nice day, plenty of outdoor seating is available to enjoy these views high on the bluff. The restaurant is part of the state park but these pies taste pretty down-home.



Comptroller Mendoza and Senator Fowler stand in the mouth of the cave at Cave-in-Rock State Park.

TOUCH OF NATURE

Visit Southern Illinois University's [Touch of Nature](#) Outdoor Education Center, which hosts camps and retreats for families and students.

Not for the faint of heart, but if you have a crew of willing volunteers to grab the ropes and hoist you up, try the giant swing! It kinda takes a village to use this swing. Employees at the center strap you into a protective harness and buckle you into the swing.

Your friends grab a rope and walk away from the swing, lifting you high in the air. When you get as high as you dare, you pull a release and – WOW! – off you go on the swing of your life. Those expressions on Sen. Fowler's and my face are not exaggerated – it is quite a thrill. This is a great place to send your kids for a camping experience.



Comptroller Mendoza and her son David brave the Big Swing at SIU's Touch of Nature.

THE CHOCOLATE FACTORY

Chocolate bunnies; chocolate mini-baseball bats and balls; chocolate bucks; and – this is Southern Illinois – chocolate revolvers. Anything you can think of, they can make it in chocolate here at [The Chocolate Factory](#) in Golconda.

Right across the road from [Dixon Springs State Park](#) in Golconda, The Chocolate Factory is a great stop sure to please the kids. On a hot day, try the many flavors – not all chocolate but many of them – of ice cream here.

We did not make it to Dixon Springs State Park on this trip, but it's definitely a destination to put on your list. Southern Illinois has soooooo many wonderful attractions you can never see them all in a single trip.



Comptroller Mendoza speaks with patrons at Cave-in-Rock Restaurant.

By the time you are reading this, I hope to be on my second tour of fun places with Senator Fowler, including [canoeing the cypress swamps of the Cache River](#).

[Southern Illinois](#) is home to so many beautiful waterfalls, you can probably never hit them all, but [visit as many as you can](#).

BRINGING INVESTORS TO SOUTHERN ILLINOIS

More than just beautiful scenery, Southern Illinois offers fertile soil to grow businesses.

State Comptroller Susana Mendoza brought 13 Central Asian business leaders from the Chicago suburbs to show them the wide-open spaces and business opportunities of Southern Illinois over the Memorial Day weekend.

Many of these men from Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan have



Comptroller Mendoza and Rodney Cabaness don outfits given to them by Central Asian business owners on their trip to the Illinois Centre Mall.



Comptroller Mendoza stands in Mtn Dew Stadium with Rodney Cabaness and Central Asian business leaders.

started successful trucking companies headquartered in the Chicago area.

Rodney Cabaness, who runs the largest Harley-Davidson dealership in the world in Marion, IL, gathered the visitors at his Mountain Dew stadium where his Thrillville Thrillbillies baseball team plays and outlined his vision for turning the area into an entertainment and retail mecca.

Then he invited them into his helicopter to show them the whole region and its possibilities from the air. He brought them to newly constructed modular athletic fields that can be used for soccer or baseball. He showed them the old Illinois Star Centre Mall that is being converted into a 550,000-square-foot retail and recreation center.

Cabaness already is a partner at the Kokopelli Golf Club and sells RVs, ATVs, lawn and garden equipment, boats, bikes, appliances, outdoor tools and plenty more in addition to his Harleys at his retail outlets.



Comptroller Mendoza, Pepsi MidAmerica Pres. Keith Dickens, and CABXPO CEO Gulshanbek Ravshanbek on a tour of the Pepsi facilities in Marion.



Two Central Asian business owners climb rocks during their visit to Shawnee National Forest.



The former Illinois Star Centre Mall is being converted to a 555,000 sq. ft. retail and recreation center.

His new Oasis Outdoors venture is supported by innovative Sales Tax And Revenue (“STAR”) Bonds that use the promise of sales taxes that will be collected in the future to fund development today.

The city of Marion issued [\\$112,440,000 in STAR Bonds](#) for the project expected to create 2,300 jobs. Construction officially began in March 2025. Governor J.B. Pritzker, Cabaness and other state and local officials broke ground on the project in May.

As a state representative, Comptroller Mendoza worked on the original legislation passed by former State Rep. John Bradley in 2010 that paved the way for these STAR bonds. She spoke on the house floor in favor of the bonds bill.

The new businesses anticipated at Marion’s Oasis Outdoors development include sports complexes, expanded golf and pickleball complexes, go-karts, virtual reality, bowling alleys, climbing walls, arcades, restaurants, a redevelopment of the mall to showcase one of the world’s largest RV dealerships, and so much more.

At Mendoza’s request, working with her Southern Illinois coordinator, Du Quoin Mayor Josh Downs, Cabaness gathered other local business leaders, officials of the city of Marion and SI Now to show the visitors just a sampling of some of the business development going on in the area.

Pepsi MidAmerica President Keith Dickens showed the businessmen around his plant. Many of these entrepreneurs operate large

HOW DO STAR BONDS WORK?

Sales Tax And Revenue (“STAR”) Bonds are an innovative tool that allows governments and developers to build projects today using anticipated sales tax revenues that will come in future years.

In 2010, Comptroller Mendoza worked on a bill ultimately passed by former State Rep. John Bradley that allowed for the use of STAR bonds, specifically in Marion in Southern Illinois.

“Speaking on the House floor in favor of the bill, I outlined my language about Angel Investment Tax Credits that formed part of the Innovation Development and Economy Act, which paved the way for this district,” Comptroller Mendoza said. “That same year, Marion created its STAR Bonds District.”

In 2023, the city of Marion gave preliminary approval to the project. In March of this

year, working with Stifel and Gillmore Bell, the city issued \$112,440,000 in Sales Tax And Revenue (STAR) Bonds. Governor J.B. Pritzker, Cabaness and other state and local officials broke ground on the project in May. All project components are scheduled to be completed within 24 months.

“When Marion approved the STAR bonds two years ago, I said I hoped this project would be an economic driver for Southern Illinois and would attract significant out-of-state tourism dollars,” Comptroller Mendoza said. “I’m doing my part to try to help bring some of that capital from out-of-town investors.”

Comptroller Mendoza, Governor Pritzker, State Revenue Director David Harris and other state and local officials hope the initiative can serve as a statewide model for economic revitalization.



Just one of the many breathtaking views you can see at the Garden of the Gods.



Comptroller Mendoza and Central Asian business owners sit on a rock at the Garden of the Gods in the Shawnee National Forest.



Comptroller Mendoza and Ravshanbek sit on a rock formation in the Shawnee National Forest.



Comptroller Mendoza and Central Asian business owners pose by a statue of Bigfoot.

trucking companies, and they showed particular interest in the latest machines Pepsi Mid-America has for measuring the trucks' tire pressure and treadwear.

At the Garden of the Gods wilderness area in the Shawnee National Forest, the entrepreneurs effortlessly climbed the sandstone peaks that reminded so many of them of the rocky mountains they climbed in their homelands.

"I brought you here because unless you see this, there's no way you can appreciate just how beautiful this is," Comptroller Mendoza told the men as they admired the striking scenery.

"We are from beautiful central Asia, where 60-70 percent of the country is mountains," Gulshanbek Ravshanbek, founder and CEO of Central Asian Business Expo told Mendoza at the end of the tour. "We are here to look for opportunities to invest, grow our companies. We really enjoyed the Southern hospitality."

They promised to come back and more visits are being planned.

"Southern Illinois is an area that everyone should be looking to invest in," Mendoza told them. "Not just to have your business here but to raise your family. You have to come see Southern Illinois because I want you to love it as much as I do."

¹ Source: <https://www.downstateil.org/about/discover-downstate-contributes-to-record-tourism-growth-in-illinois>

²Source: <https://emma.msrb.org/IssueView/Details/P2435229>

RAINY DAY FUND RECORD

Rainy Day Fund Continues Record Growth

By the end of May, Illinois' Budget Stabilization Fund, commonly referred to as its Rainy Day Fund, grew its record balance to \$2.298 billion. May 2024 ended with a fund balance of \$2.087 billion, for year-over-year growth of \$211 million, or 10.1%.

While interest income to the fund has grown exponentially over the past few years, from less than \$5,000 a month in January 2022 to almost \$8 million a month in 2025, fund growth from interest earnings slowed slightly following three consecutive cuts to the effective federal funds rate (EFFR) made by the Federal Reserve's Federal Open Market Committee (FOMC) between September and December 2024.

In July 2024, the EFFR stood at 5.33%, with the last FOMC rate increase coming in July 2023 when the committee increased the rate by 25 basis points to a range of between 5.25% and 5.50%, a 22-year high. Interest earned by the Budget Stabilization Fund in July 2024 and receipted in August 2024 totaled nearly \$8.6 million, the highest interest income the fund has earned in a month since its creation in 2001.

By January, following the three rate cuts that dropped the EFFR by 100 basis points to 4.33%, interest income to the Budget Stabilization Fund dropped to \$7.9 million, despite a larger balance earning the interest.

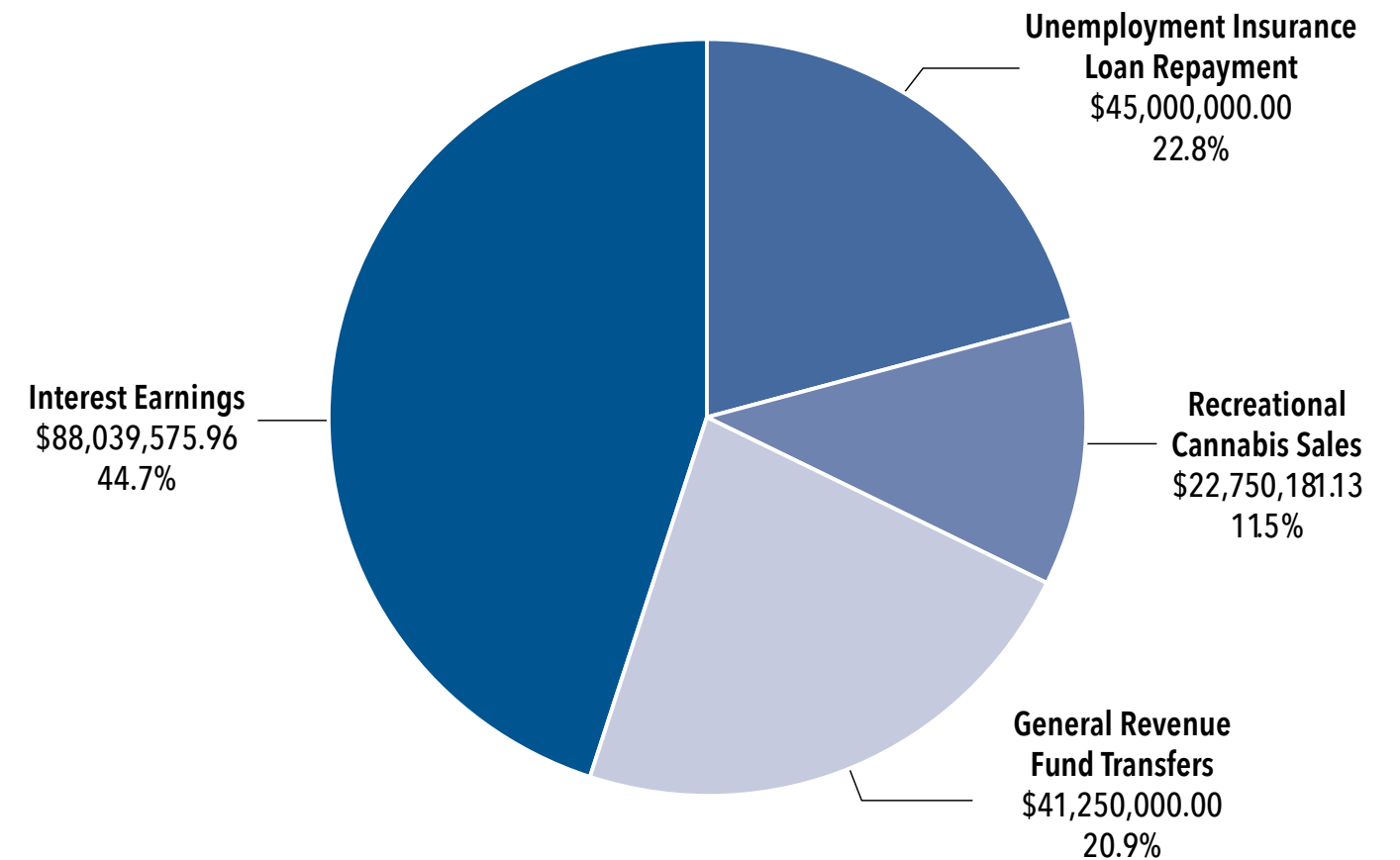
The FOMC did not issue any rate increases or decreases at its January, March, and May 2025 meetings. It will next meet in June, when it will decide if additional cuts are necessary based on recent economic activity and inflation reports.

At its March meeting, FOMC members lowered their projection of national gross domestic product growth for 2025 to 1.7% from their December 2024 projection of 2.1%, while they lowered their 2026 projection to 1.8% from 2.0%.

Rainy Day Fund Deposits and Transfers

Fiscal Year 2025 through May 31, 2025

\$197,039,757.09



At the beginning of fiscal year 2025, the Budget Stabilization Fund received its first deposit from the bipartisan agreement to repay unemployment insurance debt incurred during the COVID-19 pandemic. Under the agreement, the fund will receive \$45 million a year for the next 10 years, providing a stream of additional revenue to Illinois' reserve fund. Per statute, for the deposit to occur each year, the balance in the Unemployment Insurance Trust Fund must be at least \$1.2 billion on June 1.

In addition to the annual \$45 million, monthly interest earnings and a monthly \$3.75 million General Revenue Fund transfer, the fund also continues to receive 10% of adult-use cannabis sales revenues each month.

In December, the National Association of State Budget Officers released its most recent data of General Funds expenditures and rainy day fund balances for fiscal year 2024.

According to the data, at 14.4 days, Illinois ranks 49th out of 50 states in the number of days it could operate state government on just its rainy day fund, even though Illinois' rainy day fund is at its strongest balance since its creation. Meanwhile, the national median is 49.1 days and the national average is 57.6 days.

For more information, visit the IOC's Rainy Day Fund webpage at <https://illinoiscomptroller.gov/rainy-day-fund>

GENERAL REVENUE FUND PAYMENT CYCLE

IOC STAYS ON TOP OF GRF BILLS, OLDEST VOUCHER AT 13 DAYS TO END MAY

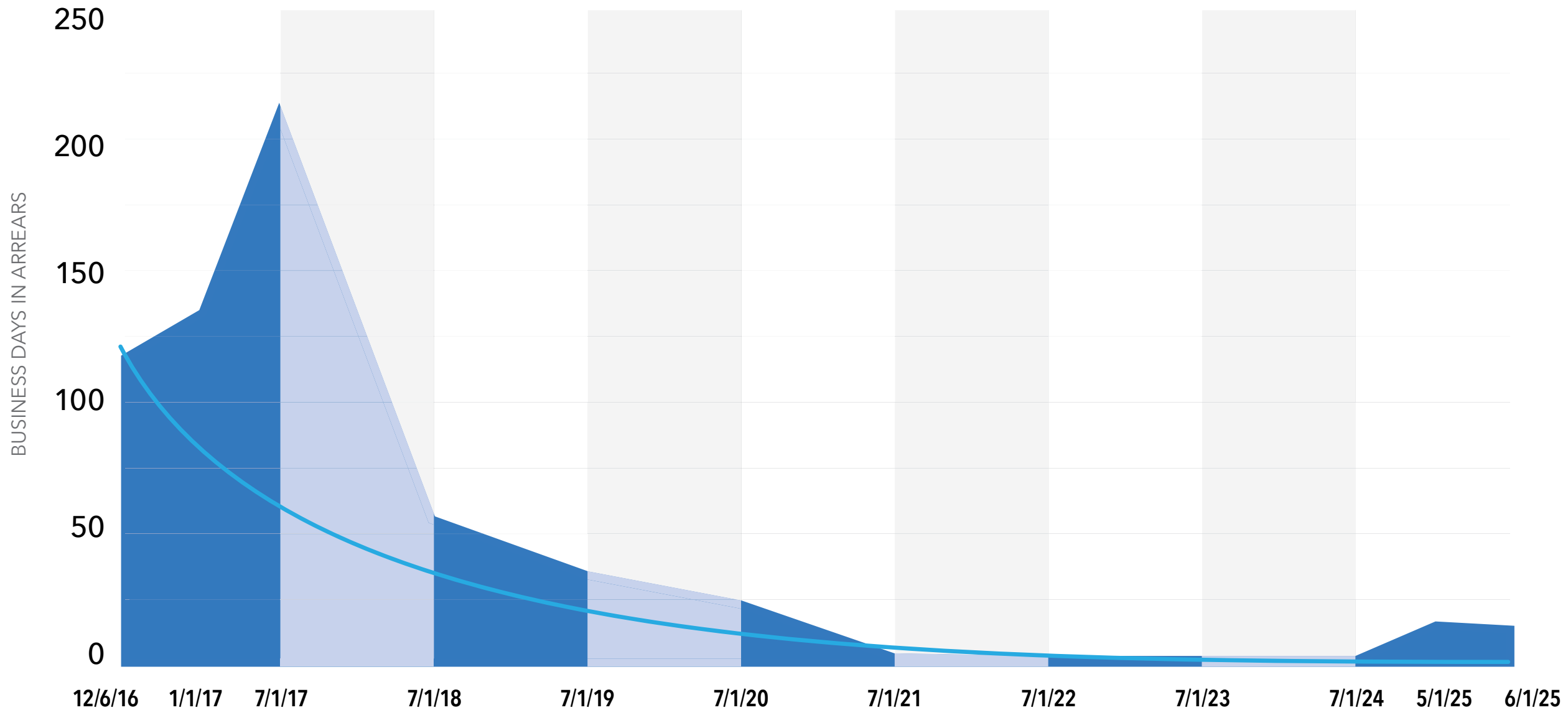
At the end of the day May 31, the oldest General Revenue Fund voucher at the IOC was 13 business days. This chart shows the changes to the GRF payment cycle over the past several years, beginning with fiscal year 2017, when the state was mired in what would become a 736-day budget impasse that ended July 6, 2017.

This chart puts a spotlight on the remarkable progress made since the 2015-2017 budget impasse in paying the state's bills, and highlights the importance of fully appropriated and responsible budgets.

This payment cycle does not apply to pending net interfund transfers at the IOC.

IOC General Revenue Fund Payment Cycle History

(Oldest GRF voucher at end of day 5/31/2025: 13 business days)



USPS IN ILLINOIS

The check's in the mail...
But how soon will it get there?

Like residents of other cities whose post offices have been targeted for downsizing, residents of Springfield, Illinois, have been watching and waiting for more than a year since word first surfaced of changes coming to the postal system.

Checks from the state come a lot more quickly now than they used to in the bad old days of the state's budget impasse that started 10 years ago and lasted more than two years. State vendors waited 210 business days - 9.5 months - to get checks from the state. Doctors and dentists waited way too long to get paid - or stopped taking patients with state government health insurance.

Today the oldest General Revenue Fund bill in the state Comptroller's office is 13 days old. But a new threat to the timeliness of state checks has arrived with the announcement that Springfield's Processing and Distribution Center (P&DC) would be closed and mail distribution duties would be moved to St. Louis.

The Illinois Office of Comptroller sends out 3 million checks a year - two thirds of them bound north of Springfield. All those checks would have to go down to St. Louis and back to be distributed around Illinois under this new plan.

As Comptroller Susana Mendoza and members of the Illinois congressional delegation - led by Rep. Nikki Budzinski - raised questions about the plan, it was postponed and it remains unclear what will happen next.

It's been an interesting past year for the United States Postal Service. Between the resignation of Postmaster General Louis DeJoy in March, DOGE looking for inefficiencies and talk about privatizing the postal service, there's a lot that is up in the air. The May 9th appointment of David Steiner as the new Postmaster General will also be a factor moving forward.

The Illinois Office of Comptroller has been monitoring all this activity very closely.

In the spring of 2024, the revamping of several post offices in Illinois was planned, and with all the progress the state of Illinois has made in the



The USPS building in Springfield, IL.

last eight years to get checks in the mail to state residents and state vendors in a timely manner, those proposed changes raised concerns about on-time delivery.

At the time, Comptroller Susana Mendoza sent a letter to then-Postmaster DeJoy, citing serious reservations about the plan to downsize Springfield's Processing and Distribution Center (P&DC). Under the proposal, the United States Postal Service would reduce the current facility into a Local Processing Center (LPC), and mail distribution duties would be moved to St. Louis. Sending mail to another state, then back to Illinois didn't seem logical.

In her letter, Comptroller Mendoza said:

"My office sends out about 11,000 checks a day to home health care

workers, childcare providers and other state providers and vendors. Even a one-day delay could cause serious hardship for these providers and businesses."

"I want assurances that check recipients will receive their payments as expected and believe more analysis should be done to prevent any delays. While I support increased efficiency, data needs to show that moving Illinois mail out of state will improve delivery times."

The plan, which is a part of the long term "Delivering for America" initiative has been a source of frustration for Springfield leaders, as well as area residents who fear it will take longer to



Supporters in the crowd at the NALC event in Moline last June.

get their mail.

The USPS' modernization plan also affects facilities in Peoria and Champaign, with some downstate mail set to be sorted in the south suburbs of Chicago and mail in the Quad Cities would have been sent to Des Moines, Iowa.

Eventually, former Postmaster DeJoy issued a letter saying the changes would be held off until at least January 1st, 2025. Not much guidance has been given since that January 1st date has come and gone.

Area Congresswoman Nikki Budzinski has also been vocal on changes to Illinois post offices, expressing her concerns to Postmaster DeJoy at a December U.S. House Oversight and Accountability Committee hearing.

"I represent the Champaign and Springfield Processing and Distribution Centers in Illinois. Under your 'Delivering for America Plan,' both of these facilities would be downsized and consolidated into the St. Louis and Chicago distribution centers. This means my constituents' outgoing mail would have to travel hundreds of miles, additional miles, before even being sent out to their final destinations. With the current degree of service already substandard - these changes are just, quite frankly, unacceptable," said Budzinski.

"I just want to say that these changes can't be made on the backs of rural America and that is my very big concern that the focus is on these urban cities, these big cities, at the detriment and at the loss of services for rural parts of our country. That's a very big concern."

Now, some of those consolidation plans remain on hold, with no mass layoffs or major relocation of employees at those facilities so far.

In March, Congresswoman Budzinski introduced the Protect Postal Performance Act (H.R. 2103) to prevent USPS from downsizing facilities in underserved areas and provide more oversight regarding changes to delivery schedules.

President Trump has proposed privatizing the postal service, putting it under the Commerce Department in hopes of turning operations around and not losing so much money. There have been several protests in response, including a national day of action in March, with cries of the "U.S. Postal Service is not for sale." A main concern is that rural customers will suffer the most, potentially only receiving mail a few times a week.

Budzinski issued a statement after the appointment of Postmaster Steiner, saying "I've long fought to strengthen and improve the United States Postal Service for my constituents and have been outspoken against efforts to privatize the Postal Service. Now, we have a new Postmaster General who comes directly from one of the Postal Service's chief competitors and has a record of opposing the right of workers to join a union. This raises real concerns about the direction Mr. Steiner may take the Postal Service, where over 91% of the workforce is unionized."

The National Association of Letter Carriers (NALC) is pushing legislation in both the U.S. House and Senate (H.R. 1065 and S. 463) opposing postal privatization, citing several reasons for keeping the status quo. This includes federal laws protecting mail and packages carried by the USPS, a potential loss of jobs (the USPS currently employees about 640,000 people), partnerships with private shippers like FedEx and Amazon, and the role of letter carriers in their own communities.

To top it all off, the USPS is seeking a price hike for the "forever" stamp, from the current 73 cents to 78 cents.



Comptroller Mendoza shows her support at the NALC event in Moline last June.

COMPTROLLER BRINGS HER CONCERNS FOR POSTAL WORKER SAFETY TO MOLINE

The safety of postal workers has also been a major concern. Last June, Comptroller Mendoza joined the National Association of Letter Carriers (NALC), the Illinois AFL-CIO and others in Moline for a rally urging passage of more protections for USPS workers. The Protect Our Letter Carriers Act was introduced in March 2024 and had bipartisan support, but did not pass Congress. A similar version, S.463, was introduced in February 2025 for the 119th Congress.

At the rally, Comptroller Mendoza told the crowd “You delivered the mail during the pandemic when many of us stayed in our homes. Every day you brave all sorts of weather and face unexpected hazards. You deserve to feel better protected. And those who attack you deserve to be punished.”

“Protecting our letter carriers should be like protecting our first responders who must work in challenging communities. We need to do everything we can to increase safety in the workplace so that mail carriers make it back to their families every night.”

The legislation does several things such as:

- Provides \$7 billion in funding for USPS to secure its infrastructure, such as the installation of high security collection boxes and other technology upgrades.
- Calls for more investigation and prosecution of crimes against letter carriers and harsher sentencing for the murder, assault or robbery of a mail carrier, on par with crimes committed against federal law enforcement officers.

According to the NALC, between 2019 and 2023 (the most recent data available), the number of serious crimes against postal employees nearly doubled. Five letter carriers have been murdered on the job since 2022.



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

