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Illinois Faces Hurdles Steering Budget to Navigate a Recession.

- **Governor Pritzker to give fiscal 2024 budget address Wednesday**
- **Investors look for more progress on pensions, reserves**

Illinois, back from the brink of a junk rating, faces more challenges than other US states maneuvering its budget to weather an impending recession.

Governor J.B. Pritzker, the billionaire Democrat who was reelected in November, will deliver the first state of the state and budget address of his second term on Wednesday. Investors in the lowest-rated US state said they want to know how he plans to prepare for the expected economic slowdown that risks dimming the outlook for the coming fiscal year.

Illinois won a string of upgrades from the three major credit raters starting in mid-2021, which pulled it back from the verge of a non-investment grade rating. Its revenue topped forecasts, and general funds through the first seven months of fiscal 2023 beat the same stretch in the prior year by almost \$2 billion. The state used some of that cash to build up its rainy-day fund, pay back pandemic-era federal loans, and put more into its underfunded pensions.

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Bloomberg Politics

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February 14, 2023