



STATE OF ILLINOIS
EXECUTIVE OFFICE OF THE GOVERNOR
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
SPRINGFIELD 62706

JB PRITZKER
Governor

ALEXIS STURM
Director

Memorandum

To: All Governor's Cabinet Directors
From: Alexis Sturm, Director, Governor's Office of Management & Budget
Date: January 22, 2026
Subject: Executive Order 2025-05: FY26 Budget Reserves Follow Up

Pursuant to the Governor's Executive Order 2025-05 to prepare the State for the economic and fiscal impact of the federal government's H.R. 1 (Public Law 119-21), I am providing a list of specific FY26 General Funds reserve targets to help address the impact on the State's budget from the law and related economic uncertainty. Approved reserve amounts, identified after a careful review by Governor's Office of Management and Budget (GOMB) staff, are included in the table below.

While not all State Agencies are directed to reserve specific amounts from their Fiscal Year 2026 General Funds appropriations, GOMB strongly encourages continued responsible fiscal management by each State Agency as we navigate continued economic uncertainty and additional spending pressures. Governor Pritzker, the Governor's office, and GOMB are working hard on his recommended Fiscal Year 2027 budget for release next month, and the outlook for Fiscal Year 2027 has not changed significantly since last fall. We expect that most agencies will not see their funding requests fulfilled – and continued fiscal management in Fiscal Year 2026 will help ensure the ability of the State Agencies to face the challenges expected over the next few years. Prioritizing and limiting hiring and other operational expenditures will be key.

Governor Pritzker remains committed to responsible fiscal management. A balanced budget is and will continue to be the Governor's top priority.

Thank you for your continued support of the Governor's mission to provide strategic investments that serve the people of Illinois while prioritizing our continued commitment to fiscal stability and a balanced budget.

As always, please feel free to reach out to me or your GOMB contacts with questions or concerns.

| FY26 Budget Reserves on Enacted Budget | | | |
|--|--|-----------------|--|
| Governor's Office of Management and Budget | | General Funds | |
| (\$ in millions) | | \$ 481.6 | |
| Agency | Appropriation/Line Item | GF | Notes |
| Healthcare/Human Services | | \$ 361.5 | |
| Department of Human Services | Operational and Grant Reserves | \$ 119.0 | Reductions in operational expenses and grants (hiring lag, reduced overtime, and reduced grants due to lower than expected caseloads) |
| Department of Healthcare and Family Services | GRF Deposit to HCPRF | \$ 200.0 | Federal approval of Hospital Provider Assessment passed after budget enacted and retroactive to January 1, 2025. Lower than expected caseload. |
| Healthcare/Human Service Agencies | Operational and Grant Reserves | \$ 42.5 | Includes Aging, DCFS, HFS, DHR, DPH, HRC (managing vacancies, travel reductions, some natural lapse and limiting programs) |
| Education | | \$ 30.5 | |
| Illinois Community College Board | 2% Reserve | \$ 4.4 | |
| Universities | 2% Reserve | \$ 25.1 | |
| Illinois Student Assistance Commission | Operational Reserves | \$ 0.7 | |
| Illinois Board of Higher Education | Grant Reserves | \$ 0.3 | |
| Public Safety | | \$ 22.1 | |
| Public Safety Agencies | Operational Reserves | \$ 22.1 | Includes DOC, DJJ, ISP, DMA, IEMA-OHS, PRB |
| Economic Development, Environment and Culture | | \$ 10.3 | |
| Department of Commerce and Economic Opportunity | Grant and Administrative Cost Reserves | \$ 4.8 | Reductions in operational expenses and grants (delay filling vacancies, reduced overtime, and reduced grants) |
| Environment and Culture Agencies | Operational and Grant Reserves | \$ 5.5 | Includes ALPLM, Agriculture, DNR, IAC |
| Government Services | | \$ 57.2 | |
| Central Management Services | Group Insurance Savings | \$ 50.0 | Cost savings due to attributed to higher FY26 beginning year fund balance and higher than budgeted drug rebate revenues |
| Government Service Agencies | Operational Reserves | \$ 7.2 | Includes CMS, DoIT, CDB, DOR, ILRB, GOMB (reduction in contractual spending, travel, cost shifts to other funds and increased hiring lag) |