



FILED
INDEX DEPARTMENT
SEP 23 2025
IN THE OFFICE OF
SECRETARY OF STATE

SPRINGFIELD, ILLINOIS

September 23, 2025

Executive Order 2025-05

EXECUTIVE ORDER 2025-05

**EXECUTIVE ORDER TO PREPARE THE STATE OF ILLINOIS FOR THE
UNPRECEDENTED ECONOMIC AND FISCAL IMPACT OF H.R. 1**

WHEREAS, on July 4, 2025, the federal government enacted Public Law 119-21 (House Resolution 1 of the 119th Congress) (H.R. 1), which makes numerous changes that will negatively impact the financial trajectory of state government; and,

WHEREAS, the impacts of H.R. 1 combined with other new federal economic policies – including widespread tariffs which amount to a tax on working families – will accelerate America's economic decline, increase wealth inequality, and hurt Illinois businesses; and,

WHEREAS, Illinois is the largest exporting state in the Midwest, with agricultural exports in 2023 valued at \$13.7 billion. Illinois' farmers rely on exports and, as a result, the State's agricultural industry has experienced unprecedented disruption from tariffs; and,

WHEREAS, federal policies are threatening Illinois' positive economic trajectory. Illinois achieved a \$1 trillion GDP in 2022 for the first time, with a continued rise in GDP since then; and,

WHEREAS, economists are warning of a potential economic slowdown after the August 2025 jobs report from the Bureau of Labor Statistics (BLS) showed that employers nationwide added only 22,000 jobs and the national unemployment rate rose to its highest level since 2021; and,

WHEREAS, H.R. 1 represents one of the largest wealth transfers in history, providing permanent tax breaks to billionaires and removing critical supports for moderate- and middle-income Americans, including healthcare and food assistance, to support the tax breaks; and,

WHEREAS, in managing the budget, the State must address the negative impacts of recent federal policy changes as well as the challenges arising from H.R. 1's reductions in long-standing federal support programs, including an unprecedented shift to the State of the costs of the Supplemental Nutrition Assistance Program (SNAP), and massive anticipated reductions in federal Medicaid funding; and,

WHEREAS, H.R. 1 also mandates substantial changes to Medicaid and makes Affordable Care Act (ACA) coverage more expensive and less accessible, which will greatly increase the number of uninsured Americans and lead to rising costs across the healthcare industry; and,

WHEREAS, the significant and negative healthcare changes caused by H.R. 1 will likely result in a loss of revenue to the State, as well as loss of medical coverage and jobs, especially in rural areas; and,

WHEREAS, rural and safety net hospitals in Illinois serve as lifelines for vulnerable populations, and the anticipated increases in uncompensated care and reductions in federal Medicaid funding caused by H.R. 1 threaten their financial viability, risking hospital closures and reduced access to essential services in rural and underserved urban communities alike; and,

WHEREAS, H.R. 1 includes significant tax law changes for calendar year 2025 that are expected to have an immediate impact on State revenues during fiscal year 2026 (FY26) and on the State's revenue outlook for the foreseeable future; and,

WHEREAS, tax breaks included in H.R. 1 for large corporations and wealthy Americans will negatively impact Illinois' projected revenue in FY26 and beyond because Illinois, like many other states, ties key parts of its tax code to the federal tax code, meaning that changes in federal law automatically affect State revenues; and,

WHEREAS, to maintain a balanced budget and uphold responsible fiscal management, the State must act with urgency and resolve to reinforce its finances and build reserve funds to withstand future uncertainties.

NOW, THEREFORE, I, JB PRITZKER, Governor of Illinois, by virtue of the executive authority vested in me by the Illinois Constitution and laws of the State of Illinois, do hereby order the following:

I. FISCAL YEAR 2026 BUDGET MANAGEMENT AND RESERVES

For purposes of this Executive Order, the term "State Agency" or "State Agencies" means any office, department, board, commission, or institution of the executive branch of State government. It does not apply to the General Assembly; the Judicial Branch of State government; the Attorney General, the Secretary of State, the State Comptroller, the State Treasurer, or any entity administered by such officers; the Offices of Executive Inspectors General; any public college or university; or any state retirement system. In addition, the term does not apply to the Executive Ethics Commission, the State Board of Elections, the Illinois Power Agency, or the State Board of Education.

Within 30 days of this order, State Agencies shall submit a report to the Governor's office outlining progress on the following budget and reserves management strategies:

- a. **State Agency Budget Review.** In coordination with the Governor's office and the Governor's Office of Management and Budget (GOMB), each State Agency shall undertake a review of its budget and spending plan to identify immediate spending reductions, including efficiencies that will result in reduced spending.
- b. **State Agency Reserves.** To the extent possible, and without compromising essential operations, each State Agency shall take all necessary actions to manage State funds and other resources, with a goal to reserve 4 percent of FY26 General Funds appropriations.
- c. **Reductions, Transfers, and Programmatic Changes.** If State Agency leadership identifies potential FY26 shortfalls in the Agency budget, they shall identify budget lines to be reduced through a legislative transfer or propose potential programmatic changes that could reduce those supplemental spending pressures.
- d. **Agency Budget Management.** In coordination with GOMB, each State Agency shall pause non-essential purchases and operational expenditures; eliminate travel that is not essential to Agency operations; and review and prioritize all potential hires.

II. SAVINGS CLAUSE

This Executive Order does not contravene and shall not be construed to contravene any federal or State law or regulation. Nothing in this Executive Order shall affect or alter existing contracts, agreements, or collective bargaining agreements.


III. SEVERABILITY

If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order which can be given effect without

the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

IV. EFFECTIVE DATE

This Executive Order shall take effect immediately upon its filing with the Secretary of State.


JB Pritzker
Governor

Issued by the Governor: September 23, 2025

Filed with the Secretary of State: September 23, 2025

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