

UNDER EMBARGO UNTIL DELIVERY

GOVERNOR PRITZKER'S STATE OF THE STATE AND BUDGET ADDRESS

Good afternoon to the esteemed lawmakers who are joining us remotely, and to all the people of Illinois, who have endured so much this past year. Joining me today are two people essential to my work as governor: the incomparable lieutenant governor, Juliana Stratton, and my remarkable wife, First Lady MK Pritzker.

As you've probably noticed, this State of the State speech looks a lot different than it has in the past. Standing inside a crowded room to deliver a formal address is not possible right now – nor would it be appropriate. But the people of Illinois need to hear from their Governor about where we are and where we're headed – regardless of how unprecedented the times.

Nearly no one alive today has lived through anything that could have prepared them for the past year. To gain perspective on these last 12 months, I looked for an anchoring moment in our history – a moment that can remind us of what we can endure and survive together.

So today I'm coming to you from the Illinois State fairgrounds in Springfield. You see, over one hundred years ago, in October of 1918, a 100-bed emergency make-shift hospital was constructed here to care for Illinoisans afflicted with what became known as the Spanish Flu – because there was no more room at the hospitals. Doctors and nurses at St. John's Springfield hospital, and those here at the fairgrounds alike were desperate. It seemed that as quickly as patients came in, they were dying even faster. And everything was made all the more dire because so many healthcare professionals were overseas on the fighting fields of World War One even as this microscopic enemy raged on the home front.

One of the young nurses was a native of Loami, Illinois – a woman by the name of Hallie Staley Kinter. Many years later, when she was in her 80's, Hallie recounted to oral historians at the University of Illinois how she and another nurse had worked together and about their pandemic experience.

Hallie said, "In 1918 we had the flu epidemic. Which was a very difficult time. The doctors hardly knew what it was when it first came. And you'd have to have the windows open and the rooms were so awfully cold at night and, well, it was hard. Of course the other nurse, she went down with the flu, and then I followed shortly after. I made it through, but she died. And I always felt bad about that – she didn't make it, but I did."

Last September, I hosted Memorial Services for those who've lost loved ones and friends in this current COVID pandemic. It was attended in person by a few of the family members of Illinoisans who had died of Covid so far and tens of thousands tuned in to attend remotely. I knew that the pandemic was far from over. But I also knew that people had not had a chance to collectively grieve. Indeed, so many Illinoisans who have

lost family and friends to this terrible disease were not even able to have the full funeral services they might normally have had to celebrate the lives and mourn the loss of their loved ones.

So on a beautiful early September night, in the Cathedral at the University of Chicago, Lieutenant Governor Stratton and I bore witness to the grief of several Illinois families – who came to speak to the memories of those who were loved and lost – and to represent our collective sorrow.

One of the last individuals to give testimony that night was Lawrence LeBlanc, whose wife of 23 years, Joyce Pacubas-LeBlanc was an ICU nurse at the University of Illinois Hospital in Chicago. Much like Hallie Kinter a hundred years earlier, Joyce rushed in where others feared to tread. Her husband said, “When the pandemic started, I asked her to please stay home. But she said no. That was her calling, that’s why she joined the nursing profession.”

Joyce, a nurse for more than 30 years, passed away from COVID-19 on April 23rd, 2020.

About 23,500 Illinoisans died from the Spanish Flu. As of today, we have lost more than 20,000 Illinoisans to COVID-19.

The man who preceded me in this job by a century, Governor Lowden, issued a proclamation in October of 1918 telling residents, “It is advisable to prevent all unnecessary social gatherings for the present.” The Illinois Director of Public Health at the time, Dr. St. Clair Drake, warned citizens that “every community in Illinois will be affected by influenza before the epidemic subsides.”

Everything old always seems to become new again, and despite all we’ve learned and discovered about medicine and science in a hundred years, fighting a raging pandemic successfully continues to rely on the selflessness and sacrifice of our citizens. Just as our predecessors did a century ago, we’ve had to shutter businesses, cancel public gatherings, close schools and theaters and restaurants and ask our citizens to wear masks and limit human contact.

All of this was in the pursuit of one goal and one goal only – saving as many lives as possible.

And we have done that. Because of all of you and what you’ve been willing to sacrifice, Illinois never ran out of hospital beds or ventilators or doctors to care for patients, even when our peer states did. Despite being one of the largest states in the country, we have one of the lowest transmission rates of COVID-19. Ours is among the most accessible testing infrastructures in the nation, even deploying mobile sites to over 450 communities around Illinois.

But the price we’ve paid to save lives has been enormous, and we do not honor sacrifice when we do not recognize it. We’ve had to go an entire year separated from people that we love. In order to preserve our lives, for a time we’ve had to forgo our way of life.

Babies have been born that grandparents have never been able to hold. Couples have married without lifelong friends beside them. Students have had to graduate without a handshake or a hug. Grief, an emotion that thrives on loneliness, has been able to escape the salve of community.

Businesses built painstakingly over generations have had to shutter their doors. Communities that had already suffered greatly because of disinvestment and discrimination have seen their challenges multiply.

And the tiny joys that fill the cracks in our lives have been taken from us – the songs of a choir, a full Thanksgiving table, a high five after a workout, a prom dress, a hotdog at a Cubs game, a bucket list trip, a smile not hidden by a mask, a long night of laughter with good friends at a favorite restaurant. As a result, we are all struggling together right now.

It's ok to admit to feeling overwhelmed.

It's ok to admit that we have a new appreciation for the true fullness of life, and that we ache to return to the way the world was just a year ago.

But our grief needs to help us embrace the most important lesson of the past year – that the best way to make our way in this world is together.

With 2021, comes new hope. We have a vaccine that works and that starting today, is being distributed right here on the Illinois State Fairgrounds. With the patience of Job, we continue awaiting our supply of vaccine that will meet our demand. As that happens, when it's your turn – I implore you to step up and get vaccinated.

Illinois is a state of over 12 and a half million people. Although it's not enough to meet demand, this week the federal government is providing us with 405,000 vaccine doses, and we're administering all of them. Local health departments, led by nurses and frontline workers, are our healthcare heroes, from Jackson County to Winnebago County, across all 102 of our counties, and they're running on all cylinders. As a result, for the month of February, Illinois has been the vaccination leader among the 10 most populous states in the country.

Under the incomparable leadership of Dr. Ngozi Ezike, supported by doctors and nurses across the state, Illinois has vaccinated over 11 percent of its residents. We are working every day to reach people of color, where historical disinvestment makes them both more vulnerable to the disease and more skeptical of the vaccine. Of course, there is still much work to be done – especially as the federal supply of vaccine remains lower than demand.

But with a new President who is willing to push all the levers of government to increase vaccination supply, we will get closer and closer to getting enough immunity among our population so we can keep our families healthy, return to normalcy, once again prosper and thrive.

I have always believed that our economic recovery both as a nation and as a state goes hand in hand with our recovery from the virus. I certainly had no expectation when I became Governor, that we would spend all of this time battling an invisible enemy together.

I had bolder plans for our state budget than what I am going to present to you today. It would be a lie to suggest otherwise. But as all our families have had to make hard choices over the last year, so too does state government. And right now, we need to pass a balanced budget that finds the right equilibrium between tightening our belts and preventing more hardships for Illinoisans already carrying a heavy load.

To my colleagues in the General Assembly: our choices have never been easy. But more than ever, the decisions we make together in the coming months must protect our working families and those most in need, so many of whom feel like they're at the end of their rope right now.

If there is anything the last year should have taught us, it is that we need a reliably well-funded government. Many on the far right have made their name in politics by touting cuts to unemployment programs and health insurance coverage. They called anyone who sought unemployment benefits "takers." They demonize state employees. And they fought unrelentingly to eliminate any state or federal funds designed to make healthcare more accessible, equitable and fair.

Throughout the pandemic, they have encouraged businesses to defy health guidelines, spread conspiracy theories about covid deaths, and fought mask guidelines tooth and nail.

Amidst the tragedy of this pandemic, they have lobbied against the federal government providing relief to Illinoisans, ignoring the life-changing economic pain of real working families.

In essence, they eliminated the fire department, burnt down the house, and poured gas on the flames — and now they're asking why we're not doing more to prevent fires.

In a normal year, I might have more patience for their hypocrisy. But this is not a normal year.

There's room for honest and well-meaning debate about where and how cuts and new investments should be made, but anyone who calls themselves a public servant must acknowledge the truth: the role of the government in a crisis is to end the crisis as quickly as possible, and limit the pain the crisis inflicts on the people we serve.

To that end, I began working on next year's budget by taking executive action to make cuts this year that will have the least impact on services while preventing the need for additional revenue from hardworking families, eliminating \$700 million in spending in fiscal year 2021 alone. Two months ago I asked Republicans in the General Assembly for

their proposals to close this year's budget deficit. I was met with silence. Apparently their idea of bipartisanship ends when hard choices must be made.

I won't pretend that these tough decisions don't have a human impact, because we are operating within one of the most bare-bones government infrastructures in the country. While the right-wing carnival barkers have used our state as a laboratory to undermine essential public investments, the fact of the matter is Illinois state government spends less money per person than the majority of states in this nation.

Twenty years ago Illinois had about 30% more employees than it does today. We had 40% more Illinois State Police to protect the 58,000 square miles of our state. Our Environmental Protection Agency had nearly 60% more people protecting our air and water. And state government's share of spending on education has steadily dropped to the lowest in the nation – leading your cities and your counties and your school districts to impose suffocatingly high property taxes in order to maintain quality public education. Government cannot be bloated, but it must have the resources to provide for the needs of our state's residents.

We live in a challenging moment in so many ways, not the least of which are the choices that must be made to balance our state budget in the midst of economic hardship for everyday Illinoisans.

The general funds budget I present today for Fiscal Year 2022 spends \$1.8 billion less than FY2021. It reflects \$400 million in additional cuts to appropriations, a hiring freeze, flat operational spending, full required pension payments, and the closure of unaffordable corporate loopholes. All in all, it reduces spending to meet projected revenues.

I'd like to discuss some of the major principles and pillars of this budget with you.

I started with the premise that hardworking families should not have to pay more when they're stretched the most thin. I want middle class Illinoisans to pay lower income taxes, not higher. So this budget does not propose an across-the-board tax increases.

In this unprecedented time, I believe we must fully support the agencies on the frontlines of the COVID-19 response — agencies that have been hollowed out deeply over the past two decades: the Departments of Public Health, Human Services, Veterans' Affairs, and Employment Security. Saving lives and livelihoods as this pandemic rages on is front and center.

With that in mind, I'm asking the General Assembly to pass a standalone bill THIS YEAR to immediately direct \$60 million of funding to the Department of Employment Security to help meet the unprecedented demand. It builds upon work we have already done this year, and will support new call center positions throughout the state, help run the newly created federal unemployment programs, and upgrade the technology to more efficiently get this critical work done. And in the coming year, I ask that you support an additional \$73 million for the unemployment system.

Support for small businesses must also be a priority. So many individuals lost their livelihoods because of the pandemic. Small businesses like restaurants and bars had to make enormous sacrifices to keep us all safe. Those sacrifices did not go unnoticed or unappreciated. But when the federal PPP program offered a lifeline with forgivable loans, large corporations gobbled up most of that money first, leaving small businesses with nearly nothing. That's why Illinois did something most states didn't do: we used a big portion of federal CARES Act dollars to deliver the nation's largest small business assistance program.

We invested \$275 million toward Business Interruption Grants, distributing it to over 9,000 small businesses in over 600 cities and towns statewide – that's money for rent, for payroll, for PPE that doesn't have to be paid back.

It's money that allowed Michael McDonald and Okema Battle, the brother-sister co-owners of Wood N' Hog Barbecue, in Champaign, to keep every team member on payroll who wanted to stay there – to keep their doors open and their dream alive. And friends in Champaign will tell you thank the heavens, because that barbecue is excellent.

Illinois' Business Interruption Grant program also allowed Brew Brew Coffee and Tea, a family owned business in Chicago, to bring back staff and re-open its Pilsen location, closed in the early days of the pandemic. And another grant has helped Deborah Fell from Urbana keep her quilting business afloat.

In a moment when one third of small businesses across the nation are temporarily or permanently closed, Illinois' BIG program doesn't replace the need for more federal assistance. But it has given thousands of Illinois businesses a fighting chance. More than 80 percent of BIG program funds went to our smallest businesses, 40 percent went to minority-owned businesses, and nearly half went to restaurants, bars and taverns – an industry that along with travel and tourism has had to sacrifice the most in this crisis. I particularly want to thank Leaders Gordon-Booth and Lightford and Rep. Lisa Hernandez and Sen. Aquino for their tireless efforts to help make sure that these funds reached the small businesses that needed them most.

That's why we propose setting aside a share of new federal dollars for those grants to small businesses. Entrepreneurs are the folks who create most of the jobs in our state. Their businesses are key to our economic revitalization, and they're the most immediate way for us to help those that are shouldering the heaviest burden from COVID-19. While the federal government writes billion-dollar checks to big businesses, here in Illinois we're standing up for small businesses – or as I like to say – the big businesses of the future.

The safety net must also be protected. In May, I worked with members of the General Assembly like Senator Robert Peters and Representative Delia Ramirez to deliver the nation's largest housing assistance program, providing \$324 million in emergency housing assistance to more than 55,600 renters and homeowners across the state, keeping people in their homes and stabilizing the market for landlords. We dedicated a

record \$275 million to help pay utility bills for those suffering COVID-related income loss. Homelessness is never acceptable, but in a pandemic it's downright barbaric.

And when the pandemic interrupted schools and senior care, we put food on the tables of those who needed a helping hand, delivering over 10 million meals to our seniors at home and over 113 million meals to school-aged children and their families. No senior citizen and no child should ever go hungry in this country. Indeed nobody should.

This budget also preserves my increased investments in education, which is foundational to a strong economy and a vibrant future. And I fully incorporated the work of Senator Lightford and Representative Ammons to make education in Illinois more equitable.

In March of 2020, I promised schools that they wouldn't lose funding because of the pandemic, and this budget keeps that promise. The federal government has made extraordinary efforts to support schools during this time, with \$2.8 billion allocated to schools thus far – and more is expected. Thanks to this funding, we can protect our K-12 investments at current spending levels. No schools will have to reduce spending, and they can instead focus on meeting the needs of students who have tried to learn in a chaotic and trying time. The increased funding from the federal government will help us overcome the learning loss so many children experienced during this pandemic. I call on school districts across the state to use those additional funds to follow the Biden plan for restoring safe in-person learning and to address COVID learning loss not only this Spring but into the Summer too.

Higher education – which was cut deeply by my predecessor and his General Assembly allies during their self-inflicted budget impasse – is fully protected in this budget proposal. Our colleges and universities are facing so many other challenges that we should not ask them to take on more. Federal COVID relief funding will provide \$740 million to post-secondary institutions in Illinois, so the most important place to invest in higher education is in expanding college access for those smart kids who can least afford it, which is why I propose a \$28 million increase to MAP grants – to be sure, less than the \$50 million I proposed last year, but enough to allow thousands more Illinois students to get a scholarship.

And for our youngest children, Illinois is the best in the nation during this pandemic in supporting childcare providers and the children who attend them. Illinois has created the nation's largest childcare grant program, with \$290 million going directly to 5,000 childcare centers and homes in 95 counties, allowing them to stay afloat over this challenging year – places like Marcy Mendenhall's Skip-A-Long Child Development Services.

Skip-A-Long has three childcare centers on the Illinois side of the Mississippi, and one center across the river in Iowa. When the pandemic hit, only one of those states offered consistent, science-based guidance on how to best protect children, families and staff. Soon after, that same state started paying Skip-A-Long for all the kids enrolled in its centers, not just who showed up every day, so they could keep their staff in the most

turbulent time. And that very same state made it possible for all essential workers to enroll in its Child Care Assistance Program so that their kids had a safe place to go when they couldn't stay home – and reduced parental co-pays for the program to just \$1 a month. What Illinois has done to preserve childcare and reduce the burden on working families has been rightly held up as a model for the nation. And it has meant that even with all the terrible tolls of this pandemic, more than 100,000 of Illinois' youngest families had one less thing to worry about every day.

In short: even absent necessary federal action, Illinois gave our all to keeping an entire industry alive – an industry that has the power to make or break women's participation in the workforce – in a way that other states failed to do.

And as we gain national attention for our leading efforts to support childcare – and support working parents – this budget will make additional investments by protecting our early childhood block grant, expanding early intervention programs, and directing \$350 million in federal funds directly to childcare providers. And, thanks to the insights and hard work of my Early Childhood Funding Commission, we'll use some of the recent federal funding to build community-level supports for connecting young families to the services they need as we emerge from this pandemic.

Telecommuting, telehealth, remote learning, videoconferencing – this pandemic laid bare the need for reliable broadband across the state. Fortunately, in 2019, working with the General Assembly, I prioritized broadband with the most aggressive vision for high speed internet in the nation. Through our public-private Connect Illinois program, we're connecting over 26,000 residents who had been left out of the digital revolution, and it's redefined the healthcare, education, and economic opportunities for their communities. At least \$50 million in additional state matching grants will be awarded this year, making substantial progress on our goal of universal access in 2024.

Right now it's more important than ever to invest in, create, and support good-paying jobs, which is why we amped up the rebuilding and renewal of our transportation infrastructure. In the last fiscal year, FY2020, alone, we improved 1,700 miles of highway, completed 600 highway projects and over 120 bridges in every corner of the state. Modernizing our infrastructure has continued into FY2021 with the completion of the Chicago Veterans' Home and the launch of one of the largest job creating projects in Southern Illinois in a generation, the Alexander Cairo Port district.

At its core, our pandemic response is focused on saving lives and protecting working families. We've helped keep tens of thousands families from losing their homes, kept them fed, and ensured their children had a safe place to go each day. This pandemic isn't over yet, so that remains our guiding light for this fiscal 2022 budget proposal.

As the General Assembly takes up this proposal, brings its own ideas to the table, and debates our collective approach, I want to take a moment to discuss the federal government's role in all of this.

Every Illinoisan should hear this. For decades, Illinois has been forced to send billions more tax dollars every year to the federal government than we receive back from them in support of our citizens. Federal spending is rigged against Illinois. We've been subsidizing public services for other states, like Iowa, Kentucky, Indiana, and Missouri.

You deserve better. I'm fighting for better. Congress must act decisively, and I urge every Illinoisan to add their voice to this demand. So far, not a single Republican Congressman from Illinois has supported you getting back what you paid for. If not in a national crisis, when will they stand up for us? Now is the time.

Let's be clear. Congressional action will help us today, but it won't solve Illinois' remaining fiscal challenges. That's why any money we receive from the federal government needs to be spent wisely, by paying down borrowing and our bill backlog. Anything remaining must be used to invest in expanding jobs and economic growth. More jobs, more businesses, more economic activity – means a higher standard of living for our citizens, a healthier budget and a healthier state government.

This will be one of the most challenging budgets this government has ever had to craft, but I know there are willing partners in the General Assembly. In addition to the budget committee, I've spoken with members and committee chairs of the General Assembly, and incorporated their ideas, like cutting corporate loopholes that force the middle class to pay more.

Compromise, hard work, and a willingness to make tough decisions is going to be required of all of us. I enter the process of negotiation with an open mind. I have only one hard and fast rule – we aren't going to treat people who have been decimated by this pandemic as roadkill. Those most in need in our most desperate times deserve our help, and we cannot fail them.

I want to briefly touch on a few other priorities the General Assembly must address as in-person sessions begin again.

It's a new era in state government, with a new generation at the helm, and the first black Speaker of the House. The Black Caucus just last month passed landmark legislation dealing with education, criminal justice, economic opportunity and healthcare. There is much to celebrate, and we have a new moment to advance important legislation that the people of Illinois have asked for.

A year ago, I outlined my vision for real, lasting ethics reform. It's time to pass ethics legislation this year. Nobody should hold the title of both legislator and lobbyist at the same time. We need meaningful disclosure of conflicts of interest. We must end the General Assembly's revolving door allowing legislators to get paid as lobbyists the day after they leave office. Restoring the public's trust is of paramount importance. There is too much that needs to be done. If not for the pandemic, this would have happened last year. With a real legislative session and remote or in person hearings, we need to get this done.

The to-do list is long, but it includes key priorities like finally authorizing the overdue second cannabis licensing lottery, and passing an energy bill that protects our nuclear fleet and builds up our wind and solar industries, protects the environment, puts consumers first and supports jobs.

There is so much to do, and it's time to get to work.

I'd like to close by speaking directly to our citizenry who have endured and persevered through this pandemic.

Almost a year ago, on March 9, 2020, as we were all just becoming fully aware of the danger that COVID-19 would pose, I appeared before you in the first of the spring's 80 daily press conferences. I said something that day that I didn't want to have to tell you: that this pandemic was going to affect your daily life.

I knew you needed me to be honest with you. I knew that moments like these lurk in our history books, times when leaders are judged by how willing they are to lay a crisis on the table and ask for help containing it.

I admit, I wish the last year had been about all the normal problems of government – lowering taxes and fixing roads and making college more affordable – instead of once-in-a-lifetime problems like hunting for N95 masks, and building covid testing from scratch, and constructing a fair and science-based strategy for mitigating a new and deadly disease. This budget proposal reflects that struggle.

But we don't get to choose the times we live in – we only get to decide if we are willing to meet the moment that chooses us.

Every single day of the last year I've felt the weight of what I've asked you to sacrifice as COVID threatened your lives and livelihoods. I want you to know that. I wish our paths had crossed in easier times, Illinois, but I don't need the times to be easy to fight for you.

I know it's hard right now. I know you and your family, no matter what your circumstances, are struggling. And I know that, just as a year ago, when you needed me to be honest and tell you that this pandemic was going to affect your daily lives – right now you need someone to honestly tell you that it's going to end.

Well, it IS going to end. The marathon has been long, and I believe there is one more leg left to run. It requires patience and perseverance and courage to battle the last attacks of an invisible enemy.

But it is going to end. That is something I promise you.

In 1918 these state fairgrounds were used to save our citizens. One hundred years later, they are saving us once again, serving as one of the largest vaccination sites in Illinois.

Every year in August, these grounds have a much more joyful purpose as they host the Illinois State Fair. This place changes to meet the times – it can be a hospital or a testing center or a vaccination site or a showcase for award-winning livestock or a concert venue. It can be all of those things and not lose its fundamental character.

We all had to change to fit the world we've had to live in for the last 12 months. We had to give up some of the best things about living our lives in order to save our lives. But we didn't forget how to hug old friends, toast at weddings, dance at concerts, cheer at baseball games, and share popcorn at a movie theater. We didn't forget how to be human. We didn't lose our fundamental character.

What is old always becomes new again. And Illinois's oldest treasure is the character of its people – it runs rich with a strain of generosity, empathy and steely minded fortitude that stretches from Hallie Staley Kinter to Joyce Pacubas-LeBlanc. As long as there is hardship to face, we will face it. As long as we need heroes, here in Illinois they will appear.

As long as we need to be strong, we will be. Because that is the State of our State – generous, heroic, and strong, always.

God bless you, and God bless the great state of Illinois.