



## Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

May 22, 2017

The Honorable John Cullerton  
Senate President  
327 State House  
Springfield, Illinois 62706

Dear President Cullerton:

The Coal Development Act (20 ILCS /1105/8) requires the Department of Commerce & Economic Opportunity (Department) to submit an annual report to the Governor and the General Assembly outlining the status of the Coal program.

Unfortunately, due to the deficit in the FY15 budget passed by the General Assembly, the Department's Office of Coal Development was suspended midway through FY15. The program has remained suspended to this day due to the lack of a balanced budget and capital re-appropriations. These suspensions impact the Coal Technology Development Assistance Fund (Capital) and the Coal Development Fund.

The Coal Technology Development Assistance Fund comes from 1/64th of the electricity excise tax passed through from the General Revenue Fund (GRF) and would typically support competitive research and development and marketing grants. The Coal Development Fund comes from General Obligation (GO) bond authority to support Coal Demonstration grants.

On March 31, 2017, Governor Bruce Rauner signed Executive Order 17-3 to move the functions of the Office of Coal Development to the Illinois Department of Natural Resources ("DNR"). DNR is responsible for managing, conserving, and protecting Illinois' natural, recreational and cultural resources. As such, the promotion and marketing of coal more closely aligns with the mission and responsibilities of DNR. Absent action to override the Governor's Executive Order by the General Assembly, Executive Order 17-3 will go into effect on July 1, 2017.

Although the programs remain suspended without a balanced budget and a comprehensive capital re-appropriation bill, it is possible that the Coal Development program can be restored in future budget years.

Respectfully submitted,

Sean McCarthy  
Director