



## Illinois Capitol Update

February 13, 2025

With the bill filing deadline now behind us, lawmakers have introduced the full universe of proposals that will shape the early trajectory of the session. After reviewing filed legislation, several clear policy themes are emerging. Chief among them is a strong focus on energy capacity and data center growth, including proposals to regulate power usage, water consumption, and grid impacts as Illinois positions itself as a hub for high-demand computing infrastructure.

Affordability is another major throughline, particularly around insurance costs and consumer financial pressures, alongside broader discussions on healthcare access, workforce development, and economic competitiveness. Additional legislative activity is surfacing in areas such as tax policy, housing supply, public safety, and infrastructure investment, signaling a session likely to balance cost-of-living concerns with long-term economic development priorities.

Both chambers will reconvene in Springfield on February 17 ahead of the Governor's State of the State / Budget Address on February 18.

### **Budget Address Preview: Fiscal Pressures, Federal Uncertainty Shape FY27 Outlook**

New updates from the Governor's Office of Management and Budget (GOMB) highlight mounting fiscal pressure on Illinois ahead of Governor JB Pritzker's FY27 Budget Address next week, with federal funding volatility, cost shifts, slowing revenue growth, and rising baseline costs expected to weigh on the state's near-term outlook and set a more conservative posture for budget negotiations.

The report points to federal policy changes that could reduce state revenues and shift additional program and administrative costs onto states, complicating Illinois' balanced budget requirements. GOMB estimates Illinois avoided more than \$830 million in General Funds revenue losses tied to federal tax changes after decoupling from select provisions, retaining about \$243 million in revenue.

New federal requirements affecting SNAP and Medicaid eligibility and administration are projected to cost the state more than \$100 million over two fiscal years. The report also flags risk to federally supported child care and safety-net programs, with potential losses totaling up to \$1 billion in FY27 if reductions occur.

Below are the **key dates** from each chamber's calendar:

**Feb. 18, 2026:** Governor's Budget Address

**Mar. 13, 2026:** Senate - SB Substantive Committee Deadline

**Mar. 17, 2026:** Primary Election

**Mar. 27, 2026:** House - HB Substantive Committee Deadline

**Apr. 17, 2026:** House/Senate - First Chamber - Third Reading Deadline

**May 8, 2026:** House/Senate - Second Chamber - Substantive Committee Deadline

**May 22, 2026:** House/Senate - Second Chamber - Third Reading Deadline

**May 31, 2026:** Adjournment

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## Campaign Updates

The 2026 Illinois primary election is scheduled for Tuesday, March 17, 2026. Vote by mail and early voting is underway.

### **USPS Postmark Changes Could Affect Mail Ballots and Tax Filings**

Recent U.S. Postal Service operational changes clarify that a postmark reflects the date mail is processed, not the date it is received by the Postal Service. The shift could impact states that count absentee or mail ballots based on whether they are postmarked by Election Day but received afterward. Because some ballots may now be routed through regional processing centers before receiving a postmark, delivery and postmark timing could be delayed. Postal guidance advises voters to mail ballots at least one week before Election Day or use in-person drop boxes or voting locations to ensure timely receipt.

The change may also affect paper tax filers. Millions are still mailed each year, and late postmarks could trigger penalties for taxpayers who file close to the deadline.

### **Leading Illinois U.S. Senate Candidates Spar in Pair of Early Debates**

In early debates in the Democratic primary race for Illinois' open U.S. Senate seat, leading contenders Lt. Gov. **Juliana Stratton**, U.S. Rep. **Raja Krishnamoorthi**, and U.S. Rep. **Robin Kelly** contrasted their positions across federal policy, political funding, and governing priorities as they compete to succeed retiring Sen. Dick Durbin.

Key themes across the debates included:

- **Immigration enforcement:** All three candidates were critical of current federal enforcement practices. Stratton reiterated support for abolishing ICE, while Krishnamoorthi and Kelly focused on structural reforms to federal immigration agencies and broader system changes.
- **Campaign finance:** Candidates debated the role of corporate PAC funding. Stratton emphasized her refusal to accept corporate PAC contributions; Krishnamoorthi defended prior donations, noting some funds were redirected to immigrant-rights efforts; Kelly pointed to tax and campaign finance reforms.
- **Public safety & federal response:** Candidates discussed crime trends and federal-local coordination, emphasizing community investment, prevention strategies, and accountability in law enforcement approaches.
- **Economic & affordability issues:** All three highlighted cost-of-living pressures, workforce investment, and federal economic policy as central voter concerns, while offering varying approaches to taxation, housing, and federal spending priorities.

### **Illinois GOP Senate Primary Takes Shape**

Republican candidates for Illinois' open U.S. Senate seat recently met for a televised primary forum, emphasizing the need for partisan balance in a state where Democrats hold all statewide offices. Former Illinois GOP Chair **Don Tracy** focused on fiscal policy, public safety, and federal oversight, while attorney **Jeannie Evans** highlighted her legal and advocacy background. Businessman and real estate professional **Casey Chlebek** pointed to his private-sector experience as a governing asset. The winner of the March primary will advance to the general election to compete for the seat being vacated by Sen. Dick Durbin.

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## Fiscal & Budget Pressures

### Pritzker Outlines Path Toward Full Pension Funding

Governor JB Pritzker announced a series of proposals aimed at strengthening Illinois' pension systems and advancing the state toward full funding over the long term. Key elements include extending the state's pension buyout program for an additional two years to reduce long-term liabilities, directing certain surplus state revenues toward pension debt reduction, and reaffirming the governor's long-term funding framework. That framework includes raising the state's pension funded-ratio target to 100% by FY2048, dedicating future debt-service savings to pension contributions, and continuing efforts to address Tier II compliance issues.

### Court Actions Preserve Education, Child Care Funding

Attorney General Kwame Raoul announced legal actions protecting federal funding streams, including an agreement preserving \$1.4 billion in annual education funds and a preliminary injunction blocking a proposed freeze of \$10 billion in child care funding tied to programs such as CCDF, TANF, and SSBG. The injunction ensures continued funding while litigation proceeds.

### Trump Administration Cuts Target Illinois Public Health Funding

Illinois officials announced roughly \$100 million in federal public health funding cuts affecting local health departments and statewide programs, including HIV prevention, chronic disease monitoring, injury prevention, and public health infrastructure. Attorney General Kwame Raoul has filed suit, along with other states, challenging the funding reductions, with litigation ongoing.

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## Policy Updates

### Illinois Population Growth Continues

New U.S. Census estimates show Illinois added 16,108 residents between July 2024 and July 2025, marking the state's third consecutive year of population growth and more than 100,000 new residents since 2022. Gains were driven by births outpacing deaths and declining domestic outmigration, now at its lowest level in 15 years.

### Hawthorne Harness License Suspended

The Illinois Racing Board suspended the harness racing license of Suburban Downs, operator of Hawthorne Race Course, after the track failed to meet financial and regulatory requirements, including posting a required bond and demonstrating it could fund its race meet. The action followed canceled race dates and reports of unpaid purses and vendors. The license could be reinstated if compliance issues are resolved. Separately, Fanatics shifted its Illinois online sportsbook license from Hawthorne to Argosy Casino Alton, while maintaining retail operations at the track.

### United Expands Flights from O'Hare — New Service for Illinois Communities

United Airlines is rolling out its largest ever summer schedule at Chicago O'Hare, with a record 750 daily departures to 222 destinations in 2026. Key Illinois market gains from the expansion include:

- Champaign/Urbana (University of Illinois Willard Airport): United is returning to this market with four daily nonstop flights to O'Hare beginning April 30, 2026.
- Bloomington/Normal (Central Illinois Regional Airport): United will begin four daily nonstop flights to O'Hare starting May 7, 2026.

### **Illinois Launches Prairie State Access Fund**

Governor JB Pritzker announced the Prairie State Access Fund, a public-private partnership with the Michael Reese Health Trust to support reproductive healthcare infrastructure. The fund will provide flexible funding to clinics and support organizations as patient demand, including out-of-state travel, continues to grow, complementing existing state programs.

### **Swipe Fee Law Survives First Legal Challenge**

A federal judge upheld Illinois' first-in-the-nation law prohibiting credit and debit card "swipe fees" on the tax and tip portions of transactions, allowing the policy to move forward. The lawsuit — filed by banking and credit union groups — argued the law conflicted with federal banking regulations, but the court rejected most of those claims. A separate provision limiting certain data-sharing practices was struck down. Additional legal challenges and appeals are expected as implementation approaches.

### **\$50M Available for Community Health Center Construction**

Illinois is offering \$50 million in Rebuild Illinois grants to support construction and renovation projects at Federally Qualified Health Centers and look-alikes. Grants of up to \$3 million aim to expand primary and preventive care capacity, particularly in underserved and rural communities.

### **Illinois Expands Online Trucking Registration Renewals**

The Secretary of State launched a new online renewal system for International Registration Plan (IRP) filings, allowing trucking companies with fewer than 250 vehicles to upload tax forms, file renewals, and pay electronically. The platform also includes real-time mileage checks and flexible payment options ahead of the March 30 deadline.

### **Illinois Expands Trade Workforce Apprenticeship Program**

Governor JB Pritzker and the Illinois Department of Commerce and Economic Opportunity announced more than \$17 million in grants to 39 apprenticeship programs through an expansion of the Illinois Works Pre-Apprenticeship Program. State data shows participation diversity increased significantly between 2024 and 2025, with Black, Hispanic, Asian, and Native American participation rising from 35% to 80%, and women's participation increasing by 17%. Participants attend tuition-free, receive stipends, and earn industry certifications upon completion.

### **Transit Ridership Continues Rebound in 2025**

The Regional Transportation Authority reported 373.5 million rides across CTA, Metra, and Pace in 2025, with systemwide growth and more than 1 million daily trips on 236 days. CTA ridership rose 3%, Metra increased 8%, and Pace declined 3% but continues to recover from pandemic lows.

### **U.S. Department of Education Drops Appeal on DEI Enforcement Letter**

The U.S. Department of Education withdrew its appeal of a Maryland federal court ruling that blocked enforcement of a 2025 "Dear Colleague" letter addressing diversity, equity, and inclusion (DEI) programs in schools. The letter had outlined the department's interpretation of federal law related to race-conscious policies and required schools to certify compliance or risk losing federal funds. A coalition of education groups successfully challenged the policy, and the court ruled that the department failed to follow required administrative procedures. The parties jointly dismissed the appeal, leaving the lower court ruling in place.

### **Illinois Accountability Commission Holds Second Hearing on ICE and CBP Activity**

The Illinois Accountability Commission held its second hearing examining ICE and CBP activity in Chicago,

hearing testimony from policy, law enforcement, and civil rights experts. Witnesses addressed federal enforcement practices, training and oversight issues, and offered recommendations, while the commission outlined plans to expand public testimony and access to future hearings.

#### **Illinois Issues Cease-and-Desist Orders to Dozens of Online Gaming Platforms**

The Illinois Gaming Board (IGB) and Attorney General Kwame Raoul sent cease-and-desist letters to more than 60 entities alleged to be operating illegal online casino and sweepstakes gaming platforms accessible to Illinois residents. The letters direct operators to block Illinois users or discontinue prize offerings or face potential civil or criminal penalties. State officials emphasized that Illinois law permits gambling only through licensed casinos, racetracks, sportsbooks, and video gaming operators, and said unlicensed platforms pose consumer protection and regulatory risks. Industry groups have separately raised concerns about tax and regulatory structures affecting the legal gaming market.

#### **Illinois Joins the World Health Organization Alert Network**

Following the United States withdrawal from the World Health Organization (WHO), Governor Pritzker announced that Illinois joined the World Health Organization's Global Alert and Response Network so that Illinois is directly connected to timely global alerts, expert public health networks, and international response capabilities essential to protecting Illinois residents from emerging disease threats.

#### **Illinois Expands Manufacturing Training at Community Colleges**

Illinois is making \$24 million in grant funding available to create six new manufacturing training academies at downstate community colleges. The programs will provide hands-on training in fields such as welding, robotics, and automation to help address workforce shortages and support the state's manufacturing sector.

#### **Quantum Park Construction Underway; Sixth Tenant Announced**

Development of the Illinois Quantum & Microelectronics Park is actively underway, with initial site construction in progress on the former U.S. Steel South Works property. The campus is not yet operational, but multiple public and private partners have committed to locating at the site once facilities are completed later this decade. Most recently, quantum software firm Quantum Machines announced plans to establish a lab at the park, becoming the sixth announced tenant. The project represents a major long-term economic development and research investment aimed at positioning Illinois as a national hub for quantum technology.