Illinois Statehouse Briefing

October 1, 2026

Illinois is in the final month of the November 3 election. Gov. JB Pritzker is seeking a third term against Republican Darren Bailey and independent Collin Corbett. Lt. Gov. Juliana Stratton faces former Illinois Republican Party Chair Don Tracy for retiring U.S. Sen. Dick Durbin's seat. All 118 Illinois House seats and 39 of the 59 Senate seats are also on the ballot.

Democrats hold substantial majorities in both chambers, and the principal Statehouse question is the size and composition of those caucuses after Election Day, as both super-majorities are expected to add to their membership. Campaigns are emphasizing affordability, energy costs and national politics. Pritzker and Democratic legislative leaders enter the final stretch with considerable financial resources, while Republicans are concentrating on a smaller number of competitive legislative seats. House Speaker Chris Welch's campaign operation has also separated from the Democratic Party of Illinois' coordinated campaign after a funding dispute, adding to tensions within the majority caucus.

The General Assembly returns for veto session November 17-19 and December 1-3. Pritzker signed the spring legislation and did not issue a veto requiring an override vote. Data center regulation, education funding, Bears stadium and megaproject proposals, and ethics reforms could surface, but none presently has a deadline that forces resolution in December. Gov. JB Pritzker's BUILD housing proposal could return in veto session after stalling this spring, but the Illinois Municipal League remains opposed to its limits on local zoning authority. A brief lame duck session may follow in January before the new General Assembly takes office January 13. The election results and negotiations among the Governor and legislative leaders will determine which issues are ready for a vote.

Policy and Fiscal Updates

Pritzker Creates AI Cabinet as Data Center Talks Continue

Gov. JB Pritzker has created an Illinois Artificial Intelligence Cabinet to recommend safeguards and examine the technology's effects on public infrastructure. Its charge includes data center incentives, permitting, grid impacts and ratepayer costs. The announcement comes as the administration presses lawmakers to replace the pause on new data center incentive agreements with a broader framework during veto session. Negotiations continue over electricity and water demand, labor standards and community impacts.

Tollway Approves $26.5 Billion Capital Program

The Illinois Tollway Board approved its 15-year Driving Connections program in August, along with rate increases to fund roadway, bridge and congestion projects. Passenger tolls will rise by approximately 45 cents per toll on January 1, 2027, and commercial vehicle rates by 30%. Inflation-based adjustments begin in 2029. The program spans the Tollway system and will run through 2042.

New Regional Transit Authority Begins Work

The Northern Illinois Transit Authority began operating September 1, replacing the RTA and taking a larger role in regional budgeting, fares and capital planning while CTA, Metra and Pace continue to run service. The new board has elected Tom Kotarac chair and named Jamie Rhee interim executive director. It is developing its first regional budget, plans for a universal fare system and the efficiencies required under last year's transit law.

Illinois Receives Two More Credit Upgrades

Moody's raised Illinois' general obligation rating to A1 in August, and S&P followed in September with an upgrade to A. The agencies cited stronger reserves and improved fiscal management, although Illinois still faces substantial pension liabilities. General Funds revenues closed FY26 roughly $1 billion above the estimate used for the budget and were ahead of the prior year through the first two months of FY27. The early pace may not continue, but it gives lawmakers a stronger starting position for fall fiscal discussions.

Illinois EPA Releases PFAS Strategy

Illinois EPA has issued an integrated plan for monitoring and reducing PFAS contamination in drinking water, groundwater and wastewater. Community water systems must finish initial monitoring by April 25, 2027, begin ongoing compliance monitoring the next day and meet Illinois' PFAS limits beginning April 26, 2029. The state is maintaining its schedule even as federal requirements remain under review.

Choate Downsizing Draws Second Lawsuit

AFSCME Council 31 has sued to block the administration's plan to eliminate civil mental health beds and substantially reduce developmental disability beds at Choate Mental Health and Developmental Center. The union argues that state laws governing facility closures and psychiatric capacity were not followed. The administration says demand for psychiatric beds is greater in northern Illinois and plans to shift capacity to Madden Mental Health Center. The suit is the second challenge to the plan since July.

Illinois EPA Releases Climate Action Plan

The Illinois EPA has released its Comprehensive Climate Action Plan, finding that existing policies will not put the state on track to reach net-zero greenhouse gas emissions by 2050. The plan models additional measures across transportation, buildings, industry and other sectors that could reduce emissions 72% below 2005 levels by 2050. It estimates significant economic and health benefits, but the proposed measures are a roadmap rather than enacted policy. Many would require future legislative, regulatory or budget action.

School Funding Adequacy Gap Continues to Grow

New Evidence-Based Funding calculations show Illinois moving further from its school-funding goals despite continued increases in state support. The statewide adequacy gap has grown to approximately $6.8 billion, up from $4.8 billion three years ago, and only 292 of 850 districts are now funded at or above 90% of their adequacy target. Rising costs, changes in corporate tax revenue and growth in the number of low-income students are contributing to the gap. The figures strengthen the case for additional statewide funding as lawmakers consider whether to address education spending during veto session.

Medical Aid-in-Dying Law Takes Effect After Court Ruling

Illinois' End-of-Life Options for Terminally Ill Patients Act took effect September 12 after a federal judge declined to block it while a legal challenge proceeds. The law allows eligible adults with a terminal diagnosis to request life-ending medication from a physician, subject to requirements involving prognosis, capacity and self-administration. The plaintiffs argued that the law could expose people with disabilities to discrimination and inadequate oversight, but the judge found they had not shown grounds for a preliminary injunction. The litigation remains pending.