ICCTA Government Relations and Public Policy END OF SESSION Report

April 13, 2022

The Illinois General Assembly finished an unusually accelerated and highly charged spring session in the early morning hours of Saturday, April 9. This is far earlier than the usual May 31 adjournment and was capped by passing a \$45.6 billion state budget, the highest spending amount for state funds in any Illinois budget.

House Speaker Chris Welch (D), Senate President Don Harmon (D), and Senate Republican Leader Dan McConchie (R) all completed their second year as caucus leaders. Lawmakers worked through bills as the Omicron variant of COVID-19 surged in January and February. However, as the surge diminished, Republicans called on House Democrat leadership to lift the mask mandate for members on the House floor and called for in-person committee meetings. After several partisan debates, the State Capitol eventually largely opened to lobbyists and media, in-person meetings resumed, and mask mandates were relaxed. Election-year politics made crime/law enforcement and inflation top issues among lawmakers.

Members of the General Assembly filed nearly 10,000 bills during the two years of the 2021-2022 session. Legislators eventually passed more than 400 bills to the Governor's desk for his consideration this summer. The legislature also passed a state budget, funding for local capital projects, a package aimed at providing residents relief from inflation and property taxes, reforms to crack down on crime (including carjacking and smash- and-grabs), authorization for more expressway cameras, hospital assessment reform, nursing home rate reform, ghost gun bans, and new multi-year safe gun storage campaign. One major item still to resolve is the remaining \$1.8 billion shortfall in the Unemployment Insurance Trust Fund. The General Assembly did fund a majority of that shortfall and voted to delay automatic changes that would have reduced worker benefits and raised employer taxes; however, they will have to deal with this issue in the fall.

Lawmakers will now focus on in-district work and the 2022 campaign cycle before convening again for the Fall 2022 Veto Session. Both chambers adjourned to the call of the chair and not to a specific date. It is anticipated that session will also be called to order in early January 2023 for a "lame duck" session before inauguration of the new General Assembly and Governor.

It is believed that the Democrat-lead General Assembly will take up more controversial issues after the November 8 general election. Depending on the outcome of the election, we expect an active veto session in the fall and early January. Bills held during the spring 2022 session can still be considered prior to the new General Assembly's inauguration in January.

FISCAL YEAR 2023 STATE BUDGET

Incoming state revenues are \$4.6 billion higher for the current fiscal year than previously projected. This is primarily due to spending on goods rather than services, as expenditures on goods grew during the pandemic and the budget was bolstered with federal stimulus funds. In addition to the still-available federal American Rescue Plan Act funds, Democrat leaders had a surplus of state funds to allocate this year, compared to previous budgets where difficult spending decisions were needed.

The following budget allocations are of special interest to community colleges:

- A FY22 supplemental 5% increase for community colleges, which is also included in the FY23 budget
- A 5% increase in funding for Adult Education and Career & Technical Education programs

- A \$122 million increase in Monetary Award Program funding, including expansion of MAP grants for students seeking short-term credentials and certificates
- An increase in the maximum MAP grant award from \$6,468 to \$8,508
- \$47.4 million for the following new initiatives:
 - \$5.0 million for City of Chicago Career & Technical Education
 - \$5.9 million for the facility operations of Southwestern Illinois College Belleville campus
 - \$25.0 million for the Pipeline for Advancement of the Healthcare (PATH) Workforce program to help train new nurses, lab techs, EMTs and other high-demand health care positions
 - \$5.0 million for College Bridge grants
 - \$5.0 million for Trade School programs
- \$1.9 million for new community college capital projects and a \$979 million re-appropriation of prior year capital projects

Other provisions of the FY23 state budget (outlined in <u>House Bill 900</u>) include:

- Funds 330 new state troopers and a new Forensic Lab in Decatur. A new program called the Reimagine Public Safety Act will receive \$236 million, with the goal of reducing crime. Within that program, \$124 million is allocated for law enforcement grants; \$48 million for carjacking prevention; \$50 million for domestic violence programs; and \$12 million for a witness protection program and anonymous tip line
- Deposits \$1 billion in the state's long-dry rainy day fund
- Pays another \$200 million into the state public pension funds deficit, in addition to the required \$9.6 billion payment
- Increases K-12 education by \$510 million, including \$350.2 million for the evidence-based school funding formula. Early childhood education will received an increase of \$54 million, with smaller increases allocated for agricultural education, school transportation, and special education

<u>Senate Bill 157</u> is an omnibus revenue bill, which includes a variety of inflation- and tax-relief proposals:

- Suspends the 1% percent sales tax on groceries for one year, beginning July 1, 2022. The suspension will save consumers an estimated \$400 million; local governments will still receive tax revenue supplemented by state funds
- Freezes the Motor Fuel Tax at 39 cents/gallon until January 1. The tax will then increase 2.2 cents in 2023, saving consumers an estimated \$70 million. Retailers must also place a sign on each gas pump highlighting the tax relief
- Permanently expands the state Earned Income Tax Credit to 20% of the federal credit, up from 18%, and expands eligibility to persons 18-25 and 65 or older
- Doubles property tax rebates up to \$300
- Sends \$50 checks per individual directly to taxpayers this fall for households earning less than \$200,000 individually or \$400,000 jointly and \$100 per child up to three children (an estimated 90% of Illinois families)
- Suspends the state sales tax on back-to-school supplies and clothing for August 5-14, 2022, saving consumers an estimated \$50 million)
- Makes a one-time payment of \$100 million to the Local Government Distributive Fund
- Provides a 5-year extension of the sales tax exemption on mining, coal, and aggregate equipment
- Provides a biodiesel incentive

In Public Act 102-0696 (<u>SB 2803</u>), the Governor and lawmakers allocated \$2.7 billion in ARPA dollars to the Unemployment Insurance Trust Fund. This fund had been \$4.5 billion in debt after the large number of

claims during the pandemic. Discussions continue regarding how to repay the remaining \$1.8 billion and are focused on employer tax increases, reductions in worker benefits, and the continuation of "speed bumps." These "speed bumps" are a combination of tax hikes on employers and benefits cuts for workers placed into law and set to take effect in the future as a means of forcing both sides to the bargaining table. These conversations have stalled. <u>SB 157</u> moves these speed bumps from July 2022 to December 2022 to allow negotiations to continue and to move the deadline past the November election.

P.A. 102-696 also appropriates \$230 million to pay off the unfunded liabilities in the College Illinois! prepaid tuition program, funds \$900 million in debt for the state employee health insurance program, and pays another \$300 million to the state's pension funds.

<u>HB 4700</u> is the Budget Implementation Bill, which allows for mechanisms to implement the budget. Notable provisions include:

- Creates the Climate Jobs Institute at the University of Illinois to study decarbonizing Illinois' economy
- Creates the Office of Opioid Settlement Administration within the Illinois Department of Human Services
- Establishes a salaried position for the Electric Vehicle Coordinator
- Creates a statewide 9-8-8 Hotline Trust Fund for a suicide prevention and mental health crisis system
- Allows Nursing Education Scholarships to be awarded to students at approved institutions that are not required to meet the definition of "institution of higher learning"
- Increases Medicaid rates for specialized mental health rehabilitation facilities by 5% to incentivize reduced room occupancy. Medicaid rates for supportive living services must be 54.3% of the average total nursing services per diem rate for geographic areas; increases reimbursements for substance use disorder treatment providers and facilities; reimburses for medical forensic services to sexual assault survivors
- Waives licensure fees for healthcare workers for FY 22-24 but allows individuals to benefit from waiver only once
- Uses COVID Relief Funds to increase pay for frontline workers at nursing home facilities and ground ambulance service providers
- Mandates DHFS to create a Managed Primary Care Demonstration Project to provide primary care services for preventative care in underserved communities with a health care organization
- Provides energy assistance payments for installation of energy conservation measures, health and safety measures, weatherization activities, and renewable energy retrofits
- Increases sheriffs' salaries to at least 80% of the State's Attorney's salary

BILLS OF INTEREST TO COMMUNITY COLLEGES

PASSED BOTH HOUSES

<u>P.A. 102-0697</u> (HB 1167) requires school districts, public universities, and community colleges to pay educational support personnel and contractors during any school closure and provides **paid administrative leave to vaccinated employees** for purposes related to COVID-19.

House Bill 1175 (Buckner-D) makes changes to student-athlete endorsements.

House Bill 3296 (Ness-D) allows school districts to implement **College and Career Pathway Endorsements** with higher education institutions.

<u>House Bill 4201</u> (West-D) requires public universities and community colleges to designate a **benefits navigator** to assist students.

House Bill 4292 (Morgan-D) authorizes an additional \$1 million to the **pension buyout program** and extends the program two years to June 30, 2026.

<u>House Bill 4724</u> (Burke-D) allows universities and community colleges to **extend credit to students** to purchase textbooks and school supplies.

<u>House Bill 4798</u> (Stava-Murray-D) as amended allows Illinois teaching candidate students with 90 credit hours to obtain **substitute teacher licenses.**

House Bill 5464 (Stuart-D) is an Illinois Board of Higher Education initiative for several administrative changes to statute.

<u>Senate Bill 3032</u> (Fine-D) requires public and private institutions to provide official **academic transcripts** to employers even though the student owes a debt to the institution.

<u>Senate Bill 3149</u> (Villanueva-D) requires institutions of higher education to share information about **child care assistance programs** with MAP-eligible students.

BILLS HELD

<u>House Bill 49</u> (West-D) prohibits **for-profit colleges** or universities from receiving grants, including Monetary Award Program grants.

<u>House Bill 1170</u> (Meyers-Martin-D) as amended allows school districts and universities to create **career and technical education centers** with grants from the Illinois State Board of Education.

House Bill 2827 (Caulkins-R) provides MAP grants to students enrolled in dual credit classes.

<u>House Bill 3220</u> (Tarver-D) requires public universities to require vendors that fail to comply with a **BEP utilization plan** to return all funds paid to the vendor.

<u>House Bill 4247</u> (B. Hernandez-D) requires public universities to make **emergency contraception** available in a vending machine; the bill was amended to exempt community colleges from the mandate.

<u>House Bill 4265</u> (Hernandez-D) requires public universities and community colleges to offer students an option to select "**non-binary**" on all documents for gender identification.

<u>House Bill 4361</u> (Conroy-D) establishes a **minimum salary for instructors** of at least \$1,333.33 per credit hour taught.

<u>House Bill 4676</u> (Conroy-D) requires institutions of higher education to admit one **previously incarcerated returning resident** annually into a program that will lead them to be a licensed behavioral healthcare professional

<u>House Bill 5116</u> (Nichols-D) requires student athletes to undergo **sudden cardiac death screening** before participating in sports.

<u>House Bill 5208</u> (Gonzalez-D) allows a **noncitizen graduate** student without a visa to be eligible for state financial aid.

House Bill 5315 (Stuart-D) class posting notifications and free parking for adjunct professors

House Bill 5424 (Ford-D) appropriates \$19 million to public colleges for mental health initiatives.

<u>House Bill 5473</u> (Slaughter-D) requires each institution of higher education to reserve at least one enrollment for a former incarcerated students. The bill prohibits any institution from considering **criminal history information** during admission decision-making.

<u>Senate Bill 819</u> (Fine-D) as amended expands **MAP grant payments** to cover room and board and coursework materials, rather than just tuition and fees.

<u>Senate Bill 3856</u> (Bennett-D) requires all public universities and community colleges to make **coursework materials free** to Illinois students.

OTHER NOTABLE BILLS

PASSED BOTH HOUSES

<u>House Bill 4292</u> (Morgan-D) will extend the **pension buyout** program for state employees. Participants can receive an accelerated benefit payment instead of any pension benefit. The State Employees' Retirement System has paid out about \$250 million to employees that have chosen the buyout.

<u>House Bill 4666</u> (Hoffman-D) strengthens laws to eliminate predatory practices by nurse staffing agencies, including more transparency into the contracting process, requirement agencies pay 100% of hourly wage to the employees, and prevents agencies from recruiting employees on a provider's campus – the goal of the legislation is to address the **nursing shortage**.

House Bill 5412 (Evans-D) places liability of subcontractor wage debt onto primary contractor.

<u>House Bill 4600</u> (Evans-D) is a trailer to House Bill 5412 regarding debt owed by subcontractor and mandates a task force to study ways to reduce **cost of insurance in the private and public construction industry.**

<u>House Bill 4604</u> (Evans-D) imposes \$10,000 penalty per intentional specified **OSHA violation**. Employees cannot discriminate against employees who report potential violations.

<u>Senate Bill 645</u> (Hastings-D) ensures the rights under the Employee Sick Leave Act serve as the minimum standard in a negotiated collective agreement for **sick leave benefits.**

<u>Senate Bill 1099</u> (J Collins-D) allows and sets parameters on **"lawsuit lending"** contracts – which is a growing trend allowing lenders to make loans to claimants in exchange for a portion of the potential legal recovery.

<u>Senate Bill 1975</u> (Martwick-D) is an **omnibus property tax** bill with changes to the aggregate extension limit, general homestead exemptions, senior citizens homestead exemption, and homestead exemption for veterans with disabilities.

BILLS HELD

<u>House Bill 989</u> (Delgado-D) adds penalties up to \$100,000 for the first violation to the current **corporate board reporting requirements**. Current law requires all publicly held corporations to report the gender, sexual orientation, and race or ethnicity of all directors.

House Bill 1811 (Andrade-D) prohibits use of zip codes or races in **predictive data analyses** for hiring or credit.

House Bill 1293 (LaPointe-D) prohibits state investments in Russian securities and Russian domiciled businesses.

<u>House Bill 3215</u> (Slaughter-D) creates a pilot program for wage subsidies to employers hiring formerly incarcerated employees.

<u>House Bill 3220</u> (Tarver-D) defines "good faith effort" and uniform standard of contract goals for **business enterprise program procurement** goals.

House Bill 3453 (Williams-D) creates a new **Geolocation Privacy Protection** Act and prohibits private entities from disclosing geolocation information without consent, making it an unlawful practice to do so.

<u>House Bill 3530</u> (Ammons-D) restricts employers' discipline processes and ability to **discharge employees** while authorizing recovery of damages for wrongfully discharged employees.

<u>House Bill 4116</u> (Morgan-D) prohibits employers from refusing to hire an individual based on **drug test** indicating presence of THC and from adverse action for employees violating drug policies unless the cannabis level exceeds the DUI provisions. A new amendment defines "safety sensitive position" as working around heavy machinery in a manufacturing facility. The legislation passed the House 61-41-1 but was held in the Senate over continued concerns. Employers may still utilize drug testing and have a zero tolerance policy.

<u>House Bill 4156</u> (Croke-D) attaches civil liability to any manufacturer, importer, or dealer of a firearm for bodily injury or death caused by **unlawful discharge**.

House Bill 5243 (Wheeler-R) creates an affirmative defense for entities with written cybersecurity programs.

<u>House Bill 5543</u> (Gonzalez-D) with House Amendment 1 allows the Illinois Department of Commerce and Economic Opportunity to require a business to agree to terms ensuring the business is a **good corporate citizen** to receive development assistance.

2022 CAMPAIGN FOCUS

As predicted, the upcoming campaign season impacted almost every action by the General Assembly this session and contributed to the politically charged Capitol environment. Illinois courts eventually approved the newly drawn districts in legislative maps, and candidates filed petitions to be placed on the ballot. The State Board of Elections will certify final candidates in primary elections on April 21.

All 118 state representatives, all 59 state senators, all 17 members of Congress, 1 U.S. senator, and all state constitutional officers, including the Governor, must run for election in 2022. There are also two

open Illinois Supreme Court seats and two retention seats. The primary election is delayed until June 28; the general election will be held on Tuesday, November 8.

Currently, 78 of the 118 House races (66%) have contested primaries and/or general elections. Of the 59 Illinois Senate seats, only 29 face contested races. Each of the 17 Congressional districts have at least two candidates in the primary or general election.

A constitutional amendment referendum will also appear on the general ballot asking voters to grant all Illinois workers a "fundamental right" to organize a union with collective bargaining and remove any possibility of a "right to work" law. Former Republican Governor Bruce Rauner had prioritized, and failed, in passing a right to work law in Illinois.

During the 2022 session, the General Assembly passed legislation to limit influences from outside funding. <u>HB 716</u> prohibits self-funders and independent expenditure committees from accepting more than \$500,000 from any single person or entity. Additionally, both chambers passed a bill to require the State Board of Elections to provide a remote accessible vote by mail system for voters with print disabilities (<u>SB 829</u>).

#CCMonth #4everystudent4everycommunity

For more information on state legislative and public policy issues, please contact:

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