



ICCTA Government Relations and Public Policy Report October 17, 2023

Ahead of the Illinois General Assembly's **fall veto session** on October 24-26 and November 7-9, another division has emerged among Illinois Democrats. Officials (including Gov. JB Pritzker) spoke out in support of Israel and urged a return to peace in the Mideast in response to continuing conflict between the Jewish state and Hamas militants. The Illinois Legislative Jewish Caucus released a statement, signed by 15 members of the General Assembly, urging support of Israel and condemning the violence. Another group of 16 Democratic legislators, including Rep. **Abdelnasser Rashid** (D-Chicago), the first Palestinian-American to serve in the Illinois General Assembly, issued a counter-statement urging de-escalation, peace, and end to the violence in Israel and Gaza. Later, several of those co-signers issued "clarifications" to focus their remarks on condemning the slaughter perpetrated by Hamas terrorists.

Other divisive intraparty issues include whether to extend the Invest in Kids tax credit, expansion and funding of healthcare for undocumented immigrants, providing funding to Chicago for asylum seekers, the gubernatorial veto of legislation to enable nuclear power plant construction, and the gubernatorial veto of legislation providing Ameren with the right of first refusal to build new electric lines.

ICCTA does not have a full picture of what the General Assembly will consider when lawmakers return next week, but it does seem clear that there is little appetite to tackle any super-controversial issues, partly because veto session falls in the middle of petition-gathering season. Incumbents will know if they will be challenged for their seat after the filing period closes on December 4.

Upcoming General Assembly Committee Hearings

- October 17: Joint Committee on Administrative Rules
- October 18: House Ethics & Election Committee on election security
- October 26: Legislative Audit Commission
- November 2: House Judiciary & House Cybersecurity, Data Analytics & IT Committee on emerging issues in artificial intelligence

State Agency Leadership Changes

Recently announced agency transitions will lead to new leadership at all four of the state's healthcare agencies and create two vacancies under the deputy governors. Last month, the Governor announced that **Sol Flores** will depart her role as deputy governor for health and human services on October 13. **Grace Hou**, the current director of the Illinois Department of Human Services, will assume Flores' role after her departure, and **Dulce Quintero** will become acting secretary of DHS.

Theresa Eagleson, director of Illinois Department of Healthcare and Family Services since January 2019, will step down at the end of this year. Prior to her appointment, Eagleson was the state's longest serving Medicaid director, as well as the executive director of the University of Illinois' System Office of Medicaid Innovation.

Lizzy Whitehorn, currently serving as assistant deputy governor for health and human services, will act as HFS director.

Paula Basta, director of the Illinois Department of Aging, will also retire at the end of the year after serving since March 2019.

Marc Smith, director of Illinois Department of Children and Family Services, will step down in December – leaving an agency burdened by systemic failures. Smith has been serving as director since April 2019. The announcement of Smith’s impending departure comes a little more than a week after the state’s auditor general issued a scathing report that cited DCFS’ significant delays in reporting abuse and neglect to local prosecutors, other state agencies and to officials at children’s schools. Smith also steered the agency during a tumultuous period in which a judge held him in contempt of court repeatedly for failing to adequately house children who had been placed in the department’s custody.

Camille Lindsay has been appointed as acting director of professional regulation at the Illinois Department of Financial and Professional Regulation. She currently serves as first assistant deputy governor for public safety, infrastructure, environment, and energy. Prior to joining the Governor's office, Lindsay served as chief of staff and chief legal counsel for the Illinois Department of Corrections.

Over the next several months, a national search will be conducted to find new directors for DCFS and the Department of Aging. The Governor's Office has not publicly announced who will fill Whitehorn or Lindsay's positions.

DoIT Launches Paid Tech Trainee Program

The Illinois Department of Innovation & Technology (DoIT) has launched a paid trainee program aimed at building a pipeline of tech talent in partnership with the City Colleges of Chicago and Lincoln Land Community College. Trainees in these programs will receive a minimum yearly salary of \$54,000 from DoIT while pursuing tracks in five high-need concentrations: cybersecurity, networking, coding and database, end user computing, and enterprise infrastructure. Classes will initially begin with 20 participants, with additional cohorts launching as needed in the future.

ISU Faculty Affiliate with UPI

Tenured and tenure-track faculty at Illinois State University have filed to unionize as part of the University Professionals of Illinois, the Illinois Federation of Teachers announced last week. A total of 650 faculty members signed and submitted membership cards with the Illinois Education Labor Relations Board. The United Faculty of ISU are expected to be recognized as a union by December.

COGFA Announces 2024-2025 Minimum Teacher Salary

Pursuant to [Illinois Public Act 103-515](#), the Illinois Commission on Government Forecasting and Accountability is required to certify and publish, no later than September 30, 2023, the minimum salary rate for teachers who serve on a full-time basis. For the 2024-2025 school year, the minimum salary is \$41,188. The calculation is based on the minimum salary for the 2023-2024 school year (\$40,000) increased by the percentage equal to the annualized percentage increase in the Consumer Price Index for All Urban Consumers (2.97%).

Pritzker Requests Further Federal Action on Asylum Seekers

Gov. Pritzker is asking for more assistance from the federal government in dealing with the ongoing influx of asylum seekers in Illinois cities, which has brought more than 15,000 individuals to Chicago and other urban areas.

Pritzker specifically asked for a waiver of the fees required for individuals seeking temporary protected status after reports surfaced that the cost to obtain a work permit could be as much as \$500 or more. He also requested that the federal government take over the coordination of buses bringing newly arrived immigrants to states and that it begin providing more data to states about the individuals who are arriving and making legal applications to enter the country. In addition, Pritzker's administration has asked for more financial support for states, local governments, and NGOs to provide housing, food, and other services to the asylum seekers; for the federal government to further speed up the timeline for employment authorization for those applying for Temporary Protected Status; and for the federal government to approve Illinois' Medicaid waivers and housing vouchers.

In response to that criticism, **President Joe Biden's** administration acknowledged that it sent a team from the U.S. Department of Homeland Security to Chicago "to assess the current migrant situation and identify ways that the city and the federal government can improve efficiencies and maximize resources.

Migrant Crisis Continues to Escalate

Nearly a month after Chicago Mayor **Brandon Johnson** announced plans to move the thousands of migrants being forced to sleep on the floor of police stations and at the city's airports into large tents, Chicago officials have yet to identify a location to build what they call "winterized base camps." The massive tents could shelter, feed, and care for as many as 1,000 migrants in a single location. Johnson and his aides have defended that plan as the best — and only — option available to the city, given the lack of available existing buildings that can be converted quickly into shelters. In all, more than 18,000 people, many fleeing violence and economic collapse in Venezuela, have made their way to Chicago in the past 13 months. All are in the country legally after requesting asylum. City officials expect more than a dozen buses full of migrants paid for by Texas Gov. **Greg Abbott** to arrive in Chicago every day, at all hours, for the foreseeable future. Many are arriving sick and without proper clothing for a Midwestern fall. That has strained the city's social safety net, ballooned the city's budget shortfall, and exacerbated tension between Chicago's Black and Latino communities.

Chicago Mayor Johnson's Budget Address

Mayor Johnson has presented his 2024 budget to the Chicago City Council. A few key takeaways from the \$16.6 billion proposal: Funding for the Chicago Police Department, a key question for Johnson during his campaign and early months as mayor, will not be cut; instead, funding will go up slightly. Johnson also announced that he wants to create nearly 400 civilian positions within the police department. The budget allocates funding for two publicly run mental health facilities and boosts public housing. The mayor committed to hold the line on property taxes and eliminate the automatic escalator that would have increased property taxes to match the rate of inflation. He is also not proposing any increases in home rule taxes or the city's 4.5% hotel room tax. The budget allocates only \$150 million toward managing the migrant crisis — indicating hope for state and federal money to come through.

Midwest Hydrogen Hub Grant

Illinois, Michigan, and Indiana will collectively receive \$1 billion from the U.S. Department of Energy for the creation of a hub that will develop hydrogen as a clean energy source. The Midwest Alliance for Clean Hydrogen, known as MachH2, includes the governors of the three states and dozens of industry and university partners. The 2021 federal infrastructure bill included \$7 billion for the creation of such hubs around the country. The Midwest Hydrogen Hub aims to enable decarbonization efforts through the strategic use of hydrogen in projects such as steel and glass production, power generation, refining, heavy duty transportation, and the creation of sustainable aviation fuel. The hub is expected to create 12,000 jobs through its construction and sustain 1,500 permanent jobs throughout the three states.

House Health Care Licensing & House Labor and Commerce Joint Hearing

On October 3, members of two Illinois House committees (Health Care Licensing and Labor and Commerce) heard more than four hours of testimony related to healthcare staffing ratios. Witnesses from nursing homes and hospitals, including union healthcare workers and representatives from the various organizations representing the industries, focused on the lack of resources to assist patients and systemic underinvestment in facilities. The organizations representing the industry made it clear that they are opposed to additional staffing ratios and explained that Illinois does not have the resources to meet the current requirements, particularly given the shortage of nurses. The Illinois nursing workforce center projects that Illinois will have a shortage of more than 14,400 nurses by 2025.

State Dedicates \$21 Million for CEJA Contractor Incubator Hubs

The Illinois Department of Commerce and Economic Opportunity is providing \$21 million for the Clean Energy Contract Incubator Program, creating a network of 13 community-based hubs across the state aimed at helping clean energy contractors from underserved communities grow their businesses. The organizations running these hubs will be selected through a competitive process overseen by DCEO. The hubs will provide access to low-cost capital, training, mentorship, networking opportunities and other business assistance. Entities qualified for the funding opportunity include non-profit organizations and public colleges and universities.

State, Local, Federal Agencies Work to Clean Up Following Fatal Ammonia Spill

The Illinois State Police and the National Transportation Safety Board are investigating a major multi-vehicle accident on September 29 that involved a tanker truck carrying 7,500 gallons of anhydrous ammonia, leading to the exposure deaths of five individuals. Several others were hospitalized due to ammonia exposure, including five who were airlifted to area hospitals. Initial reports from the NTSB indicate that the accident may have begun when a vehicle attempted to pass the tanker truck.

Measles Case Reported

The Illinois Department of Public Health is reporting a case of measles in Cook County. The case involves an unvaccinated individual with exposure internationally. IDPH is working with the Cook County Department of Public Health to identify potential exposure locations in the United States. The last measles case in Illinois was identified in 2019.

IDOL Paid Leave for All Workers Act Webinars

The Illinois Department of Labor is hosting several webinars about the Paid Leave for All Workers Act, which will take effect January 1, 2024. The webinar will provide an overview of the new law and answer compliance questions. IDOL will host additional webinars on Thursday, October 19, at 10 AM CT; Wednesday, November 1, at 10 AM CT; and Thursday, November 16, at 2 PM CT. IDOL has compiled a list of FAQs about the Act [HERE](#).

Chicago Eliminates Subminimum Wage for Tipped Workers

Chicago has become the largest U.S. city to independently phase out the subminimum wage for tipped workers. Under existing law, Chicago bars and restaurants can pay tipped workers, such as servers and bartenders, \$9.48 an hour, which is 60% of the full minimum wage of \$15.80. If workers' gratuities do not float their hourly wages above the full minimum wage, restaurants are required to make up the difference, although advocates argue that does not always happen. Under the new law, the gap between the tipped and full minimum wages will shrink 8% each year until the tipped and full minimum wages reach parity in 2028.

Opponents, including the Illinois Restaurant Association, say that the measure will cause restaurants to cut staff, raise menu prices, and close. An earlier version of the proposal would have phased out the subminimum wage over two years instead of five; in a statement, the Restaurant Association referred to the final deal as a "compromise we can accept."

COGFA Report on Wagering

COGFA's 2023 Report on Wagering provides an analysis of gaming in Illinois, including casino gambling, video gaming, the Lottery, horse racing, and sports wagering. In Fiscal Year 2023, Illinois' share of taxes from gaming totaled \$1.992 billion, a 5.1% increase over FY22. Highlights include:

- The largest source of gaming revenues is the Lottery, with \$3.610 billion in sales. More than half (56%) of the sales are from instant games. The Lottery contributed \$726 million to the Common School Fund.
- The adjusted gross receipts for Illinois casinos increased from \$1.308 billion to \$1.430 billion, with growth from all 11 casinos and the opening of new casinos in Waukegan and Danville. Notably, the change in the tax structure on casinos has resulted in less state tax revenue (the average effective tax rate fell from 27.3% in FY20 to 20.1% in FY23), which resulted in less revenue for the Education Assistance Fund than prior years.
- The number of video gaming terminals has increased to over 45,000, with the most in Cook County (8,400) and Springfield (800). Video gaming machines generated over \$2.8 billion in net terminal income in FY23, an increase from FY22, and generated approximately \$141 million in local tax revenues and over \$818 million for the Capital Projects Fund. Despite Chicago not participating, Cook County still has by far the most video gaming terminals of any county.
- Horse racing handle decreased by 14.2% to \$514 million. The racing industry is hopeful that potential "racinos" at their facilities will help rejuvenate an overall struggling industry.
- Sports wagering generated \$949 million in AGR in FY23, with \$142 million in taxes and transferred to the Capital Projects Fund.

CO2 Pipeline Projected on Pause Again

For the second time this year, Omaha-based energy company Navigator CO2 Ventures has hit the pause button on plans to construct a \$3.4 billion, 1,350-mile carbon capture and sequestration pipeline that would cut

through central Illinois, Iowa, Minnesota, Nebraska and South Dakota. In withdrawing its application with the Illinois Commerce Commission to build the proposed 292-mile Illinois portion of the pipeline, Navigator said that it "has elected to reassess the route and other aspects" of the project but intends "to reinstate Illinois permitting, if appropriate," after a full evaluation is complete. The company noted that withdrawal request "is consistent with our recent filings in neighboring jurisdictions."

Attorney General Sues CWLP

Illinois Attorney General **Kwame Raoul** filed a lawsuit against the municipal utility company City, Water, Light, and Power for allegedly releasing more than 700 tons of fly ash into the environment last year. CWLP is owned and operated by the city of Springfield, Illinois and provides drinking water and electricity to Springfield residents.

DCFS Worker Convicted

A DCFS worker has been found guilty of child endangerment, finding the case worker's action were the direct proximate cause of the 2019 death of A.J. Freund. This is believed to be the first time a case worker has been held criminally liable based on work for DCFS. A second person, the case worker's supervisor, was found not guilty.

IDPH Medical Cannabis Report

IDPH has released its 2023 annual medical cannabis report. As of June 30, 2023, there are 138,471 active patients in the Medical Cannabis Patient Registry Program and 1,564 patients enrolled in the Opioid Alternative Pilot Program. The majority of patients qualify based on chronic pain (44.49%) or PTSD (14.92%). A total of 4,990 health care professionals have provided certification for patients. There are 21 medical cannabis cultivation centers and 55 licensed medical dispensaries in Illinois.

Cannabis Sales Up in September

Illinois marijuana retailers sold nearly 3.7 million adult-use cannabis products in September -- more products than any other month since recreational sales launched in the state in January 2020. Consumers spent \$139.5 million this month, the third-highest monthly sales amount since legal markets opened. Of that, \$105.1 million was from in-state residents. Monthly medical marijuana sales totaled \$26.5 million in August. This news is helpful for the Illinois market, which has great difficulty securing capital and competing with non-regulated cannabis-like products that are not subject to the same tax rate or regulations.

Hemp Products Debate

Unregulated Delta-8 hemp products have surged in popularity. A proposed Chicago ordinance (Ald. **Brian Hopkins**) and proposed [House Bill 4161](#) (Rep. **LaShawn Ford**) seek to regulate the industry in competing ways. Ald. Hopkins wants to restrict the sales of hemp products and require sales to be made by licensed marijuana dispensaries, which are regulated by the state and required to test their products. Rep. Ford has an alternate plan; he proposes creating a statewide regulatory structure that regulates the sale of hemp products like cannabis products.

IDPH Launches Enhanced Hospital Report Card

IDPH has launched a redesigned [Illinois Hospital Report Card website](#) that features an updated service map, with county-level information on health outcomes and access to care across Illinois. The Report Card currently tracks over 150 measures for hospitals across Illinois; it also assesses operations of ambulatory surgical treatment centers and allows consumers to obtain information about what services are provided, the cost of those services, patient satisfaction, patient safety, medical complications, and other quality and safety data.

Energy Department Grant to Improve Grid Resiliency

Illinois has received a \$16 million grant from the U.S. Department of Energy's Grid Resilience State and Tribal Formula Grant Program to help the state's municipal and co-op utilities improve power grid reliability and help mitigate the impacts of extreme weather on Illinois families.

Government Officials Cannot Block Critics on Social Media

A federal judge has found that Chicago Ald. **Jim Gardiner** violated the First Amendment by blocking six critics from his official Facebook page in 2021. Gardiner now faces a trial to determine whether he should pay those critics damages. Gardiner allegedly deleted and hid comments voicing opposing political beliefs and even blocked some of those constituents. A federal judge found the actions so overwhelming that a trial on the merits of their claim was not necessary.

NASCAR Returning to Chicago in 2024

NASCAR will return to Chicago on July 6-7, 2024, for Chicago Street Race weekend. In response to concerns raised by residents, the City Council, and other stakeholders, NASCAR has agreed to shorten the event's set up and tear down windows, to address costs incurred by city departments in facilitating and securing the event, and to grow NASCAR's investments in Chicago communities and expand opportunities for small-, minority- and women-owned businesses to participate as vendors. Choose Chicago recently released the results of an economic impact study that showed the race weekend generated \$108.9 million for the local economy, despite heavy rain that canceled the Saturday NASCAR Xfinity Series race and weekend concerts and postponed the main event, Sunday's NASCAR Cup Series race.

IEPA Funding for Water Quality Management Program Projects

The Illinois Environmental Protection Agency has announced \$750,000 in funding through the release of a Section 604(b) Water Quality Management Program Grant Notice of Funding Opportunity (NOFO). Grant funds under this program can be used to determine the nature, extent and causes of point and nonpoint source water pollution, develop watershed-based plans, and develop technical and administrative tools to support development and implementation of water pollution control projects and programs.

Public-Private Partnership for Midwestern Climate Investment

Gov. Pritzker and Mayor Johnson have formed the Chicagoland Climate Investment Alliance, aimed at stimulating investments in building decarbonization and secure federal grants for climate-resilient technologies developed in the Midwest. The Alliance's public and private members include World Business Chicago, Invenergy, ComEd, Nicor Gas and Jones Lang Lasalle. It will organize a consortium led by the National Community Investment Fund and submit a proposal to the EPA's Clean Communities Investment Accelerator.

The group will also receive support on federal grants and startup collaborations from several partners, including 1871, the Energy Policy Institute, the Polsky Center at the University of Chicago, and mHUB. The accelerator competition will dole out grants to two to seven nonprofits that will fund community lenders in low-income communities to boost clean technology projects in those areas. The EPA is expected to award those grants in March 2024.

Blue Cross & Blue Shield of Illinois Data Breach Lawsuit

Blue Cross & Blue Shield of Illinois has been sued for failing to protect health plan members' personal data from hackers. The lawsuit accuses BCBSIL of unauthorized disclosure of personally identifying data including names, dates of birth, group and subscriber numbers, addresses, phone numbers and Social Security numbers between September 19, 2022 and May 18, 2023. The complaint says that it took BCBSIL nearly nine months to discover the data breach and nearly a full year to inform people about it.

Chan Zuckerberg Biohub Chicago Launches

Gov. Pritzker joined leadership from the Chan Zuckerberg Initiative for the launch of the Chan Zuckerberg Biohub Chicago, a new biomedical research hub. CZ Biohub Chicago brings together three of Illinois' leading scientific and technology institutions – the University of Chicago, the University of Illinois Urbana-Champaign, and Northwestern University to study human tissue with the goal of enabling new therapeutics. Illinois was chosen for the Initiative after a highly competitive year-long application process.

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

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