# **ICCTA Government Relations and Public Policy Report**

February 8, 2022 By Jessica Nardulli, ICCTA Legislative Counsel

Both the Illinois House and Senate canceled in-person session last week due to a major snowstorm in central Illinois. The House canceled all three of its scheduled session days. The Senate convened on Tuesday, February 1, at 12 PM, but quickly sent members home so they were not traveling in inclement weather. Otherwise, lawmakers have not met in person since the first week of January. Committees continued to meet remotely throughout the week, and legislative leaders announced that they do not intend to postpone any deadlines.

The Senate returns to in-person session today (Tuesday, February 8). The House is not scheduled to be in session this week, although committees continue to meet virtually. February 10 is the deadline to pass substantive Senate bills out of Senate committees. February 18 is the deadline to pass substantive House bills out of House committees.

#### \*\*\*Please review ICCTA's BILL LIST.

Due to the virtual committee process, it is vital that we know your positions so that legislation does not slip through unopposed.\*\*\*

#### 2022 KEY SESSION DATES

- February 10: Senate Committee Deadline
- February 18: House Committee Deadline
- February 25: Senate 3<sup>rd</sup> Reading Deadline
- March 4: House 3<sup>rd</sup> Reading Deadline

\*\*\* LEGISLATION SWITCHES CHAMBERS \*\*\*

- March 25: House & Senate Committee Deadline
- April 1: House & Senate 3<sup>rd</sup> Reading Deadline
- April 8: Adjournment

#### GOVERNOR'S FY23 BUDGET PROPOSAL

Despite the canceled session, Gov. **JB Pritzker** still delivered a combined State of the State and Budget Address from the Old State Capitol that was streamed out to the public. Under the Governor's Fiscal Year 2023 proposal, total expenditures amount to \$112.5 billion from all funds, including \$45.4 billion in General Revenue Funds, with a projected \$1.7 billion budget surplus. His stated goal with this budget is to pay down old bills, control spending, and grow the economy. If the General Assembly passes his proposal, Illinoisans will see temporary tax relief when purchasing groceries and gasoline, homeowners will get a bit of a property tax break, and health care workers will not have to pay licensing fees. In addition, in move not seen since 1994, the Governor is proposing to pay more money into the state's pension systems than the statutorily required contribution. The Pritzker administration hopes to achieve another credit rating upgrade with this budget.

Here are some highlights from the Governor's FY 23 budget proposal:

# Family Relief Plan

- \$475 million in property tax rebates, with a one-time rebate payment to homeowners of 5% of property taxes paid, up to \$300 for those eligible for a state income tax credit
- \$360 million by freezing the state's tax on groceries
- \$135 million by freezing the planned gas tax increase, which will not jeopardize any planned projects

# **Fiscal Responsibility**

- Additional \$500 million paid directly to the Pension Stabilization Fund, reducing long-term liabilities by \$1.8 billion
- Adds nearly \$900 million to the state's Rainy Day Fund over FY22 and FY23
- Eliminates the \$898 million owed for state employee health insurance

#### Education

- \$350 million increase for Evidence Based Funding for K-12 schools
- \$96 million increase for transportation and special education
- \$54 million increase for Early Childhood Education
- \$300 million to Strengthen and Grow Childcare Grants
- 5% increase for community colleges and state universities
- Increase Monetary Award Program funding to \$600 million (a one-year \$122 million increase), which increases the maximum award to 50% of tuition at public universities and expands eligibility to students enrolled in short-term certificate programs
- Pays off the \$230 million unfunded liability for the College Illinois! pre-paid tuition program
- Increases funding for minority teacher scholarships
- Includes \$2 million in additional funding for Agricultural Education

#### Healthcare

- Waives licensing fees for nearly 470,000 frontline healthcare workers
- \$180 million to preserve and expand the healthcare workforce through Medicaid providers, focusing on underserved and rural areas
- \$140 million to mental health care providers through rate enhancements
- \$70 million to 9-8-8 call centers and crisis response services for mental health issues
- \$25 million to expand the pipeline of nurses through the Illinois Community College Board

#### Small Businesses and Employers

- One-year waiver of retail liquor license fees to aid restaurants, bars, and liquor license holders
- \$38 million to Employer Training and Investment Program to assist with workforce and employee training efforts
- \$5 million to develop minority entrepreneurship programs and support small, minority-owned businesses
- \$35 million in new capital appropriations to Rebuild Main Streets and Downtown Commercial Corridors to promote new investment and bring jobs to communities

#### **Public Safety & Violence Prevention**

- Over \$800 million for violence prevention appropriations, which will more than triple State violence prevention funding since FY19. Includes appropriations for Reimagine Public Safety and R3 grants
- 300 new state troopers, the single largest investment in state history to expand cadet classes
- \$50 million increase directly from cannabis revenues to support communities harmed by violence, excessive incarceration and economic disinvestment
- \$20 million to support Gang Crime Witness Protection Program
- \$20 million for non-profits for security investments to prepare for hate crimes
- \$5.4 million for increased staffing and equipment at new forensic lab in Decatur, after expanding state forensic capacity in Chicago and Joliet

# **Human Services**

- \$2 billion for services for people with developmental disabilities, including implementation of the second phase of Guidehouse recommendations
- \$250 million to hire additional DCFS staff, increase rates for private partners and create new residential capacity

Click here to review the <u>Budget in Brief</u> and the complete FY23 <u>Budget Book</u>.

# **Capital Plan**

The proposed FY23 budget includes \$46.5 billion in total capital appropriations. Among the recipients will be the Illinois Environmental Protection Agency for its Drinking Water and Wastewater program (\$1.2 billion) as well as its lead service line replacement loan and grant funds (\$565 million). The proposed capital budget also includes \$195 million in capital repatriations from the Rebuild Illinois fund initiatives, including Transportation Electrification, the Illinois Green Infrastructure Grant Opportunities Program, and the Unsewered Communities Construction Grant Program. Click here to review the <u>Capital Budget</u>.

As with other gubernatorial legislative priorities, the budget must secure the approval of the General Assembly, where Democrats hold a supermajority in both chambers. House Majority Leader and Chief Budgeteer **Greg Harris** (D-Chicago) has filed 77 appropriation bills that will serve as the basis for the FY23 operating budget. The budget review process will get underway as House and Senate Budget committees review it at the agency level. Legislative committees will also review revenue projections. The budget process will be on the fast track this year, due to the legislature's early adjournment deadline of April 8.

#### JUDGE VOIDS GOVERNOR'S K-12 MASK AND COVID TESTING MANDATE

A 7th Judicial Circuit Court judge has granted a temporary restraining order that reduces K-12 schools' ability to require masks and vaccinations for students, faculty, and staff. Judge **Raylene Grischow's** February 4 order was the result of several lawsuits brought by Greenville attorney **Thomas DeVore** on behalf of several hundred parents and teachers from around the state. It also voided emergency rules from the Illinois State Board of Education and from the Illinois Department of Public Health.

Judge Grischow's order blocks the nearly 170 school districts named in DeVore's lawsuits from enforcing mask requirements and exclusion rules for students and staff as well as vaccination and testing

requirements for school staff without "due process." It also voided emergency rules from ISBE requiring regular testing or proof of vaccination from school staff, as well as rules from IDPH outlining a school's obligation to "exclude" students from school who have confirmed cases of COVID-19 or are a "close contact" to someone with COVID-19.

Community colleges and state universities are not included in the DeVore lawsuits or Judge Grischow's ruling.

Illinois Attorney General **Kwame Raoul** and the Pritzker administration have already asked the Fourth District Appellate Court to set aside Judge Grischow's order. The case could ultimately wind up before the Illinois Supreme Court.

# 2022 CAMPAIGN UPDATES

Petition circulation for the 2022 primary election began on Thursday, January 13. Signatures are due March 14.

**Fundraising** while state lawmakers are in session is now illegal. Traditionally, Mondays (the day before the legislative session begins each week) were left open for fundraising. The <u>new law</u> says that lawmakers "may not hold a political fundraising function on any day the legislature is in session or the day immediately prior to such day." The law also applies to executive branch officeholders *and* candidates running for those positions. **F**undraising is now prohibited anywhere in the state, not just Springfield.

**Ken Griffin**, Chicago billionaire and CEO of the giant hedge fund Citadel, has donated \$10 million to the GOP Congressional Leadership Fund, the House Republican super PAC, which raised \$65.5 million in 2021.

GOP candidate for Governor Jesse Sullivan has selected Kathleen Murphy as his running mate. Murphy was the director of communication and spokesperson for Jeanne Ives' 2018 primary race for Illinois Governor against Bruce Rauner.

**Jonathan Jackson** makes it official and will campaign for retiring U.S. Rep. **Bobby Rush's** 1st Congressional District seat.

In state legislative campaign news:

- Assistant House Minority Leader Keith Wheeler will run for re-election in the 83rd House District. Since the new 83rd has trended Democratic during the Trump years, Wheeler reportedly thought about running for Senate if GOP Sen. Sue Rezin decided to try and move up. He also considered running against fellow GOP Rep. David Welter, who was given a far more Republican-friendly district. Last week, Rezin announced that she will run for re-election and forgo a Lt. Governor bid with Jesse Sullivan.
- Tazewell County Treasurer Mary Burress (R-Pekin), unsuccessful candidate against Sen. Dave Koehler (D-Peoria) in 2020, announced that she is running for the open seat created when Rep. Keith Sommer (R-Mackinaw) announced his retirement.

- Republican **Arin Thrower**, a former producer of the Golf Channel in Florida, announced her bid to run against first-year Rep. **Suzanne Ness** (D-Crystal Lake). Thrower has House GOP backing.
- Republican Ashley Hunsaker, CEO of HTS Coatings LLC, announced her bid against Assistant Majority Leader Jay Hoffman. Hunsaker also has House GOP support.
- Democrat **Cindy Cunningham** will challenge Rep. **Mike Marron** (R-Fithian) for a third time in 2022. She previously lost to him in 2018 and 2020.
- State Rep. Lindsey LaPointe will face a primary challenge from real estate broker Tina Wallace and 911 dispatcher Keith Thronton, Jr.
- Republican **Peter Pettorini** will run in the open 62nd District created when Rep. **Sam Yingling** decided to run for the State Senate. **Laura Dias** and **Tom Maillard** are competing for the Democratic nomination.
- Republican Rory Welch announced he will challenge Rep. Jonathan Carroll (D-Northbrook).

# **STATE RECEIPTS UP \$2.6 BILLION**

Good news from the Illinois Commission on Government Forecasting and Accountability's January COGFA <u>Report</u>: "Through the first seven months of FY 2022, overall base receipts are up a remarkable \$2.639 billion. As mentioned in previous monthly briefings, what makes this growth so impressive is that the revenue totals of FY 2022 are compared to FY 2021 receipts that benefitted from last year's final payment delay, valued at approximately \$1.3 billion. Despite this occurrence, net personal income tax revenues have risen \$560 million and net corporate income tax revenues have increased \$818 million. Net sales tax also continues its phenomenal year, now up \$754 million through January. All other sources are trailing last year's levels by a combined \$96 million."

#### IDOL DIRECTOR KLEINIK RETIRING

Illinois Department of Labor Director **Michael Kleinik** has announced his retirement. Kleinik was appointed by the Governor in January 2019 and confirmed by the Senate in May 2019. He has worked in public service since 1979, when he served as Bond County Deputy Sheriff. Kleinik previously worked as chief of staff for IDOL and as executive director for the Medical Cannabis Alliance of Illinois.

#### **BOOST ACA OPEN ENROLLMENT**

The Illinois Department of Insurance announced that 32,000 more Illinoisans signed up for health insurance through the Affordable Care Act exchange this year than in 2021. A total of 323,427 Illinoisans purchased plans through the exchange this year. The open enrollment period was extended by 30 days from the previous deadline of December 15, 2021, to January 15, 2022. Even without the extended enrollment period, the state saw 19,274 additional enrollments compared to last year.

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

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