

ICCTA Government Relations and Public Policy Report March 4, 2024

Both chambers of the Illinois General Assembly will meet this week to consider hundreds of bills assigned and posted to committees. It will be a very busy week given the large number of bills. The deadline to move bills out of committee in the Senate is March 15, and it is April 5th in the House.

***Please review ICCTA's BILL LIST.

It is vital that we know your positions so that legislation does not slip through unopposed.***

KEY 2024 SESSION DATES FOR THE 103RD ILLINOIS GENERAL ASSEMBLY

March 15: Deadline – Senate Bills out of Senate Committee

March 19: Primary Election

April 5: Deadline – House Bills out of House Committee
 April 12: Deadline – Third Reading Senate Bills in the Senate
 April 19: Deadline – Third Reading House Bills in the House

May 2: ICCTA LOBBY DAY

May 3: Deadline – House Bills out of Senate Committee & Senate Bills out of House

Committee

May 17: Deadline – Third Reading House Bills in Senate & Senate Bills in House

May 24: Adjournment

• May 25-31: Contingent Session Days for the Budget

LEGISLATIVE RACES TO WATCH ON PRIMARY ELECTION DAY

House District 31 -- Rep. Mary Flowers (D-Chicago) vs. Michael Crawford

Rep. Flowers was kicked out of leadership and banned from Democrat caucus meetings last year, so Speaker **Chris Welch** has opened the floodgates in support of Crawford, who is dean of The Chicago School, a psychology-focused university. Unions (including IBEW Local 399 and LiUNA) have already contributed more than \$500,000 to support Crawford. The Speaker began to publicly support Crawford by maxing out an individual contribution of \$68,500 and directing several members of his leadership to do the same, for a total of \$618,000 in one day. Flowers, who has served in the House since 1986, has raised just \$6,000 in large donations this year.

Senate District 20 -- Sen. Natalie Toro (D-Chicago) vs. Graciela Guzman vs. Dave Nayak

Sen. Toro was appointed last year to replace **Cristina Pacione-Zayas**. Toro has been tagged as a moderate and has been trying to shake the moniker. Guzman is Pacione-Zayas' former legislative assistant and is attempting to make the race about who is the "real" progressive.

House District 36 – OPEN SEAT -- Rick Ryan (D) vs. Sonia Anne Khalil (D)

In this open primary to replace Rep. **Kelly Burke** (D-Evergreen Park), Rick Ryan is Burke's chosen candidate to replace her.

12th Congressional District – U.S. Rep. Mike Bost (R-Murphysboro) vs. Darren Bailey

When Bailey announced his challenge of Bost last July, it was immediately heralded as one of the top GOP primaries in the country. Bost has raised a lot of money while Bailey has struggled to fundraise. Bost also received former President **Donald Trump**'s endorsement and has had a steady stream of television ads on the air since early January.

House District 110 -- Rep. Blaine Wilhour (R-Beecher City) vs. Matt Hall House District 102 -- Rep. Adam Niemerg (R-Dieterich) vs. Jim Acklin

Unions have made it a priority to defeat GOP incumbents Wilhour and Niemerg, both outspoken far-right conservatives in the House. The 102nd race has turned into one of the stranger primaries seen in recent years. After Rep. Niemerg was kicked off the ballot for messing up his petition packet, the Illinois Education Association recruited Acklin. Both men are running a write-in campaign to win the GOP nomination.

Senate District 58 -- Sen. Terri Bryant (R-Murphysboro) vs. Wesley Kash

Kash initially dropped \$300,000 of personal funds into his campaign, only serving to motivate Bryant. However, Kash's campaign has turned out to be anything but spectacular. Numerous unforced errors from Kash and good fundraising for Bryant makes the incumbent a favorite.

PRITZKER CUTS RIBBON AT HEARTLAND ADVANCED MANUFACTURING CENTER, EV LAB

Gov. J.B. Pritzker visited Heartland Community College on February 27 to celebrate the grand opening of its new Advanced Manufacturing Center and State Farm Electric Vehicle Lab. The Lab offers state-of-the-art training programs in robotics, HVAC, welding, digital media, and renewable energy technologies. These programs aim to equip students with the skills needed to secure well-paying jobs and pursue careers in high-demand industries.

In response to questions from reporters, Pritzker reflected on the importance of investing in electric vehicle expertise due to the increasing demand for such skills in the automotive industry. He reiterated Illinois' commitment to fostering a skilled workforce and highlighted the state's efforts in providing incentives for electric vehicle adoption, saying he'd rather use "carrots rather than sticks to move people in the right direction."

This comment sheds some light on the Governor's opinion of <u>House Bill 1634</u>, which has drawn fire in recent weeks from agriculture and transportation industry advocates. The law would require Illinois to adopt California's strict standards that would, in part, prohibit sales of diesel-powered trucks over several years, including semi-trucks, by 2045. "I personally think now is not the right time for us to do that," Pritzker said of mirroring California's policies. He said he would prefer to incentivize electric vehicle adoption -- such as through the \$12 million electric vehicle rebate program proposed in his Fiscal Year 2025 budget.

IBHE WINS NATIONAL GRANT COMPETITION

The Lumina Foundation has selected the Illinois Board of Higher Education as one of three winners of The Great Admissions Redesign Challenge, a nationwide competition aimed at revolutionizing the college admissions process to enhance accessibility for all students. IBHE will receive a \$750,000 grant to pursue this initiative in partnership with the Illinois Community College Board and the Illinois Student Assistance Commission.

COMMISSION ON EQUITABLE PUBLIC UNIVERSITY FUNDING SUBMITS NEW FORMULA RECOMMENDATIONS

The Illinois Commission on Equitable Public University Funding has submitted its <u>recommendations report</u> to the Illinois General Assembly. The Commission was established by Public Act 102-0570 and was tasked with developing a structure that funds the state's public universities in an adequate, equitable, and stable manner -- a key strategy in the state's strategic plan for higher education.

Under the recommended formula, funds will be directed to the state's public institutions in a transparent manner through an equity-centered adequacy target with the funding at each institution based on the particular makeup and needs of the student body, the characteristics and mission of the institution, and the resources it has available to it. The new proposed funding model:

- Determines for each institution a unique funding level based on its students' needs, mission, and variety of programs.
- Encourages greater access and success for historically underrepresented students.
- Provides a funding increase to every institution when new dollars are invested.
- Ensures institutions have flexibility to invest in ways that best serve their students.
- Incentivizes institutions to reduce reliance on student tuition with increased state investment.
- Distributes new funding through an equity allocation.
- Calls for transparency and increasing accountability as institutions get closer to adequate funding.

The new formula recognizes and addresses both the historic inequities underlying Illinois' access and attainment gaps — especially among students from low-income households, students of color, students from rural communities, and working adults — and the variety of unique institutional missions and characteristics across the state. The new formula is dynamic and encourages institutions to increase enrollment of historically underserved student groups.

With the necessary state investment, the formula is also intended to reduce the burden on students who have borne an increasing share of the costs of higher education due to state disinvestment in the years prior to Gov. Pritzker's administration. Currently, universities rely on tuition revenue for \$2.1 billion (64%), compared to only \$1.2 billion (36%) from state appropriations. The formula would flip that dynamic, with the state responsible for 57% of the total cost of adequacy, compared to 40% for students, and 3% from other institutional resources. The funding approach estimates that the state Illinois will need to increase funding to universities by approximately \$1.4 billion over the next 15 or more years.

The Commission was made up of 33 members, with representatives from the General Assembly, each of the 12 universities, advocacy organizations, fiscal policy organizations, faculty, a health care expert, a legal expert, a public university student, and a member of the Illinois Student Assistance Commission.

PRITZKER'S PROPOSED FY25 REVENUE CHANGES

Gov. Pritzker's proposed FY25 budget anticipates \$52.9 billion in general revenue and \$52.7 billion in spending for the state's main discretionary spending account in the fiscal year that begins July 1. The Governor has proposed several revenue enhancements to fill previously projected deficits and support over \$2 billion in spending growth:

- Extend a cap on the amount of net operating losses that corporations can claim on taxes to raise \$526 million. Lawmakers created a \$100,000 cap on such deductions in 2020, but it was set to expire in the 2025 tax year. The proposal would extend it while expanding the claimable losses to \$500,000. The Governor's office estimated over 90% of losses claimed by corporations will not be impacted.
- Increase the sports gambling tax to 35% from 15%. That tax is applied to the total profits collected by sportsbooks and will bring in about \$200 million, according to the Governor's office. Since sports gambling revenues were originally earmarked for infrastructure projects, the Governor's office proposes dedicating the first 15% for that purpose while allocating the rest to the General Revenue Fund.
- Other revenue changes include raising **\$101** million by capping a sales tax credit retailers are allowed to claim. Retailers receive a discount of 1.75% of the sales tax they collect as reimbursement for their efforts in collecting them. The Governor's proposed change would allow retailers to claim a maximum of \$1,000 per month. The change would generate another \$85 million for local governments as well. That proposal drew rebuke from groups such as the Illinois Chamber of Commerce and the Illinois Retail Merchants Association.
- The Governor's office also proposed freeing up another \$175 million in the General Revenue Fund by transferring some payments to public transit agencies to the Road Fund, which is separate from the state's main discretionary spending account. Since the Road Fund goes to infrastructure projects, that proposal was immediately opposed by the Transportation for Illinois Coalition, which is made up of several union, infrastructure, and business groups.
- The standard deduction a specific dollar amount used to reduce a taxpayer's adjusted gross income would be capped at \$2,550 as proposed by the Governor. Capping the inflationary growth at one year instead of two would create \$93 million in revenue.

BLACK CAUCUS BUDGET REACTION

During the Illinois Legislative Black Caucus' news conference after the Governor's February 21 joint State of the State and Budget Address, members announced that they would publish their own report outlining their spending requests later in the legislative session entitled "Leveling the Playing Field: Using the General Fund Budget to Invest in Building an Equitable State and Eliminating Structural Racism." Black Caucus members called for investments to improve academic opportunities for low-income and minority students, investments in trades in communities of color to foster economic development, and increased investments in public safety and gun violence prevention in disadvantaged communities. Despite previous budget proposals including investments to counter-act inequities across a wide range of issues, data shows little improvement in these inequities.

ILLINOIS LAUNCHES BIRTH EQUITY INITIATIVE TO TACKLE MATERNAL HEALTH DISPARITIES

The Pritzker administration has unveiled the Birth Equity Initiative, a new, comprehensive program aimed at ensuring equitable access to reproductive healthcare for all communities across the state. The initiative seeks to confront the systemic barriers that have long plagued maternal health outcomes, particularly among Black women and underserved populations. Key components of the initiative include community-based care, expanding Medicaid coverage for reproductive services, providing expanded training and support for providers, and creating a new diaper distribution program for families in need.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM WORKSHOPS

The Illinois Department of Transportation is hosting free virtual workshops in March as part of its continuing Building Blocks of Success series for Disadvantaged Business Enterprise for firms interested in strengthening their skills, growing their business and bidding on state projects. New and existing DBEs, as well as firms interested in becoming certified in the program, are invited. March workshop dates and topics:

- March 5, 10 a.m. to noon: Job Costing and Work-In-Process
- March 7, 10 a.m. to noon: Overhead Rate Calculation Construction and Professional Services, Part 1
- March 12, 10 a.m. to noon: The Benefits of Using Accounting Software
- March 14, 10 a.m. to noon: QuickBooks Part 1, 2 and 3 Q&A
- March 19, 10 a.m. to noon: Quickbooks Industry Specific: Construction
- March 21, 10 a.m. to noon: Quickbooks Industry Specific: Professional Services
- March 26, 10 a.m. to noon: Quickbooks Industry Specific: Suppliers
- March 28, 10 a.m. to noon: Quickbooks Industry Specific: Trucking

Workshop information, including dates and times, is available through Eventbrite at <a href="https://beautre.com/b

TEN STATE-DESIGNATED CULTURAL DISTRICTS LAUNCHED

The State-Designated Cultural Districts program aims to uplift the unique contributions of historic cultural districts with the overarching goal of increasing economic development opportunities. Recipients will be eligible to apply for \$3 million in funding to support the goals of the program and to foster economic development and help communities preserve their unique cultural identities. State-Designated Cultural Districts are communities, towns, or specific geographic areas that have a distinct shared historical and cultural identity that binds the community together. The intended purpose of the program is to encourage economic development; support the preservation and development of history and culturally significant structures, traditions, and languages; foster local cultural development and education; provide a focal point for celebrating communities' unique cultural identities; and promote equitable growth and opportunity without generating displacement:

- Champaign -- North First Street Cultural District
- Chicago -- Bronzeville District
- Chicago -- Chinatown
- Chicago -- Clark Street/Camino Clark
- Chicago -- Mahalia Jackson 79th Street Cultural District
- Chicago -- Little Village

- Chicago -- Puerto Rico Town
- Chicago -- South Chicago Cultural District
- Springfield -- Central East Cultural District
- Springfield -- Southtown Cultural District

As outlined in statute, the Illinois Department of Economic Opportunity selected 10 recipients (five for 2023 and five for 2024) and will be selecting an additional five recipients in 2025, with a focus on downstate and rural communities.

ILLINOIS OFFICE OF BROADBAND ADOPTS NEW CONTACT MANAGEMENT PLATFORM

The Illinois Office of Broadband is moving to a new contact management platform. To assist in its community engagement efforts, and to ensure the most up-to-date information is received, the agency is asking community, government and Internet service providers to complete a short contact information intake form (available here).

CEJA RETURNING RESIDENTS PROGRAM

DCEO has launched \$6 million in funding for the Illinois Returning Residents Clean Jobs Training Program as part of a larger strategy to equitably grow Illinois' clean energy workforce through the Climate and Equitable Jobs Act. The program will deliver clean jobs training, education, and support services in Illinois Department of Corrections facilities to individuals within 36 months of their release to prepare them to work in clean energy and related sector jobs upon release. Program curriculum will include training in essential employability skills and clean energy basics to help participants succeed in an array of workplaces and clean energy jobs. Upon completion, participants will continue to the job-specific training portion of the curriculum to receive solar PV training or HVAC training, with an energy efficiency focus. Organizations that will run the Returning Residents Program will be selected through a competitive Notice of Funding Opportunity process.

ICC APPROVES IPA 2024 LONG-TERM RENEWABLE RESOURCES PROCUREMENT PLAN

The Illinois Commerce Commission recently greenlit the Illinois Power Agency's 2024 Long-Term Renewable Resources Procurement Plan, a move set to infuse over \$1.1 billion into procuring new renewable generation across Illinois over the next two years. The plan, mandated by statute for biennial review, aims to diversify Illinois' energy landscape by encouraging investments in various clean energy projects, including utility-scale and community solar, utility-scale wind, hydropower, and other renewable sources. The plan includes the procurement of Renewable Energy Credits for major energy providers like Ameren Illinois, Commonwealth Edison Company, and MidAmerican Energy Company for the program years 2024-2026.

ONE-THIRD OF ILLINOIS NURSES PLAN TO LEAVE INDUSTRY WITHIN 12 MONTHS

A recent survey by the non-profit organization Nurses Take DC, in collaboration with the Project for Middle Class Renewal at the University of Illinois at Urbana-Champaign and the Illinois Economic Policy Institute, has shed light on the ongoing crisis within the nursing profession in Illinois, even after the peak of the COVID-19 pandemic. The findings reveal a trend of staffing shortages, moral distress, and attrition among Registered Nurses in the state. According to the report, Illinois Nursing in Crisis: A Comprehensive Survey Reveals a Continuing Systemic level of Staffing Shortages, Moral Distress, and Attrition Among Registered Nurses, over half of Illinois' registered nurses are over the age of 55, foretelling a looming shortage of 15,000 RNs by 2025.

Additionally, 34% of current RNs expressed intentions to leave the profession within the next 12 months. The survey, based on the responses of 385 RNs between October 2022 and February 2023, highlighted several persistent concerns among nurses. These include heavy workloads unrelated to patient needs, lack of awareness about laws mandating adequate staffing levels, and feelings of moral distress due to organizational constraints.

IDOC TO PROVIDE CAREER INFORMATION IN MARCH AND APRIL

IDOC will participate in at least 20 hiring events open to the public in various locations throughout March and April for anyone interested in learning about the agency's career opportunities. Prospective applicants can attend any event to learn more about the process. IDOC recruiters will be on hand to answer questions and help individuals apply on the spot. IDOC is currently seeking correctional officers, nurses, wardens, office associates, social workers, and more to join its team.

ICJIA GRANTS FOR THE RESTORE, REINVEST, AND RENEW PROGRAM

The Illinois Criminal Justice Information Authority has opened applications for \$30 million in grants under the Restore, Reinvest, and Renew Program for organizations as they set out to create safer communities, empower youth, provide legal aid, build business landscapes, and help individuals successfully rejoin communities after a period of incarceration. Funded programs will offer evidence-based, promising, or innovative practices within at least one of the five R3 Program Priority Areas: civil legal aid, economic development, re-entry from the criminal justice system, violence prevention, and youth development.

EPA RESOLVES OVERSIGHT OF POLLUTERS IN LOW-INCOME COMMUNITIES

The Illinois Environmental Protection Agency has agreed to take a more rigorous look at polluters before allowing them to operate or expand in low-income communities, based on a policy change that will resolve a lawsuit filed in response to the IEPA's approval of a scrap shredder in Chicago's predominantly Latino Southeast Side. Under an agreement with U.S. EPA investigators, the state agency promised to require more effective pollution-control equipment and consider air-quality monitoring if industries want to build or expand. Past violations of environmental laws will be taken into consideration as well, and polluters near schools, day care centers and medical facilities will face increased scrutiny.

HFS EXTENDING MCO CONTRACTS

The Illinois Department of Healthcare and Family Services had decided to extend for one year the current contracts with the Medicaid managed care organizations in the HealthChoice Illinois program. This extension delays the need to procure new contracts and gives new leadership a chance to settle in and evaluate the program. Additionally, HFS is working on requests for proposals for a new fully integrated dual-eligible special needs plan after the Centers for Medicare and Medicaid Services notified the state that it will not extend the Medicare-Medicaid Alignment Initiative demonstration program past 2025.

IDPH ADOPTS NEW CDC GUIDELINES FOR COVID-19, FLU AND RSV

The Illinois Department of Public Health has adopted updated guidance from the U.S. Centers for Disease Control and Prevention for dealing with a range of respiratory viruses, including COVID-19, influenza, and RSV. The CDC guidance was issued as data indicate respiratory viruses are continuing to circulate around Illinois and

the state's overall respiratory virus level has moved up from Low to Moderate based on an uptick in flu reports. The new guidance no longer requires that those who test positive for COVID-19 should isolate for a minimum of five days before returning to work or other activities, and instead recommends isolation until symptoms improve. Once people resume normal activities, they are encouraged to take precautions for the next five days to curb disease spread, including hand washing and wearing a mask until a negative COVID test is obtained.

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

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