

*Both the Illinois House of Representatives and Senate are in session this week. Now that Gov. **JB Pritzker** has outlined his Fiscal Year 2026 priorities in his State of the State and Budget Address, the focus in Springfield has shifted to legislative negotiations. Over the next few weeks, House and Senate committees will analyze the details of the Governor's budget proposal, with agencies and interest groups testifying on how the proposed funding levels would impact them. Beyond the budget, with a packed committee schedule and a lot of legislation on the table, the coming weeks will be critical in shaping Illinois' legislative priorities for this session. The deadline for substantive bills to be out of committee is Friday, March 21.*

*****Please review [ICCTA's BILL LIST](#).*****

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

KEY 2025 SESSION DATES FOR THE 104TH ILLINOIS GENERAL ASSEMBLY

- March 21: Deadline – House & Senate Bills Out of Committee of Origin
- April 12: Deadline – House & Senate Third Reading Deadline
- May 7: **ICCTA LOBBY DAY**
- May 9: Deadline – House Bills out of Senate Committee / Senate Bills out of House Committee
- May 23: Deadline – Third Reading Deadline for House Bills in Senate / Senate Bills in House
- May 31: Adjournment

DARBY HILLS REAPPOINTED TO ILLINOIS SENATE AMID ONGOING LEGAL DISPUTE

Barrington Hills trustee **Darby Hills** has been reappointed as the state senator for Illinois' 26th District, succeeding **Dan McConchie** following his February 2 resignation. This marks the second appointment for Hills within the month; her initial selection on February 14 faced legal challenges regarding the meeting's public notice and her eligibility based on party activity. In response, Republican leaders reopened applications and conducted a subsequent selection process. Despite her appointment, the legal dispute remains open.

PRITZKER ENDORSES COMMUNITY COLLEGE BACCALAUREATE DEGREES

On March 3, Gov. Pritzker and Lt. Governor **Julianna Stratton** joined students and leadership from ICCTA, the Illinois Community College Board, the Illinois Council of Community College Presidents, and Lewis and Clark Community College to promote legislation creating a new community college baccalaureate degree program ([Senate Bill 2482](#) and [House Bill 3717](#)). Through this consumer-driven, student-centered program, community colleges would be enabled to offer four-year bachelor degrees, making degrees more accessible while meeting the needs of employers in key sectors, and keeping education costs low for students and working families.

Pritzker noted that this initiative seeks to make higher education more attainable for working adults, especially those distant from public universities. The proposed legislation would enable community colleges to provide bachelor's programs in fields with regional workforce shortages, such as healthcare, early childhood education, and advanced manufacturing. These programs would require approval from both ICCB and the Illinois Board of Higher Education. Currently, 24 states, including neighboring Indiana, Missouri, and Michigan, have similar policies in place.

UNIVERSITY OF ILLINOIS STUDY ANALYZES POTENTIAL TIER 2 PENSION FIXES

A [new study](#) by the University of Illinois System's Institute of Government and Public Affairs examines possible changes to the Tier 2 public employee pension system, which faces compliance concerns and recruitment challenges. With Illinois' pension systems carrying \$144 billion in unfunded liabilities and a 46% funded ratio in FY24, policymakers must balance workforce retention, retirement security, and fiscal responsibility.

The study outlines four potential options:

- Maintain the status quo, risking non-compliance with federal law.
- Adjust the Tier 2 salary cap to match the Social Security wage base, costing an estimated \$6.2 billion through FY45.
- Modify Tier 2 retirement eligibility and salary calculations to mirror Tier 1, with an estimated cost of \$29.8 billion through FY45.
- Introduce a portable, investment-based defined-contribution plan, reducing the state's investment risk and potentially lowering pension contributions.

ILLINOIS LAUNCHES FREE TEST PREP PROGRAM FOR UNIVERSITY AND COMMUNITY COLLEGE STUDENTS

The Illinois Student Assistance Commission has partnered with education services company Kaplan to offer free test preparation services to students at all 12 public universities and five community colleges in the state. This initiative aims to support over 200,000 students in preparing for professional licensing exams, graduate-level admissions tests, and credential assessments, including the LSAT, MCAT, and Illinois bar exam. The participating community colleges are Joliet Junior College, Carl Sandburg College, Southwestern Illinois College, Malcolm X College, and Morton College. By providing these resources, the program seeks to encourage students to pursue their professional careers within Illinois and address projected workforce shortages, such as the anticipated deficits of 14,000 nurses and 6,000 doctors by 2030.

ILLINOIS EXPANDS APPRENTICESHIP PROGRAM WITH \$10 MILLION IN NEW FUNDING

The Illinois Department of Commerce and Economic Opportunity has announced up to \$10 million in new funding for Registered Apprenticeship Programs and pre-apprenticeship programs. The funding, provided through the Apprenticeship Expansion Competitive Grant Program, aims to create more pathways to high-paying careers, particularly in non-traditional and in-demand fields such as healthcare, IT, finance, engineering, creative industries, and the public sector. Eligible applicants include community-based organizations, municipalities, educational institutions, workforce boards, nonprofits, and industry associations. More details on the application process are available through DCEO.

HEALTH ALLIANCE TO CEASE MOST OPERATIONS IN ILLINOIS BY 2026

Health Alliance, a prominent health insurer in central Illinois and a subsidiary of Carle Health, has announced plans to discontinue all insurance offerings, except for Medicare Advantage plans, effective January 1, 2026. The decision by Champaign-based Health Alliance to cease operations at the end of 2025 will force approximately 240,000 Illinoisans to find a new health insurance provider. The impact will be particularly significant for state employees, especially in Springfield and downstate Illinois, where Health Alliance is a widely used option. State retirees are less likely to be impacted, as Health Alliance lost its Medicare Advantage contract with Illinois nearly a decade ago.

The company cites significant changes in the health insurance industry, particularly challenges faced by provider-owned insurers, as the primary reason for this strategic shift. Factors such as medical inflation, rising prescription drug costs, increased healthcare service utilization, and higher volumes of chronic medical conditions have contributed to financial strains, making it difficult for Health Alliance to achieve operational and financial efficiency.

PRITZKER WARNS OF MEDICAID CUTS, URGES RELEASE OF FEDERAL FUNDS

Gov. Pritzker is urging the White House to release \$1.88 billion in federal funds currently being withheld, warning of severe consequences for Illinois Medicaid recipients. The freeze, despite court rulings overturning it, has created financial strain on state agencies. Meanwhile, a proposed Republican budget includes deep Medicaid cuts, threatening coverage for over 700,000 Illinoisans. Under state law, Illinois' Medicaid expansion under the Affordable Care Act would end if federal funding is reduced, leaving a \$7.5 billion shortfall the state cannot cover. Pritzker warns that this could devastate rural and safety-net hospitals, leading to serious health risks for affected residents. The Governor also helped draft a letter urging federal action, stressing that state agencies may face project cancellations and layoffs without the withheld funds.

AUDIT REVEALS MISMANAGEMENT IN ILLINOIS NONCITIZEN HEALTHCARE PROGRAM

A recent state audit uncovered significant issues within Illinois' healthcare program for noncitizens, revealing thousands were improperly enrolled, leading to costs vastly exceeding initial estimates. The financial implications are substantial. The program's unexpected expenses have contributed to a projected \$3.2 billion revenue shortfall for FY26, as reported by the Governor's Office of Management and Budget. This shortfall is exacerbated by the conclusion of federal pandemic aid and a slowing economy, leading to flat tax revenue projections.

ILLINOIS LAWMAKERS DEBATE END-OF-LIFE OPTIONS BILL

Illinois legislators are considering the End-of-Life Options Act ([Senate Bill 9](#)), which would allow terminally ill patients with six months or less to live to request life-ending medication. Supporters argue that it provides autonomy and relief from suffering, while opponents raise concerns about safeguards and prognosis accuracy. The bill mirrors Oregon's 1997 law and includes over 20 protections against coercion. Debate continues on the six-month eligibility standard, with medical experts offering differing views. If passed, Illinois would join 10 states and Washington, D.C., in legalizing medical aid in dying.

ILLINOIS FORGIVES \$220 MILLION IN MEDICAL DEBT

More than \$220 million in medical debt has been forgiven for 170,000 Illinois residents through the latest round of the Illinois Medical Debt Relief Program. On average, individuals saw nearly \$1,300 in debt relief. The program automatically qualifies residents whose household income is at or below 400% of the federal poverty level or whose medical debt equals at least 5% of their income. Pritzker's proposed FY26 budget includes \$15 million to continue the initiative. Several major hospitals, including the University of Chicago Medical Center, Advent Health, Mount Sinai Hospital, and Loyola Medicine, have committed to future participation, expanding relief efforts for vulnerable Illinoisans.

GOVERNOR PROPOSES ONE-YEAR PAUSE ON FUEL TAX ALLOCATION SHIFT

In his budget plan, Gov. Pritzker proposed a one-year pause in the ongoing transition of motor fuel sales tax revenues from Illinois' General Fund to the Road Fund. Initiated in 2021 as part of the Build Illinois capital program, this shift aimed to incrementally reallocate these taxes over five years, with the final phase scheduled for July 1, 2025. The proposed pause, intended to address economic uncertainties and balance the FY26 budget, would defer approximately \$171 million from being transferred to the Road Fund. Officials indicate that the transition is expected to resume in fiscal year 2027, spanning from July 1, 2026, to June 30, 2027.

MCCORMICK PLACE TO SHIFT BACK TO PUBLIC MANAGEMENT

The Metropolitan Pier and Exposition Authority, which owns and oversees McCormick Place, has announced plans to bring the convention center's management back in-house, ending a privatization agreement that began in 2011. By resuming direct management, MPEA hopes to streamline decision-making, better align services with the needs of event organizers, and ensure a higher standard of customer service. The transition is expected to be completed by the end of the current fiscal year.

ILLINOIS LAUNCHES ELECTRONIC LIEN AND TITLING PROGRAM

Illinois Secretary of State **Alexi Giannoulias** has introduced the Electronic Lien and Titling program, streamlining vehicle title processing by moving it online. The digital system eliminates paperwork, reduces processing times, and enhances security against fraud. Vehicle buyers can now complete title applications online, with electronic records managed by third-party vendors. While the service is free for Illinoisans, participating lenders may incur fees. Giannoulias calls the move a major step in modernizing the DMV experience, making car purchases faster, more convenient, and secure.

DOUG SCOTT CONFIRMED FOR FIVE-YEAR TERM AS ICC CHAIR

The Illinois Senate has confirmed **Doug Scott** as chair of the Illinois Commerce Commission for a five-year term. Gov. Pritzker reappointed Scott after he completed the remainder of former chair Carrie Zalewski's term. Scott brings regulatory and environmental experience, having previously served as ICC chair from 2011-2015, director of the Illinois Environmental Protection Agency, and vice president of Energy Systems at the Great Plains Institute.

ILLINOIS ANNOUNCES \$725 MILLION BOND SALE TO FUND INFRASTRUCTURE PROJECTS

The State of Illinois has unveiled plans to issue \$725 million in bonds to support its capital budget, targeting investments in critical infrastructure such as roads, bridges, technology, and other essential projects. This bond sale is part of the state's ongoing efforts to modernize and enhance its infrastructure, aiming to boost economic growth and improve public services.

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

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