

ICCTA Government Relations and Public Policy Report May 1, 2023

The Illinois General Assembly spent three days in Springfield last week. Friday's session was cancelled. Both chambers considered legislation from the house of origin at the committee level ahead of the April 28 deadline to pass substantive bills out of committee in the opposite chamber. There will likely be deadline extensions, but regardless, when the legislators return on Tuesday, May 2, the focus will be on passing legislation on the floor and finalizing the Fiscal Year 2024 budget. Three weeks remain until adjournment.

With the list of funding requests growing, Illinois Department of Revenue director David Harris advised lawmakers this week that they should not expect any major late-arriving tax revenue windfalls. "I can say without hesitation that there will not be an April surprise," Harris told the Senate Appropriations Committee. The month of April -- state income tax filing season -- plays a major role in whether the state will meet its current-year revenue estimates and greatly shapes the economic outlook for the year ahead. The Commission on Government Forecasting and Accountability's April report is due early next week. Harris expects that Illinois will meet its FY23 estimates but that revenues will come in below last year's record output of \$8 billion.

Gov. JB Pritzker's spending estimate of \$49.9 billion from his budget proposal released in February is about \$465 million below COGFA's most recent estimate released in early March — less than 1% of the total budget. What the revenue estimates end up being will determine how much money is available for a long list of funding requests that include municipalities looking for a roughly \$250 million increase; providers of care for individuals with developmental disabilities asking for \$88 million beyond what the governor proposed; and hospitals seeking a 20% Medicaid rate increase.

Gov. Pritzker was asked last week about how recent budget pressures, such as the unexpected estimate for health care for undocumented immigrants exceeding estimates by \$768 million, would impact the state budget. He responded by reiterating his focus on passing a balanced budget, ensuring credit upgrades continue, and firming the foundation for fiscal stability in Illinois.

Other large policy items continue to be negotiated, including environment proposals, Medicaid changes, cannabis omnibus, election omnibus, a revenue package, a state-based health exchange, a gaming bill, and a procurement package.

***Please review ICCTA's BILL LIST.

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

KEY SESSION DATES FOR THE 103RD ILLINOIS GENERAL ASSEMBLY

• May 2: Illinois Community College Caucus inaugural reception

• May 3: ICCTA Lobby Day

May 11: Deadline – Third Reading House bills in the Senate
 May 12: Deadline – Third Reading Senate bills in the House

• May 19: Adjournment

ILLINOIS' BILL BACKLOG AT LOWEST LEVEL IN 15 YEARS

Illinois Comptroller Susana Mendoza reports that the state's accounts payable, essentially its backlog of unpaid bills for day-to-day government operations, was down to \$943 million. That is the first time it has dropped below the \$1 billion mark in 15 years (since August 2008) with the oldest bill in her queue at 16 days.

ISBE RELEASES EARLY CHILDHOOD BLOCK GRANTS TO SUPPORT PRESCHOOL DESERTS

The Illinois State Board of Education is encouraging new and potential childcare providers to apply for the 2024 Early Childhood Block Grant, which aims to expand preschool services for three- and four-year-olds in underserved areas. Part of Gov. Pritzker's Smart Start Illinois plan in the proposed state budget includes a requested \$75 million increase for the program in FY24, which would support an additional 5,000 children.

BIPA IMPACT REPORT

The Chamber of Progress has released a report on the increase of litigation related to the Illinois Biometric Information Privacy Act, which requires entities that collect biometric information to have secure systems and seek written consent, with a minimum fine of \$1,000 per violation. The report found a large increase in BIPA lawsuits following the 2019 Illinois Supreme Court ruling that held that plaintiffs do not need to demonstrate actual harm to recover under BIPA. Of the more than 350 cases filed, only a fraction actually allege harm (those mostly from facial scans or services that allow a customer to "try on" an item), and nearly all cases have been settled, with an average settlement of \$506 per person and millions to plaintiff law firms. Most lawsuits relate to employee-employer disputes on biometric time keeping, and 40% of lawsuits have been filed against Illinois companies.

PRITZKER SIGNS BILL CODIFYING COVID HEALTH CARE REFORMS

With the COVID-19 emergency declaration coming to an end on May 11, Gov. Pritzker signed legislation on April 27 that makes permanent some of the expansions and reforms to health care services authorized in response to the pandemic. House Bill 559 (Morgan / Glowiak Hilton) allows health care workers who received temporary licensure during the pandemic to apply for permanent, full licensure while continuing to practice in Illinois. It also allows pharmacies to continue operating COVID-19 and flu testing and vaccination services and treatment for COVID-19. The law, which is effective immediately, is the first bill to be passed and signed into law from the 103rd General Assembly.

COMED FOUR TRIAL: JURY DELIBERATING; NO VERDICT YET

After more than six weeks of trial and approximately eight hours of closing arguments over two days, jurors began deliberating the fate of four ex-officials at ComEd who were labeled "grand masters of corruption" for

their alleged conspiracy to bribe former Illinois House Speaker Michael Madigan. Deliberations began last Tuesday afternoon and continued through Wednesday and Thursday – about 15 hours so far. Jurors will resume their work on Monday, May 1.

COMED SEEKS ANOTHER RATE HIKE

Last week, ComEd filed a request with the Illinois Commerce Commission for a \$247 million rate hike to take effect January 2024. If approved, the average household in ComEd's territory will pay \$3.09 more per month. That would be in addition to the \$1.5 billion rate hike request spread over four years already pending before the ICC. By the end of that period, the average monthly household bill would rise by about \$17. The main driver of the increase is far higher interest rates, which caused the interest on Treasury bonds to rise in 2022. The old formula rate tied ComEd's return on equity — the profit it earns on its investments in the local power grid — to the yield on 30-year Treasury bonds. For most of those years, that interest rate was low. That changed when the Federal Reserve hiked rates rapidly to combat inflation.

JOINT ENERGY & ENVIRONMENT COMMITTEES EXAMINE CARBON CAPTURE TECHNOLOGY

Illinois lawmakers last week reviewed a detailed analysis of carbon capture, utilization, and storage technologies and projects during a four-way joint committee hearing. Carbon capture is a method whereby carbon dioxide, a common greenhouse gas, is placed in long-term storage, usually by injection into wells in geologic formations thousands of feet underground. These wells take advantage of empty "pore space" in subsurface structures. Joint House and Senate committees heard testimony from the Prairie Research Institute at the University of Illinois Urbana-Champaign, as well as various stakeholders interested in CCUS and its potential impacts on the environment and energy systems, including the Illinois Sustainable Technology Center at the Illinois State Water Survey, the Illinois State Geological Survey, the Sierra Club Illinois, several Illinois residents, ADM, and the Illinois Manufacturers Association.

PRI published a report in December 2022 that included several recommendations, including that CCUS could play an important role in helping the state reach the decarbonization goals set out in the Climate and Equitable Jobs Act. It also recommended that CCUS be overseen by an interagency oversight committee, that it be regulated to address any potential community concerns, and that it be implemented to support renewable energy goals as well as drive new economic opportunities. With several planned projects in the state, some lawmakers are looking at how to regulate it to ensure safety for people living near pipelines or sequestration wells.

CHILDREN'S BEHAVIORAL HEALTH INITIATVE MOVES FORWARD

Legislation to create the Interagency Children's Behavioral Health Services Act has unanimously passed the House Mental Health and Addiction Committee. A new amendment #2 was filed Friday afternoon. Senate Bill 724 (Feigenholtz/LaPointe) would codify much of the children's behavioral health transformation initiative announced by Gov. Pritzker last spring. The initiative is taking an interagency, data-driven approach to child welfare and has been rolled out since March 2022 by Dr. Dana Weiner. The Initiative's Blueprint was released in February 2023 and represents the first year of work on this issue.

NEARLY 2,700 CANNABIS DISPENSARY LICENSE APPLICATIONS SUBMITTED

The state has received 2,693 applications for the next round of 55 social equity cannabis dispensary licenses available in the upcoming license lottery. The Illinois Department of Financial and Professional Regulation will conduct the lottery in early- to mid-May. Selected applicants will have 45 days following the lottery to prove they meet the criteria for an eligible social equity applicant. Following that, the department will have 60 calendar days to ensure the 55 applicants meet the criteria for a license.

ILLINOIS SUPREME COURT REINFORCES ELECTRONIC SERVICE OF SUMMONS

The Illinois Supreme Court has amended Supreme Court Rule 102, which provides for the electronic service of summons and complaints in civil proceedings in recognition of society's increased use of electronic methods to communicate. The amendments memorialize what has long been allowed under the code of civil procedure to allow for summons to be served via social media direct message, e-mail, or text message by special order of the court, when service by traditional means is impractical.

TWITTER CHANGES IMPACT GOVERNMENT SERVICES

Many Twitter users, including Illinois government officials and agencies, have lost their verified blue check marks. The move from Twitter has prompted fears that Twitter users will have one less tool to distinguish known sources from impersonators or hoaxes. The fear is that bad actors could cause disruptions or even create panic during an emergency, like a tornado, by providing dangerously false information to an unsuspecting public. The Governor's office has stated that state agencies will be adding links to their official social media accounts to their media contact websites so that the public can check to make sure they are viewing the actual official account.

ILLINOIS GAMING BOARD APPROVES NEW PLANS FOR CASINOS IN JOLIET/AURORA

The Illinois Gaming Board considered several regulatory matters during its April 27 meeting, including approval of Penn Entertainment's plans for new Hollywood Casinos in Aurora and Joliet (a significant step in the regulatory process to bring new gaming venues to these host communities). The Gaming Board also adopted a new rule requiring responsible gambling signage at all video gaming locations statewide, granted more than 400 new gaming licenses and related approvals along with renewals of existing licenses, issued a license to sportsbook operator Circa Sports, and adopted a rule clarifying video gaming annual fees.

CHICAGO MAYOR-ELECT NAMES TRANSITION COMMITTEE

Mayor-elect Brandon Johnson has announced his transition committee and subcommittees. Among those named are World Business Chicago president and CEO Michael Fassnacht, Mesirow executive chair Richard Price, and Regional Transportation Authority chair Kirk Dillard. The work of the committee and subcommittees will culminate in a written report issued in the coming weeks to shape and guide the work of the new administration.

KIM FOXX WON'T SEEK THIRD TERM

Cook County State's Attorney Kim Foxx has announced that she will not seek re-election. Chosen twice by voters to be the county's top prosecutor by wide margins, Foxx also faced near-constant criticism for her office's progressive policy choices and their perceived impact on crime in Chicago.

PRIVATELY BUILT TOLL BRIDGE OPENS IN JOLIET

After spending \$170 million, Illinois' first privately built toll road has opened in Joliet. The 1.5-mile toll bridge is aimed at saving truckers time and reducing congestion around major warehouse and shipping facilities near interstates 80 and 55. The toll bridge is a joint venture between developer CenterPoint Properties and toll road company United Bridge Partners.

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

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