

ICCTA Government Relations and Public Policy Report May 15, 2023

The Illinois House and Senate were in session last week to pass legislation before 3rd reading deadlines. About 360 bills passed one or both chambers, with just five legislative days remaining on the calendar. Adjournment is still scheduled for May 19 – although that deadline is self-imposed and could be extended.

Both chambers will re-convene today (May 15) through Friday. The budget still looms large as the wild card for whether the Illinois General Assembly will be able to adjourn on time. While budgeteers continue negotiating, neither chamber has released details – such as what revenue number they intend to use or whether the budget will look like Gov. JB Pritzker's proposal. The negotiated budget likely will not be public until Wednesday or Thursday. The appropriations bill will likely be accompanied by one bill that includes changes necessary for budget implementation (known as the BIMP) and a separate Medicaid omnibus bill.

Complicating finalizing the Fiscal Year 2024 budget is that weaker-than-expected individual income tax receipts have led the Governor's Office of Management and Budget to revise the General Funds FY 23 revenue forecast downward by \$616 million, or 1.2%. GOMB's projection for FY 2024 increased slightly – to about \$50.5 billion.

The Governor's office now projects the current year will end with \$50.7 billion in revenues collected. In his February 2023 budget proposal, Gov. Pritzker had proposed about \$790 million in supplemental spending for the current year that would have brought total spending to \$51.2 billion. The proposed supplemental spending included \$490 million in increased appropriations for state agencies, a \$200 million added pension payment, and \$100 million for additional capital improvements at early childhood centers. The Governor has suggested that current year spending could be brought in line with revenues by slowing the pace of agency spending.

FY24's anticipated revenue number is not enough to cover the Governor's proposed budget and a shortfall created by a cost overrun related to a state expansion of healthcare to noncitizens who would otherwise be ineligible for Medicaid. Despite the existing shortfall, the Latino Caucus continues to demand for an expansion of that program to 19-44 year-olds. The Pritzker administration estimates the total cost of the program to be \$1.1 billion in the upcoming fiscal year. That is almost three times the amount spent so far in the current fiscal year, \$110 million more than the March projection, and five times as much as originally projected.

Add that to dozens of budget requests working their way through the legislature, falling revenue estimates, a very large number of new legislators, and the fact that the past two budget cycles were largely resolved with unprecedented federal funding – and it makes the task of passing a balanced budget by the end of next week even more difficult.

KIM DU BUCLET APPOINTED TO HOUSE

Former State Rep. Kim du Buclet was appointed to fill the vacancy created by the resignation of State Rep. Lamont Robinson, now a member of the Chicago City Council. Du Buclet was a legislator from 2011-13 and has served on the Chicago Metropolitan Water Reclamation District board since 2018.

REP. FLOWERS DROPPED FROM LEADERSHIP POST

House Deputy Majority Leader Mary Flowers (D-Chicago) has been barred from party caucus and leadership meetings. She received a letter from House Speaker Chris Welch last week notifying her that she would be stripped of her leadership position as of May 31, following numerous allegations related to inappropriate conduct. Rep. Flowers is the most senior member of the Illinois General Assembly.

U.S. REP. DANNY DAVIS TO CAMPAIGN FOR RE-ELECTION

U.S. Rep. Danny Davis (D-7th District) will seek another term in Congress. Davis, 82, will make a public announcement about his 2024 bid for a 15th term in the coming weeks. The impending campaign launch and official announcement seems intended to make it clear beyond a doubt that Davis is not going to retire. Davis's announcement raises the question of whether Chicago City Treasurer Melissa Conyears-Ervin will continue exploring a congressional bid, since she had said she would run only if Davis retired.

COVID-19 PUBLIC HEALTH EMERGENCY OFFICIALLY ENDS

The COVID-19 public health emergency officially came to an end on Thursday, May 11. The end of the state and national public health emergency means that the federal government will begin phasing out providing COVID-19 tests, vaccines, and treatments directly to states. The Centers for Disease Control and Prevention will also stop tracking and reporting community-level data on COVID-19. The Illinois Department of Public Health will continue to track COVID-19 data through lab data, genomic sequencing, and wastewater surveillance, but hospitals will no longer be required to report the number of patients with COVID-19.

Since March 2020, state and local partners benefitted from a disaster proclamation in the following ways:

- Federal reimbursement for state response costs.
- Illinois residents were able to collect additional Supplemental Nutrition Assistance Program benefits, more than 1.4 million children received Pandemic EBT (nutrition) support, and Medicaid expansion ensured access to telehealth options and the resources Illinoisans needed to stay healthy.
- Use of State Disaster Relief Fund, covering direct state costs and reimbursements to Illinois National Guard and mutual aid groups.
- Use of the state's mutual aid network (groups of public safety response professionals, including hundreds of health care providers and management professionals, law enforcement officers, fire fighters, emergency medical technicians and disaster response professionals, that are available to deploy to areas of shortage).
- Authorizing the Governor to activate Illinois National Guard reservists, some of whom were doctors and nurses and served on the front lines of the pandemic response.
- Allowing expedited procurement and executive actions as needed to protect public health and safety.

HFS/DHS ABE SYSTEM BREACHED

IDHS and the Illinois Department of Healthcare and Family Services have issued an advisory alert about a breach of the State of Illinois Application for Benefits Eligibility system's Manage My Case portal. The ABE system is the eligibility system for state-funded medical benefits programs (Medicaid), the SNAP program, and Temporary Assistance for Needy Families. The MMC portal within ABE enables clients to see their case history and benefit details, as well as change account and benefit information. On March 13, the departments discovered suspicious user accounts had been created within the ABE system. These suspicious accounts were able to link to existing customer MMC accounts by providing the customer's date of birth and Individual ID or Social Security Number, and then correctly answering several identity-proofing questions. In response to this incident, the departments have deployed new software to stop the creation of more suspicious user accounts and de-linked the suspicious accounts from the customer accounts.

VETERANS' HOME AT CHICAGO RECEIVES FEDERAL CERTIFICATION

After a thorough vetting process, The Veterans' Home at Chicago received notice of its official certification from the United States Department of Veterans Affairs. The certification followed a recognition survey of the home, which is designed to ensure it meets all standards outlined by the USDVA to qualify as a State Veterans Home. The home was conceptualized to offer residential living for a growing veteran population in Cook County requiring skilled nursing care. With 56% of Illinois veterans residing in Cook County, its location was selected to bring Cook County veterans closer to their families and support network. Chicago became the fifth State Veterans' Home in Illinois, joining Veterans' homes in Anna, LaSalle, Manteno, and Quincy.

ILLINOIS MOVES TOWARD GENDER INCLUSIVITY

Illinois bills that would update existing laws to be more gender inclusive and add protections for LGBTQ marriages are ready for action by Gov. Pritzker, who said he will sign them. One bill would replace certain pronouns with the nouns to which the pronouns refer, such as "minor" instead of "he or she," and "person who gives birth" in place of "mother" in some existing laws concerning children in the state's care. Another bill would require state agencies to track employees who identify as non-binary or gender non-conforming to help achieve workforce diversity, and a third bill would make it easier for LGBTQ couples who resided in other states to marry in Illinois. When the U.S. Supreme Court overturned the federal right to an abortion in June, the ruling included a concurring opinion from Justice Clarence Thomas that suggested the high court should review other precedent-setting rulings, including the 2015 decision legalizing same-sex marriage. The marriage bill is meant to serve as fail-safe in case that decision is reversed.

PRITZKER APPROVES COVID-19 DISABILITY BENEFITS FOR CHICAGO FIRST RESPONDERS

Chicago police officers and fire fighters will retroactively receive COVID-19 disability benefits under new legislation signed by Gov. Pritzker after passing unanimously out of both chambers. House Bill 3162 (Hoffman/Cunningham), the Act-of-Duty Bill, was brought up after multiple first responders were denied COVID-19 disability benefits because they could not establish that they contracted the disease while in the line of duty. Because of this, they received only partial disability benefits. The bill ensures that these individuals receive full disability benefits if they were unable to work due to contracting COVID-19 between March 9, 2020 and June 30, 2021.

SENATORS DETAIL HEALTH CARE ACCESSIBILITY BILLS

Three Illinois Senators highlighed a trio of bills that increase access to medically necessary health care services and equipment, two of which were subsequently passed by the chamber later that day.

Sen. David Koehler (D-Peoria) explained thata HB 2443 requires Illinois insurers to cover medically necessary hearing aids for all individuals, not just for children. Koehler said although the state passed a law in 2018 requiring insurers to cover the costs of hearing assistance devices for children, the costs are still burdensome for adults. The Senate passed HB 2443 unanimously. It now goes back to the House for concurrence on a Senate amendment.

Sen. Robert Peters (D-Chicago) is sponsoring HB 2719, which would require hospitals and health providers to screen patients for all available cost-savings programs, financial assistance program, and hospital-provided discounts before going to collection agency or attempting to collect a medical debt. The Senate passed HB 2719 unanimously and now goes back to the House for concurrence.

Sen. Michael Halpin (D-Rock Island) detailed HB 3639, which caps the cost of a twin-pack of Epi-Pens at \$60 regardless of the type of Epi-Pen. Halpin said that while the current cost of one Epi-Pen pack usually is not prohibitive, that is just where the costs begin. The Senate passed HB 3639 unanimously. It will now go to the Governor's desk for full approval.

HOUSE REPUBLICANS CALL FOR ETHICAL REFORMS FOLLOWING COMED TRIAL

Illinois House Republicans are repeating their calls for their Democratic colleagues to pursue more comprehensive ethical reforms following the conviction of four individuals involved in the Commonwealth Edison bribery scandal. The Republicans continue to urge their colleagues to pick up proposals including placing a ban on lawmakers becoming lobbyists, instituting a ban on lawmakers voting on legislation on which they have a conflict of interest, and empowering the Legislative Inspector General with subpoena powers, among other proposals.

State Rep. Maurice West (D-Rockford) has been leading discussions on a package of promised ethics reforms in his capacity as chair of the House Ethics and Elections Committee, although no specifics have been discussed publicly.

FORMER GOV. QUINN CALLS FOR SPECIAL SESSION ON ETHICS

Former Illinois Gov. Pat Quinn is calling for the General Assembly to hold a special session to enact stricter ethics reforms as soon as possible following the conviction last week of four individuals involved in the Commonwealth Edison bribery scandal.

LAWMAKERS LOOK TO END 'COMMON CARRIER' EXEMPTION FOR RIDE-SHARE COMPANIES

Ride-share companies such as Uber and Lyft would be subject to the same level of liability as other forms of public transportation under a measure moving through the General Assembly. HB 2231 would classify ride-shares as "common carriers," meaning the companies can be held liable, rather than just the drivers, for accidents or injuries to passengers. Currently in Illinois, "common carriers" include taxicabs, railways and elevators, among others. The bill is awaiting a concurrence vote in the House.

PROGRESSIVE STATE LAWMAKERS PUSH FOR NEW REVENUE

Unhappy with the direction state budget talks are going, a group of Springfield's leading progressive lawmakers announced a new drive to move two much-discussed ideas that repeatedly have been shot down in the General Assembly: imposing a wealth tax and slashing the fee retailers get for collecting state sales taxes. The group said these initiatives would generate a combined \$700 million a year.

Under one measure, the fee that retailers get to collect sales taxes (now 1.75% of the take) would be capped at a maximum of \$1,000 a year per retailer. The plan drew immediate strong blowback from the Illinois Retail Merchants Association, which said that its members will lose an average of 6 cents per transaction under the current payment scheme. The other bill would require anyone who has assets worth at least \$1 billion to annually pay income taxes on any growth in their value, whether or not the asset is sold.

BILLS SEEK TO REFORM ENVIRONMENTAL PERMITTING PROCESS

Environmental advocates are pushing a pair of bills they say would help protect communities that have endured decades of disinvestment and negative environmental impacts and deem them "environmental justice communities." The Sierra Club and the Illinois Environmental Council, alongside lawmakers and other advocacy groups, held a press conference to draw attention to legislation they call the "Environmental Justice Act." HB 2520 (Harper)/SB 1823 (Villanueva) would reform the state's industrial permitting process, allowing for more community participation. The process would also allow the Illinois Environmental Protection Agency more oversight, taking into account area pollution and health impacts. HB2520 is still awaiting a third reading vote in the House after not receiving the minimum number of votes (60) in the sponsor's first attempt to pass the bill. SB1823 has only received its first reading.

MENTAL HEALTH AWARENESS MONTH AWARENESS

In recognition of Mental Health Awareness Month, the Illinois Department of Insurance is launching a new ad campaign highlighting mental health parity. The campaign includes radio, digital, and social media ads that aim to raise awareness about mental health parity coverage. As part of the campaign, ads will direct consumers to file a complaint with the Department of Insurance if they believe their health insurer's mental health and substance use disorder coverage has more restrictive requirements than those for physical health coverage. The U.S. Surgeon General also released a strategy and a guide for combatting loneliness and isolation.

DANGERS OF OFFSHORE GAMING HIGHLIGHTED

Illinois and other state regulators have joined to ask U.S. Attorney General Merrick Garland to do more to curb offshore gambling. The last major crackdown by the U.S. Department of Justic on illegal offshore operators occurred 12 years ago, when the websites and assets of three major online poker sites were seized. The gaming industry has consistently called out the dangers associated with offshore gambling sites and encouraged the federal government to act.

CANNABIS SALES LOSE THEIR HIGH

Illinois cannabis sales flattened last month for the first time since the state legalized recreational cannabis in 2020, hurt by declining prices and out-of-state competition. April sales totaled \$132 million compared with

\$131.8 million in April 2022. The rate of year-over-year revenue growth in Illinois has been declining steadily as pricing has come under pressure across the industry and the number of new stores has stalled. Pricing declines have occurred across the industry but have fallen much more quickly in other states such as Colorado, California and Michigan, where less-strict regulations allowed more companies into the legal market than in Illinois. Illinois also is feeling the impact of lower purchases from out-of-state residents in Missouri and Michigan. Total out-of-state sales dropped 21% since last year.

CHICAGO STATE OF EMERGENCY DECLARED

Chicago Mayor Lori Lightfoot recently declared a state of emergency in response to the thousands of migrants arriving in the city seeking asylum. The mayor called on the federal government for support and said that only comprehensive immigration reform, including expedited work permits, can alleviate the national crisis. The Federal Emergency Management Agency announced the city and state will receive less than \$9 million from the agency's emergency food and shelter program. The state requested \$100 million.

CUSTOMERS OWE COMED

The Illinois Climate & Equitable Jobs Act requires ComEd to give customers a credit; however, the credit turned out to be overly generous. Now ComEd customers owe the utility \$1.1 billion for credits that it provided them but could not collect when wholesale power prices dropped unexpectedly beginning last year. Beginning in June, ComEd will start recouping the \$1.1 billion in monthly installments over the ensuing 12 months, with added interest of 5%. That means an extra \$98 million per month for ratepayers. The credit held down ComEd electric bills last summer, while downstate Illinoisans saw their bills soar as they bore the full brunt of sky-high power prices for those few months. Adding potential insult to injury, power prices now are low enough that ComEd customers are paying extra to Constellation under the CEJA approach to the nuclear bailout.

COOK COUNTY RESIDENTS' MEDICAL DEBT CANCELED

Nearly \$80 million in medical debt will be forgiven for about 73,000 Cook County residents as part of a new program to alleviate the medical debt burden for some of the area's poorest residents. The program has already erased \$25 million in medical debt for 45,000 residents and will soon abolish \$54 million more for nearly 28,000 residents. Debt is being forgiven through a partnership with national nonprofit RIP Medical Debt, which contacts Cook County hospitals and health systems and negotiates with them to buy patient medical debt. Because the debt is purchased in bundled portfolios for a fraction of its value, one dollar typically abolishes about \$100 of medical debt.

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

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