

ICCTA Government Relations and Public Policy Report July 16, 2024

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Both chambers of the Illinois General Assembly have adjourned the 2024 Spring Legislative Session and will not return to the State Capitol until the Fall Veto Session, which is scheduled for November 12-14 and November 19-21. The 104th General Assembly is scheduled to be inaugurated on January 8, 2025.

UPCOMING COMMITTEE HEARINGS

The **House Health Care Licenses Committee** heard testimony last week regarding pharmacists' new ability to test and treat patients. Language expanding the scope of practice for pharmacists was not approved by the committee but was included in the Medicaid Omnibus bill and is now law. The language permits pharmacists to test and treat SARS-CoV-2, respiratory syncytial virus, strep, and lice.

The **House Health Care Availability & Accessibility Committee** will meet July 23 at 10 am to discuss the topic of pharmacy benefit managers.

The **Senate Transportation Committee** has begun a series of hearings on the state of public transit in the Chicago region. The first hearing took place last week (discussed below), and future hearings are scheduled for July 24, August 8, August 28, September 18, and October 16. The hearings will inform some kind of proposal by lawmakers for the 2025 spring session. Chair Ram Villivalam stated that he would like to act at least 9 to 12 months before the anticipated fiscal cliff of early 2026.

2024 CAMPAIGN NEWS

Kathy Salvi has been elected as the next chair of the Illinois Republican Party following a vote by acclamation by the State Central Committee. She will officially begin her role on July 19 following the Republican National Convention. Salvi, a lawyer from Mundelein, ran against incumbent U.S. Sen. Tammy Duckworth in 2022, losing by nearly 630,000 votes (or 41.5% percent of the vote). Salvi was chosen over two other candidates: state Rep. John Cabello, of Machesney Park; and Aaron Del Mar, of Palatine, a party activist who ran unsuccessfully for lieutenant governor in the 2022 GOP primary.

Governor JB Pritzker recently delivered the keynote address at two Democratic events, the Indiana Democratic Party's Hoosier Hospitality Dinner and the Ohio Democratic Party's Family Reunion. Michigan Gov. Gretchen Whitmer has been announced as the keynote speaker for the Democratic Party of Illinois' second annual gala on September 27 in Chicago. Pritzker, a top Biden campaign surrogate, has said throughout the past couple weeks that he would continue to support President Joe Biden's candidacy as long as he was the party's nominee.

FORMER GOP STATE LAWMAKER SENTENCED TO 42 MONTHS IN PRISON

Former Republican State Sen. Sam McCann was sentenced to 42 months in federal prison for stealing nearly \$700,000 in campaign funds and attempting to conceal his theft with false reports to state election authorities. In February, McCann pleaded guilty to seven counts of wire fraud and one count each of money laundering and tax evasion – but only after prosecutors had spent nearly three days presenting evidence against him at trial.

NORTHWESTERN COLLEGE ABRUPTLY CLOSED

Northwestern College, which is located in the south suburbs, has abruptly shut down after 122 years in operation. The Oak Lawn school made the announcement that it has shut down and closed its doors as of Saturday, July 6. The decision to close the college was made because of financial reasons, a statement from school officials said. The abrupt closure appears to leave its approximately 500 students high and dry, and many are unsure about what will happen to the money they have already paid out. There are also questions about whether the students' credits will transfer to other institutions.

WIU LAYS OFF 36 FACULTY MEMBERS

To achieve fiscal stability at Western Illinois University, 36 contracts for Unit B faculty have not been renewed. Unit B instructors are non-tenure track faculty. WIU had 519 faculty members as of last fall. Overall, the university had 1,313 employees, including 286 full-time tenured faculty members. Even with the layoffs, the administration is still working to eliminate a large operating deficit of about \$20 million.

ILLINOIS SWITCHES TO ACT EXAMS FOR STATE ASSESSMENTS

The Illinois State Board of Education recently announced that starting next spring, it will use the ACT exam rather than the SAT. In addition to being used for college admissions, Illinois also uses them as part of the battery of tests schools administer each year to meet federal mandates under Every Student Succeeds Act. Results of those tests are reported each year on the Illinois Report Card and are used to hold schools and districts accountable for meeting basic academic standards.

FREELANCE WORKER PROTECTION ACT TAKES EFFECT

The <u>Freelance Worker Protection Act</u>, which provides protections for independent contractors who create products or services in Illinois or who work for a hiring entity located in Illinois, took effect on July 1. Under the law, freelance workers are entitled to the following when the value of their work is equal to or greater than \$500 in a 120-day period: 1) A written contract outlining the products and services to be provided, the dates by which services are to be performed, and the rate and method of compensation; 2) Full payment for the services by the due date in the contract, or if the due date is not specified, within 30 days of completing the services outlined in the contract; 3) Protection from retaliation and/or other negative action for exercising rights under the FWPA. The law only applies to freelance contracts taking effect after July 1, 2024. It does not apply to individuals performing construction services.

CHICAGO TRANSIT HEADS SEEK FUNDING, REJECT REFORM PROPOSALS

The Regional Transportation Authority – the funding body that oversees Pace suburban bus routes, Metra regional rail lines, and the Chicago Transit Authority – has reported a looming "fiscal cliff" in 2026. While the agencies are currently buoyed by pandemic-era funding and temporary allowances in state law, they will face a cumulative annual budget gap of \$730 million in operating costs beginning in 2026, according to the Chicago Metropolitan Agency for Planning.

Sen. Villivalam, chair of the Senate Transportation Committee, convened the first in what will be a series of hearings meant to investigate possible improvements to public transit in Illinois. He said that there will be "no votes for funding" unless the General Assembly and transit board first address service issues and governance reforms. During the hearing, the heads of the Chicagoland agencies testified against one of the primary reform recommendations proposed by the Chicago Metropolitan Agency for Planning, collectively arguing if the system is adequately funded, the operators can do the job. As a counterbalance, transit advocates and business leaders spoke to the need for governance reform to improve service.

HEALTH INSURANCE REFORM MEASURES SIGNED

Gov. Pritzker recently signed <u>House Bill 5395</u> (Moeller; Peters) and <u>HB 2499</u> (Morgan; Fine) at the RUSH Professional Center in Chicago. The pair of bills make up the Healthcare Protection Act, a top legislative priority of the governor this year.

The Healthcare Protection Act requires insurance companies and managed care organizations to use generally accepted standards of care when deciding whether to cover treatments recommended by a doctor. It also bans prior authorization for in-patient mental health care and fail-first step therapy for private insurance and Medicaid. The Act also bans the sale of short-term, limited-duration insurance plans that do not cover Affordable Care Act-required treatments. Insurers will now be required to publicly post any treatments that require pre-authorization and must conduct mandatory 90-day audits ensuring provider directories are accurate to prevent "ghost networks." In addition, providers must now inform insurance companies when they are not accepting new patients, and insurance companies must get approval from the Illinois Department of Insurance before large plan rate approval. Parts of the law will begin to take effect in January 2025, while others will not go into effect until 2026, which will have an impact on payer cost – which includes the patient and the employer.

\$100 MILLION FOR CHICAGO CRIME-FIGHTING EFFORTS

In a show of political and private force after a horrifically violent extended holiday weekend in Chicago where more than 100 people were shot and 19 people died, civic leaders joined Gov. Pritzker, Mayor Brandon Johnson, and state legislative leaders to announce progress in their commitment to funding community-level violence prevention programs. The Chicago business community has raised \$100 million to support on-the-ground programs, which typically take the form of nonpolice interventions in communities at risk of violence -- a first-of-its-kind effort from the Civic Committee of the Commercial Club of Chicago. In addition, \$175 million in state funding for those programs has begun to be distributed.

AQUA ILLINOIS AGREES TO DRINKING WATER COMPLIANCE

Illinois Attorney General Kwame Raoul, Will County State's Attorney James Glasgow, and Illinois Environmental Protection Agency director John J. Kim have announced the approval of a <u>consent order</u> in the case *People of the State of Illinois v. Aqua Illinois, Inc.* by Will County Circuit Court Judge John C. Anderson. The consent order mandates several measures to maintain compliance with state drinking water regulations and provides additional protections for residents. Components of the consent order include the following:

- Ongoing public water system compliance sampling
- Customer-requested sampling available for an additional 180 days
- Nitrate variability testing
- Implementation of a program offering sampling, inspection, corrective actions, and up to \$3,500 in kitchen faucet remediation work

The order requires Aqua Illinois to maintain a dedicated website, <u>WaterFactsIL.com</u>, to provide updated information and resources for residents. The consent order is a court-enforceable agreement. If Aqua Illinois fails to comply, the Attorney General and the State's Attorney can seek court enforcement and penalties.

ADVISORY COUNCIL STUDIES EXPANDED ACCESS TO HIGH-COST DRUG TREATMENTS

The Illinois Advisory Council on Financing and Access to Sickle Cell Disease Treatment and Other High-Cost Drugs has started its work to evaluate payment models and financing structures aimed at improving access to treatments for sickle cell disease and other expensive therapies.

Formed by Gov. Pritzker through <u>Executive Order 2024-01</u>, the council's task is to assist the Illinois Department of Healthcare and Family Services in developing new financing arrangements. These recommendations are expected to be delivered by the end of 2024. The council held its initial meeting on June 25 and will continue to meet regularly. The council will submit its findings and recommendations to the Governor and the General Assembly by the end of the year. It will also identify any state and federal policy changes required to support these recommendations.

IDOT AND UIUC SIGN \$48 MILLION PARTNERSHIP

The Illinois Department of Transportation has entered a six-year, \$48 million agreement with the University of Illinois Urbana-Champaign to continue transportation research through the Illinois Center for Transportation at The Grainger College of Engineering. The partnership will focus on several transportation challenges, including creating more sustainable infrastructure, reducing congestion, achieving equitable transit systems, and preparing for autonomous vehicles.

GRANTS ANNOUNCED FOR CLEAN ENERGY PRE-APPRENTICESHIP PROGRAMS

Central Illinois is receiving a \$4.7 million grant to launch a pre-apprenticeship program for several hundred people to join the clean energy workforce this year. The statewide Climate Works Pre-Apprenticeship Program will prioritize underrepresented communities and Illinoisans who historically faced economic and environmental barriers. Hire360 will recruit, prescreen and provide free training for future clean energy workers in the region.

In addition, the Pritzker administration is providing approximately \$13.6 million in grant funding to start the preapprenticeship programs in northern, central and southern Illinois. The 548 Foundation will also serve as a Climate and Equitable Jobs Act workforce hub for the southwest and west side of Chicago.

IDNR OPENS APPLICATION PERIOD FOR OSLAD GRANTS

The Illinois Department of Natural Resources has announced that applications for the next round of Open Space Land Acquisition and Development grants are open through Friday, September 13. The program offers financial assistance to local governments for the development and acquisition of public parks and outdoor recreation areas. A total of \$54 million is available for the grants, with provisions to cover 100% of eligible expenses for projects in economically distressed communities.

IDPH EXPANDS LEAD TESTING IN HIGH-RISK ZIP CODES

The Illinois Department of Public Health has added 148 additional high-risk ZIP codes that are subject to mandatory lead testing for children. IDPH expects to implement statewide lead testing by 2026. State law requires children living in these high-risk ZIP codes to undergo lead testing at 12 and 24 months. Additionally, all children up to six years old are assessed for lead exposure during pediatric visits using a questionnaire. If a child's blood test shows lead levels above five micrograms per deciliter, Illinois mandates public health interventions (including home inspections to identify and mitigate sources of lead) as well as a home visit form a public health nurse to help education families on how to protect themselves from the effects of lead.

IFAB AWARDED \$51 MILLION EDA TECH HUBS GRANT

Illinois has secured approximately \$51 million in federal funding for the Illinois Fermentation and Agriculture Biomanufacturing (iFAB) Tech Hub, leveraging the state's leading production of raw agricultural materials to develop sustainable alternatives to fossil fuel-based products. This pivotal funding from the U.S. Economic Development Administration marks a significant milestone in advancing Illinois' leadership in the precision fermentation and biomanufacturing industry. The EDA funding will be allocated to projects that encompass infrastructure development, industry partnerships and more. EDA's Phase 2 Implementation Grant will strengthen iFAB's ability to attract and support companies to join the growing biomanufacturing ecosystem in Champaign, Piatt, and Macon counties.

ILLINOIS CANNABIS SALES HIT NEW HIGH

Illinois has notched over \$1 billion this year in cannabis retail sales as of July 1, with more than \$850 million from adult-use cannabis and nearly \$150 million from medical cannabis. This year's sales reached the \$1 billion mark nearly two weeks earlier than in 2023. Fiscal Year 2024 also saw total cannabis sales exceed \$2 billion, compared to \$1.9 billion in FY23 and \$1.8 billion in FY22.

Revenue from cannabis taxes has funded over \$244 million in R3 Grants for economic development, violence prevention, and youth development in disproportionately affected communities. The Illinois Cannabis Social Equity Loan Program has issued nearly \$22 million in forgivable loans to social equity applicants, including craft growers, transporters, and infusers. Currently, 218 dispensaries are licensed by the state, with more expected to receive full licensure as they meet the necessary requirements.

STUDY FINDS ILLINOIS LEADS IN DIVERSE CANNABIS BUSINESS OWNERSHIP

The Cannabis Regulation Oversight Office has identified Illinois as having the most diverse cannabis industry in the United States, with 60% of cannabis licenses awarded to minority- or women-owned businesses. The study reviewed 559 adult use cannabis licenses issued between January 1, 2020, and January 31, 2023. Results showed that 59% of dispensary licenses and over 60% of all other license types were granted to minority- or women-owned businesses. Minority- or women-owned businesses held 63% of craft grower, 61% of infuser, and 74% of transporter licenses. Nearly 84% of the state's Direct Forgivable Loans were awarded to these businesses.

ILLINOIS SUPREME COURT ANNOUNCES COMMITTEE ON EQUAL JUSTICE

The Illinois Supreme Court has renamed its Committee on Equality and given it a new charge. The Committee on Equal Justice will continue its work to promote equality and fairness in all aspects of the administration of justice and facilitate a high level of trust and public confidence in the courts, judicial officers, and the entire judicial system. In addition, it will strive to advance the Supreme Court of Illinois' commitment to a judicial system free of bias in which every user and employee of the court feels fairly treated, safe, and respected.

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

Illinois Community College Trustees Association

401 E. Capitol Avenue, Suite 200 • Springfield, IL 62701 • 217-528-2858 • <u>www.communitycolleges.org</u>



