



ILLINOIS GENERAL ASSEMBLY 2020 SESSION REVIEW

The close of the 101st General Assembly has been unlike any other. The Illinois General Assembly began session in January, still riding high off a very productive 2019 session. The focus was to be more narrow in scope; tackling a comprehensive energy bill, reviewing the new gaming expansion law to incentivize a Chicago casino, protecting children in foster care, addressing the shortcomings within the Department of Children and Family Services, ethics and lobbying reform, and passing a balanced budget. Everything came to an abrupt halt when COVID-19 hit Illinois. The last day the General Assembly met was on March 5th. Eventually, the two chambers formed informal working groups to address several issues typically addressed in a committee setting. These groups met via conference calls for weeks, outside of public scrutiny.

Ultimately, the General Assembly produced a plan to enable lawmakers to safely return to Springfield for a three-day abbreviated session. Legislators and staff submitted to COVID-19 tests. Five legislators chose not to travel to Springfield due to health reasons or self-quarantining. The House convened in the BOS Convention Center. The Senate convened in the Capitol. The public had little meaningful access. Legislative action was available to the public through live streaming.

Before gaveling in on the first day of session, Governor Pritzker withdrew a controversial rule creating a new Class A misdemeanor for businesses not complying with the executive orders mandating closures. Opponents to the rule successfully argued creating legal enforcements like misdemeanors is beyond the scope of the Governor's executive power and is solely within the purview of the General Assembly. Pritzker then called on lawmakers to pass legislation enabling law enforcement to fine businesses, between \$75 and \$2,500, for not following the Restore Illinois plan. The legislature did not act on that request. Since the pandemic hit, Governor Pritzker has issued 37 Executive Orders. Because the legislature did not support enforcement of the Governor's actions, the Governor could struggle in the coming weeks to enforce his orders. Stakeholders will need to diligently monitor agency emergency rulemaking until the General Assembly returns on November 17th for veto session.

The three-day special session was ultimately extended for one day to provide lawmakers enough time to do their work. They passed 22 bills, all of which are expected to be signed by the Governor, including a budget, borrowing authority, and several measures related to COVID-19 for continuity of government and to support people whose lives have been disrupted by the pandemic.

BILLS PASSED DURING SPECIAL SESSION

Budget – [Senate Bill 264](#)

With only Democrat support, lawmakers passed a budget package authorizing \$40 billion in general revenue spending for FY21. This budget allows for spending at about the same level as the last budget.

Much of the spending remains tentative depending on the progression of the COVID-19 pandemic and potential congressional action that could send more financial aid to states. Lawmakers crafted the budget with a lot of unknowns, such as the depth of the economic hit from the virus, how much more the state will need to spend to respond to the virus, whether the voters will approve a graduated income tax in November, and if the state will receive support from the federal government.

Unlike the Governor's introduced budget in February, this budget does not presume the graduated income tax amendment will pass. The state is also projecting a \$2.7 billion shortfall for the current FY20, ending June 30 and a \$6.2 billion hole for FY21, even with approval of the graduated income tax. One key to making the budget work is a plan to borrow up to \$5 billion from the Federal Reserve's Municipal Liquidity Facility program. That program allows the central bank to purchase certain short-term debt from states to help them make up for the loss of revenue due to the pandemic. This will serve as a "bridge loan" until the state receives direct support in the next stimulus package from the federal government. Congress has not yet authorized such a package and there is sharp disagreement between congressional Republicans and Democrats over what that plan should look like. The General Assembly has also given the governor discretionary authority to set aside up to 15% of any line item or lump sum and 8% transferability between operational lines.

Highlights:

- The budget essentially calls for flat funding for most state programs, including **K-12 schools**, which will see no increase in their evidence-based funding over their current levels. Funding for **state universities and community colleges** is also held flat at current-year levels, as is funding for **MAP grants and AIM HIGH** grants.
- Flat spending also means local governments will not see a reduction of state tax collections from the **Local Government Distributive Fund**. Municipalities have complained for years they have been given less money from the fund than they are supposed to receive, putting a strain on their budgets. For FY21, LGDF revenue rates will increase slightly (by eliminating the 5% cut made in FY20). This budget marks the first time in several years LGDF has not been reduced.
- A few state agencies are slated for increases in the new budget, including the **Illinois Department of Public Health**, the agency coordinating much of the state's response to the COVID-19 pandemic. Its total budget, including federal funds, is slated to grow 144%, to more than \$1.6 billion. Included in that figure is \$416 million in federal funds for testing and services provided by local health departments.
- **The Department on Aging** will see an additional \$58 million to raise wages for adult care providers, transportation, and homemaker service providers to \$14 per hour.
- **The Department of Children and Family Services** is also slated for a 20% increase in general revenue funding, or about \$170 million, to provide rate increases for foster care providers, to hire 123 investigative staff, and to address caseload growth.
- Another **\$1.8 billion is earmarked for the Illinois Emergency Management Agency**, and it gives Governor Pritzker authority to decide how it is spent, although the federal money comes with significant strings attached so it can be spent only for specific purposes.

- The package also sets up a **special fund to receive and disburse money from the federal CARES Act**, a \$2.2 trillion federal relief program that Congress approved earlier this year. Illinois expects to receive about \$2.8 billion for the current fiscal year and \$3.8 billion for FY21. This money is earmarked for direct aid to the **state's health care industry to help hospitals, nursing homes, mental health centers and other care providers absorb** the cost they have incurred for dealing with the pandemic. The funds will also be used for testing and contact tracing, education, affordable housing grants, airports, and small business grants. The budget allows for \$3.7 billion in supplemental appropriations for FY20, authorizing the spending of the federal CARES Act dollars.

Capital – [House Bill 64](#)

\$45.1 billion for capital appropriations, both new and re-appropriated from past budgets.

BIMP – [House Bill 357](#)

The budget implementation bill creates a new Coronavirus Business Interruption Grant program to provide federal funding to qualified businesses. The bill also creates the Disaster Relief and Recovery Fund, the State Coronavirus Urgent Remediation Emergency Fund, and the Local Coronavirus Urgent Remediation Emergency Funds to allow for expenditure of federal coronavirus relief dollars.

Borrowing – [Senate Bill 2099](#)

Authorizes the state to borrow \$5 billion (referenced above) to cover expenses during the COVID-19 crisis.

Property Tax Relief – [Senate Bill 685](#)

Allows counties to waive fees and penalties for late property tax payments up to 120 days. It also renews exemptions for a year and addresses property tax sales and tax scavenger sales.

Graduated Income Tax Ballot Language – [Senate Joint Resolution 1](#)

The Illinois Constitution Amendment Act requires the General Assembly to prepare a brief explanation of the proposed amendment, a brief argument in favor, a brief argument against, and the form in which the amendment will appear on the ballot in a pamphlet that will be distributed to voters. Each household with a registered voter will receive the language found in [Senate Joint Resolution 1](#) by mail.

Elections: Vote-by-Mail program – [Senate Bill 1863](#) & [House Bill 2238](#) (trailer provisions)

Lawmakers approved an expanded vote-by-mail program amid public health concerns over elections during the COVID-19 outbreak. Under the proposal, any person who has voted in the past two years (2018 General Election, 2019 Consolidated Election, or 2020 Primary Election) will receive an application for a ballot in their mailbox. General Election Day, November 3, 2020, will be a state holiday for schools and state offices. Those facilities will be available for polling places. In-person voting, either early or on Election Day, is still allowed. Local election authorities can set up drop-boxes for depositing ballots and can also develop curbside voting. Part of this program is an effort to educate the public about their voting options. This expanded vote-by-mail program only applies to the 2020 General Election.

Workers Compensation – [House Bill 2455](#)

Following the Illinois Workers' Compensation Commission's withdrawal of a rule to presumptively assume essential workers contracted COVID-19 while on the job, business interests and organized labor negotiated an agreement. Under HB 2455, essential workers in Illinois will qualify for workers' compensation if they contract COVID-19 on the job. However, businesses will also be allowed to rebut the claims by showing they followed public health guidance. The bill also extends unemployment insurance benefits for 20 weeks. Paid sick leave was not included in the agreed final version.

Labor – [Senate Bill 471](#)

This bill includes accommodations for frontline workers and first responders, as well as workers at racetracks and racinos under collective bargaining. Firefighters, law enforcement, and paramedics, will be eligible for an additional 60 days of paid disability if affected by COVID. Assaulting a retail worker for giving safety guidance will now be an aggravated charge. Collective bargaining rights are extended to horse racetrack, casino, or racino workers.

Gaming – [Senate Bill 516](#)

Under the gaming expansion bill enacted last year, lawmakers authorized six more land-based casinos, including one in Chicago. However, according to the bill, in addition to the taxes and fees that all casinos pay, the Chicago casino would be required to pay an additional 33.3 percent "privilege tax." That would bring the effective tax rate on a Chicago casino to roughly 72 percent. A feasibility study concluded a Chicago casino would not be viable under the tax structure originally passed. Chicago Mayor Lightfoot has been advocating for this gaming changes to support a Chicago casino since the feasibility study was released nearly one year ago.

Changes in Senate Bill 516 are meant to "make this work for Chicago," House sponsor Rep. Bob Rita (D-Blue Island) said on the floor before the vote. The tax structure will now be graduated — the more money a casino makes, the more it will have to pay in city and state taxes.

The measure also extends the licensing process for a casino in Danville, requires the Department of Agriculture to purchase one or more video gaming terminals to be installed at the state fairgrounds in Springfield and DuQuoin, and cleaned up/delayed some sports betting deadlines at the request of the Illinois Gaming Board.

Gaming in Illinois is designed to fund the vertical capital bill passed last year, as well as the Chicago public safety pensions. It is estimated the Chicago casino will pay \$145 million in licensing fees and \$700 million in reconciliation payments over six years once it opens. The Chicago casino alone is expected to provide over a billion dollars to the state's capital program in just the short term.

Education Omnibus – [Senate Bill 1569](#)

Codifying changes for education during the COVID-19 pandemic, lawmakers addressed issues related to remote learning and blended remote learning requirements when a governor declares a disaster due to a public health emergency. Another provision deals with waving certain requirements for someone

seeking an educator license during a public health emergency. The measure also deems any diploma from this school year in Illinois valid.

Debt Limit for School Districts – [Senate Bill 1937](#)

Addresses the ability of a school district to issue bonds.

Sunset Extensions: Regulations Set to Expire – [House Bill 2174](#)

This bill extends the sunset of several regulations by one year. Some of the regulations included are the Telecommunications Article of the Public Utilities Act; provisions of the Cable and Video Competition Article of the Public Utilities Act; and the Transportation Network Providers Act (i.e. Uber and Lyft).

Government Administration Extensions – [Senate Bill 1857](#)

This bill extends certain statutes pertaining to government administration, including a provision of the Illinois procurement code concerning design-bid-build construction.

Healthcare Omnibus – [Senate Bill 1864](#)

SB 1864 creates the Health Care Affordability Act and permits the Department of Healthcare and Family Services (DHFS) to take necessary actions to address the COVID-19 public health emergency to the extent such actions are required, approved, or authorized by the Centers for Medicare and Medicaid Services.

Prior to the COVID-19 shutdown, the major legislative issues in health care were telehealth payment parity, prescription drug affordability, and limiting prior authorization tools. After the Governor issued Executive Order 2020-07 and an emergency rule to ensure patients had access to medical care during the stay-at-home period, advocates for telehealth parity saw an opportunity to pursue permanent requirements for reimbursement at the same level as in-person services.

An earlier version of SB 1864 included telehealth language which would have extended the Governor's executive order until the end of 2020. These services would also have been exempt in most cases from cost-sharing measures like copayments or deductibles. This language was instead amended to Senate Bill 671 to be considered on its own, codifying the telehealth executive order through the end of the year. The House passed SB 671, but it was not called for consideration in the Senate.

The approved version of SB 1864, however, loosens certain regulations for the DHFS (the state's Medicaid agency) during the COVID-19 public health emergency. That includes making it easier for people to prove eligibility for the federal Children's Health Insurance Program (CHIP) and the similar state program, All Kids. It also allows applicants to submit applications over the phone in lieu of a physical signature.

SB 1864 also calls for the Department of Insurance and HFS to study how state government may help people who lack health insurance and how to make health insurance more affordable for low-income and middle-income residents. The bill claims 835,000 Illinoisans are uninsured. The agencies must

submit their findings — which will also collect data on the geography, race and ethnicity of the uninsured — by the end of February 2021.

The bill also establishes a state task force on kidney disease prevention that will develop a plan by the end of next year to raise awareness about early detection, promote health equity, and reduce the burden of kidney disease through the state.

Hospital Assessment – [Senate Bill 2541](#)

Senate Bill 2541 codifies the hospital assessment program for Medicaid funding through December 31, 2022. The bill raises the hospital tax by \$146 million to bring an additional \$242 million to Illinois hospitals. The total value of the program is \$3.8 billion which includes \$1.65 billion in payments from hospitals. The new assessment program also maintains the 18% live rates in the current assessment and creates directed payments by shifting 25% of the assessment spend into 2 pools of directed payments (one fixed pool to protect safety-net and critical access hospitals and another fixed rate for all other hospitals to be acuity-sensitive in order to reward higher acuity care). Medicaid physician services rates increase by \$150 million annually (increase of 60% Medicare fee schedule), and the plan shifts \$400 million in spend from inpatient rates to outpatient rates. The new assessment also maintains the remaining 57% of the assessment spend in static pass-through payments, FFS supplemental payments, & GME payments. It also maintains the current “transition” payments of \$263 million present in the current assessment spending.

TIF Extensions – [Senate Bill 2052](#)

This bill extends numerous local TIF districts throughout the state.

Local Government Omnibus – [House Bill 2096](#)

This bill largely pertains to the ability of townships to operate when the Governor declares a disaster under the Illinois Emergency Management Agency Act.

Will County Toll Bridge – [Senate Bill 531](#)

Allows Will County to setup a toll schedule to build a bridge that will divert traffic from I-80 in a certain community.

Changes to Government Operations During Pandemic – [Senate Bill 2135](#)

Senate Bill 2135 is a broad piece of legislation creating a limited oversight panel of the governor’s Restore Illinois plan. This measure was only able to pass after two controversial provisions were removed. The removed measures would have temporarily delayed Freedom of Information Act law requirements and allowed the General Assembly to meet remotely during a pandemic.

As passed, the bill creates a Restore Illinois Collaborative Commission to “participate in and provide input on plans to revive the various sectors of the state’s economy in the wake of the COVID-19 pandemic.” The commission will consist of 14 lawmakers (8 Democrats and 6 Republicans) in collaboration with the Department of Commerce and Economic Opportunity (DCEO). Meetings may be

convened to address revitalization efforts for the various sectors of the state's economy. DCEO will be required to provide monthly reports to the General Assembly regarding "current and proposed" revitalization efforts. The first report is due July 1.

There were several other changes contained in the sprawling bill, including changes to the Park District Aquarium and Museum Act affecting how many days a zoological park or museum must be open to the public without charge.

Another notable provision gives the secretary of state's office emergency authority to extend deadlines for the remainder of any health-related declaration of disaster and up to 120 days after. The law will be on the books until Jan. 1, 2021. Those deadlines include expiration dates of driver's licenses, driving permits, identification cards, disabled parking placards and decals and vehicle registrations. It also includes expiration dates of professional licenses, registrations, certifications, and commissions issued by the secretary.

The bill creates a 10-person task force of members representing the Department of Insurance and the insurance industry to study business interruption insurance policies and any need for changes based on the impacts of the COVID-19 pandemic on businesses. There will also be a study of broadband access for Illinois residents, with a goal of expanding the state broadband competitive matching grant program and increasing affordable access.

The bill also codifies an executive order signed by Pritzker allowing remote notarization until 30 days after the governor's disaster declaration has ended.

Sexual Assault Treatment – [Senate Bill 557](#)

This bill temporarily allows federally qualified health centers to perform rape kit examinations "at a time when a visit to the emergency room may be too daunting," according to sponsor State Rep. Kelly Cassidy.

Liquor Omnibus – [House Bill 2682](#)

As soon as Gov. Pritzker signs HB 2682, bars and restaurants will be able to sell pre-mixed cocktails or other mixed drinks for carry-out or deliver them so long as they are in tamper-proof, sealed containers, and there are age checks. Drivers will be required to store mixed drinks in a trunk or other inaccessible compartment. The cocktails-to-go initiative will be repealed one year after the governor signs the bill.

This measure includes other provisions aimed at assisting businesses impacted by COVID-19, such as automatic renewal and extension of liquor licenses and waiving late filing fees for a license holder whose business was suspended in any capacity due to the pandemic.

Senate Rule Change – [Senate Resolution 1201](#)

Upon the conclusion of the 2020 special session, Senate President Harmon introduced Senate Resolution 1201 to amend the Senate rules. The rules were amended to create a standing committee on

accountability and ethics and removing a standalone pension committee, to enable the leaders to establish a process for remote committee work, and to allow a member to participate remotely “in times of pestilence or public danger” so long as a quorum of members is physically present.

UPCOMING DATES OF INTEREST

- **General Election Day** – November 3
- **Veto session** – November 17- 19 **and** December 1-3

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