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MEMORANDUM

To: Brian Lawlor
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From: Terry Steczo
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Re: Legislative Report

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Scheduled Legislative Session Nearing End

Heading into the last month of their regularly scheduled session the General Assembly will be trying to get a grip on a budget as well as completing action on substantive legislation. Most final action on bills will take place between May 15 and May 31. The following may still be considered:

- House Bill 6333 - Annually requires each school district, public school, charter school, or nonpublic school to request an asthma action plan from the parents or guardians of a pupil with asthma; sets forth provisions concerning the asthma action plan. Requires the State Board of Education, in consultation with statewide professional organizations with expertise in asthma management, to develop a model asthma episode emergency response protocol before September 1, 2016, and requires each school district, charter school, and nonpublic school to adopt an asthma episode emergency response protocol before January 1, 2017 that includes all of the components of the State Board's model protocol. This bill passed the House on April 12 by a vote of 76-33 and is now in the Senate.
- Senate Bill 3011 - Raises the age for whom tobacco products and electronic cigarettes may be sold to and possessed by from at least 18 years of age to at least 21 years of age. Defines "electronic cigarette". The deadline for consideration of this legislation in the Senate has been extended until June 13.
- HJR 77 - Creates the Mobile Integrated Healthcare Task Force to identify and recommend ways that the State of Illinois can incorporate changes in our health care delivery system in order to increase the collaboration and utilization of our current health care workers while decreasing the associated costs.

- HB 5029 - An attempt to modify the Smoke Free Illinois Act to allow an exemption for various veterans organizations has been shelved. The bill would have provided that smoking would be allowed in facilities constructed prior to August 14, 2015. One downstate veteran's organization built a building to be used for smokers and was attempting to gain an exemption for that purpose. Other veterans organizations also came forward asking for the same. Because of a clear lack of support among legislators to tamper with the Smoke Free Illinois Act it was not considered by the House deadline and was referred back to the House Rules Committee.

A Half-Step Forward

A little over a year ago the Governor was quoted as saying, "Crisis creates opportunity." With the legislature acting just before their week break to provide some critical assistance to state universities that quote turned out to be prescient, in this one case at least; and not for the purpose the Governor had in mind when the statement was made. But the state university funding crisis was averted at least temporarily leaving human services as the last budgetary segment with unaddressed needs.

Time after time Governor Rauner has insisted that his Turnaround Agenda be given positive consideration by the General Assembly before discussing any budget matters. Yet, the Turnaround Agenda wasn't a factor in the college and university funding bill. And there are a number of schools of thought on why. One factor most likely was that the blame for any school shut downs would have wound up squarely on the Governor's doorstep. Over the past few months the legislature has tried to put together various funding schemes to provide resources to higher education institutions as well as for MAP grants. All those efforts were greeted with a "thumbs down" by the Governor's Office. With Chicago State University on the brink of closure and other colleges and university operations on a respirator the Governor could ill afford the arrows headed in his direction and made him amenable to a deal to keep the schools open.

Secondly, as much as the Governor has denied it, the primary election results may have been impactful here, particularly by having possible emboldening GOP lawmakers to push back on what has been considered the Governor's authoritarian rule. Republican legislators have not been happy with the way they've been made to take bad votes for the last year with the expectation by the Governor of loyalty to his agenda and the threat of reprisal for those considered disloyal. The fact that the plan for the higher education funding bill came from Republican Rep. Mike Fortner (R-West Chicago) may show more willingness by rank and file legislators to come together to get more budgetary issues resolved. Fortner and Rep. Rita Mayfield (D-Waukegan) teamed up and when the dust settled had a bipartisan funding bill in the Governor's desk which he signed early last week.

Nobody should get the idea that the skies have opened up and bipartisanship reigns over Springfield. The higher education funding bill represented a 70% funding cut for those institutions and was nothing more than a lifeline providing funding only until the end of summer but it was a step, albeit a small one, in the right direction.

In the meantime a bipartisan group of legislators that began meeting last year and whose efforts were thwarted when the Governor's Office pulled the plug on GOP legislator participation us back at it, apparently with everyone's imprimatur. Their agenda includes some of the Turnaround Agenda items such as workers compensation and tort reform, a budget, revenues and other items.

There reportedly has been some progress on a few of the reform items but unless the collective bargaining changes the Governor has insisted upon are modified greatly or taken off the table any agreement will be hard to come by. However, with one scheduled month left in the legislative session there is some hope that the troops can take the initiative and show their leaders that compromise and common sense can rule the day.

Curious Behavior

As everyone knows, meetings between the legislative leaders and the Governor to resolve the budget impasse have been few and far between. The group met a few weeks ago and made no progress. The previous meeting between the five had been last December and that also was considered a waste of time. In order for the budget impasse to be resolved there is going to have to be conscious effort by all parties to create an atmosphere for productive deliberation and possible success. It also means an awareness of the reality of who the other negotiating "partners" are. For instance, the Governor has continually insisted that public sector collective bargaining reform be an irrevocable part of his Turnaround Agenda and often refers to similar reforms implements in Wisconsin at the urging of Governor Scott Walker. However, the big difference between Wisconsin and Illinois is that Walker had a Republican majority in the legislature; not the supermajority Democratic majority that Rauner has to negotiate with. In fact, if the Governor were not so insistent on this one piece it's conceivable that there could be an end to the stalemate in a relatively short time.

In light of the recent bipartisan deal that provided funds to higher education the Governor has said he is hopeful that there could be a "grand bargain" struck on budget and revenue issues before the end of May. If that is to occur he will have to be a more active and accommodating participant than he has been in the last few weeks. The higher education deal was a "bottom up" rather than a "top down" process; the Governor's Office having had tangential input until the train was already leaving the station before he jumped aboard. But in light of what may be more intense discussions during the month of May the Governor will be well served to modify one pattern that has become somewhat apparent over the past ten months in order to set the right mood for productive negotiations. Over the past year the Governor has always preceded any meeting with legislative leaders with a diatribe calling Democratic leaders "crooks", insisting that their only reason for being is to raise taxes, being solely responsible for the state fiscal mess, and sundry other charges. Obviously, creating this type of hyper-charged atmosphere doesn't set the stage for a positive outcome. But, if the rhetoric is toned down, a more realistic approach over what is attainable is set, and there be a determination that practical accomplishments can be more meaningful than a stubborn resolve that so far has accomplished nothing but angst and anxiety then that "grand bargain" the Governor sees as a possibility might actually be possible.

Just before his last negotiating session the Governor reiterated his list of Turnaround Agenda items: local government consolidation, term limits, redistricting reform, local collective bargaining reform, bidding reform, procurement reform, tort reform, workers compensation reform and pension reform. Left off of the list was unemployment compensation reform which actually was accomplished last summer and signed into law. As far as how much of his Agenda the Governor can accomplish during the next month or so, the list is fairly extensive if he is willing to except anything less than everything:

- Local government consolidation - a number of bills have been introduced and are moving through the legislature to accomplish a reduction in the number of local governments.

Some will pass, others won't but the process of seriously examining this issue has begun and will continue.

- Term limits - always a tough call asking elected officials to enact term limits on themselves. Even those who campaign on the issue and pledge to leave after a certain number of terms often renege. There could be a compromise here but don't count on it. Plus, the deadline for putting constitutional amendments on the ballot for November is this coming week so this issue is dead for now.
- Redistricting reform - there are two competing legislative constitutional amendment proposals and one citizen initiative that are still alive and one could make it on the November ballot.
- Bidding and procurement reform - definitely in the realm of possibility with one exception. Some of the Governor's proposals for reform seek to roll back a few of the initiatives enacted after the scandals of the Blagojevich administration and legislators are very reluctant to do that.
- Tort and workers compensation reforms - the legislature has often addressed these subjects in the past by using an "agreed bill" process that puts negotiators in a room to work out what is acceptable to both sides and then enacts that agreement. It has worked numerous times in the past, and as recently as last summer with the unemployment compensation issue.
- Pension reform - with the recent Supreme Court decisions there seems to be a pathway toward finding a constitutional bill. This is definitely something that could be accomplished in short order.
- Local collective bargaining reform - probably not doable given the current partisan environment.

Tallying the above it would seem that with the exception of term limits and local collective bargaining reform the Governor could show accomplishment in seven out of the nine issues that have been at the heart of the stalemate. How much give and take will be seen in May as the legislative session adjournment approaches? That remains to be seen.

It's Amendment Time

The spring legislative session in even numbered years provides the only real opportunity for legislators to debate and consider amendments to the Illinois Constitution that could be placed on the ballot in the November general election. Since the beginning of the legislative session in January, 2015 over 89 separate constitutional amendment ideas have been introduced. Most won't be considered, and even if they wanted approve a flurry of them for voter consideration they couldn't because the Illinois Constitution specifically prohibits the General Assembly from "proposing amendments to more than three Articles of the Constitution at any one election". There has always been debate as to whether the "no more than three Articles" means a limit of three amendments total or as many as you want so long as only three Articles are amended. Traditionally the legislature has followed the rule that only three are allowed.

In terms of why the even numbered year, and more specifically April and May of that year, are the times when the final fate on potential amendments are determined, the answer also lies in the Illinois Constitution which stipulates that all amendments to be placed on the ballot must be approved no later than six months prior to the election. An early November election date then means an early May deadline for final legislative approval. The wait until the deadline allows only what are deemed the most important (at least in the eyes of legislators) to be placed on the

ballot. Amendment approval requires a three-fifths vote in both legislative chambers to qualify. If there were a circumstance where the General Assembly approved more than three for voter consideration the first three approved would move forward, unless a court said otherwise.

With the May 8 deadline approaching there are seven of the 89 originally introduced amendments that still have a chance to make it to the ballot. Since May 5-6 are the last two scheduled legislative session days, and since amendments must be read into the record in full on three separate days, any amendment not being approved by the first chamber and read a first time in the second chamber by the close of business on May 3 will be dead.

Here are the seven that are still breathing:

- Abolish Lieutenant Governor's Office - HJR-CA 5 is alive, having passed the House and is posted in the Senate Executive Committee next week. A similar proposal, SJR-CA 29 failed miserably (21-28-4) in the Senate last week which might say a lot about the chances of this proposal ultimately making it to the ballot. Although everyone seems to like the idea the chances of it making it all the way to the November ballot is no better than 50/50.
- Income Tax - Although Speaker Madigan's move to have a "millionaire's income tax surcharge" placed on the ballot failed recently by a 68-47 vote, two other graduated income tax amendments are still alive and will likely be heard before the deadline. SJR-CA 1 and HJR-CA 59 both would allow the General Assembly to change from the current flat rate income tax. Regardless of political party, these proposals have had only moderate support in the past and none have come close to getting the votes necessary to qualify for the ballot. This year's attempt will probably end with the same result with downstate legislators from both parties leading the opposition.
- Education Funding - HJR-CA 57 moves to change the Illinois' Constitution education funding reference from "primary" to "preponderant". Courts have ruled that the current verbiage of primary education funding is a goal and not a mandate. Adding "preponderant" attempts to change that. A similar effort was made in the early 1990s and it came close to voter approval (60% is needed) but last minute opposition from then-Governor Edgar and concerns about additional taxes caused the defeat. HJR-CA 57 probably has a better than even chance of being on the ballot in November, especially with all of the school funding reform discussion going on at the Capitol.
- Legislative Redistricting Reform - HJR-CA 58 and SJR 30 both seek to reform the legislative redistricting process in different ways. HJR-CA has received some good comments from reform groups while the other has not. It's possible, but not probable, that one of these could appear on the ballot. There has also been a citizen initiative petition drive that is seeking to get its own version qualified for the ballot. Their effort two years ago was dumped by the courts and they will no doubt have to deal with lawsuits again this year assuming they have rounded up the necessary number of signatures.
- Road Fund Protection - HJR-CA 36 is an amendment that protects against the diversion of monies from the Road Fund to other purposes, a sometimes favorite pastime of the General Assembly and Governor. Revenue from gas taxes, registration fees, etc. goes into the Fund for the purpose of road and other transportation related expenditures. Downstate

legislators in particular howl at diversions from the Fund that have become more and more commonplace. They want it to stop and this is their attempt to do it permanently. There is every expectation that this amendment could be on the fall ballot.

Legislative Transition

Sen. Dan McConchie (R-Hawthorn Woods) has replace Sen. Dan Duffy who resigned.

Rep. Andrew Skoog (D-Peru) has replaced Rep. Frank Mautino who resigned recently.

Session Schedule/Deadline Dates

Here are relevant dates for the 2016 legislative session:

- May 13 – House/Senate Committee Deadline (Bills from other chamber)
- May 27 – House/Senate 3rd Reading Deadline (Bills from other chamber)
- May 31 – Scheduled Session Adjournment