

OFFICE OF GOVERNMENTAL RELATIONS LEGISLATIVE REPORT
As of July 6, 2012
Summary

Overview

In his State of the State and Budget Addresses, Governor Quinn stated three goals for the 2012 legislative session:

- Balance the budget and pay down back debts owed by the state,
- Reduce Medicaid spending by \$2.7 billion dollars, and
- Put the state pension systems on a stable and sustainable financial footing.

The Governor and the legislative leaders accomplished the first two goals and set the stage for completion of the third goal before the seating of the 98th General Assembly in January.

It was, in the words of Speaker Madigan, an “epic” session. In addition to legislation to accomplish the major goals, hundreds of other bills were introduced, debated, amended, and passed. The University Office of Governmental Relations monitors all legislation in the Illinois General Assembly and frequently expresses the policy positions of the University to legislators. This report gives a partial account of that activity. It is presented in three parts:

- Bills signed into law or awaiting the Governor’s action.
- Works still in progress.
- Bills defeated through the actions of the University of Illinois and its legislative allies.

This year OGR worked closely with Randy Kangas (Planning & Budgeting) and newer collaborators, Maureen Parks, Katie Ross (Human Resources), and Nicole Kazee (Health Affairs). We thank them for helping us to respond quickly and accurately to technical questions from staff and legislators. Special thanks to our newest collaborators, Avijit Ghosh and Jeff Brown, whose thoughtful work on pension reform gave the University a platform from which to argue for policies that would be fair to our employees and taxpayers alike. Finally, thanks to Bob Rich (IGPA) for publishing the Ghosh-Brown report.

1. BILLS SIGNED INTO LAW OR AWAITING THE GOVERNOR’S ACTION

I. FY 2013 APPROPRIATIONS

FY 2013 Operating Appropriations

On June 30, 2012, Governor Quinn signed SB 2443 into law, the operating appropriation bill for the public universities. Funding levels are, as expected, at 6.14% below the current year for all public universities. Therefore, the University of Illinois will experience a \$42.5 million reduction in the direct appropriation.

FY 2013 Capital Appropriations

SB 2332 provides authorization for FY 2013 capital re-appropriations. It includes all previously-approved capital projects for the University of Illinois.

On June 30, 2012, Governor Quinn reduced some items without affecting the University's appropriations.

II. PENSIONS AND BENEFITS

The General Assembly adjourned without completing pension reform, despite months of high-level meetings in the Governor's Office. The key elements of the 2012 proposal were:

- reducing state's share of the normal cost (present cost of future benefit) of K-12, community college and public university personnel by gradually shifting that cost over to the taxing body or the university;
- reducing the cost of the benefit package available to all Tier I employees (except judges) by requiring the employee to choose between continuing to receive a compounded 3% annual cost of living adjustment but losing eligibility for state-subsidized health insurance or keeping health insurance but taking a reduced COLA.

At adjournment there was still no agreement over the cost-shift provision.

Pension Benefit Increase (HJRCA 49)

House Joint Resolution Constitutional Amendment 49 would require a three-fifths supermajority vote to approve a pension benefit increase.

HJRCA 49 will appear on the November ballot for Illinois voters to decide whether to amend the Illinois constitution.

Rehire Retirees (HB 4996)

HB 4996 would place restrictions on the re-employment of University personnel who have retired.

HB 4996 will affect University options in August 2013. The bill exempts positions funded by federal, foundation, and corporate funds, and state grants when the PI is named by name in the grant. The bill also permits the University to rehire an affected annuitant for a full academic year in specific emergency situations.

HB 4996 was sent to the Governor on 6-29-12. Governor has 60 calendar days to take action.

State Retiree Health Insurance (SB 1313)

SB 1313 will require all retirees to pay for their state health insurance. Under the law, Central Management Services (CMS) will determine the level of premium payments retirees must make according to years of service and level of compensation. SB 1313 includes retired state workers, university employees, judges and lawmakers.

On June 21, 2012 Governor signed SB 1313 into law.

III. Medicaid

The General Assembly reduced Medicaid spending by \$1.6 million through a variety of cut-backs, mostly aimed at eligibility criteria for programs funded by Medicaid. A \$1/pack tax on cigarettes was also enacted to provide funds to reach the \$2.5 billion target.

The University of Illinois was not spared from painful cuts, but not to the per diem reimbursement. The Excellence in Academic Medicine program was eliminated. Certain dental and drug programs were cut. Restrictions in Medicaid eligibility may impact hospital revenues, if fewer patients presenting are covered by the state.

IV. FINANCIAL AID

Elimination of General Assembly Scholarships (HB 3810)

As amended in the Senate, HB 3810 eliminates the awarding of GA Scholarships after September 1, 2012 and creates a Tuition and Fee Waiver Task Force to study tuition waiver programs at all universities. IBHE will compile data.

HB 3810 was sent to the Governor on 6-19-12. Governor has 60 calendar days to take action. Governor has stated that he plans to sign HB 3810.

V. BUSINESS/ADMINISTRATION

Procurement (SB 2958)

SB 2958 makes numerous changes in the Procurement Code and adds a requirement that workers compensation programs for state agencies must be administered by third party administrators. Much of the language of this omnibus was brought forth at the last minute.

SB 2958 was sent to the Governor on 6-6-12. The University of Illinois has written to the Governor to request an amendatory veto that would exempt the University from the workers compensation privatization requirements of the bill.

Penn State Issue (HB 3887)

HB 3887 adds personnel of institutions of higher education, athletic program personnel and early intervention providers to the list of mandated reporters in the Abused and Neglected Child Reporting Act.

On June 27, 2012 Governor signed HB 3887 into law.

Open Meetings Act (HB 4687)

HB 4687 provides that any required agenda must be sufficiently descriptive to give the public reasonable notice of the items that will be considered or will be the subject of final action at the meeting and requires the public body conducting a public meeting to ensure that at least one copy of any requested notice and agenda for the meeting is continuously available for public review, posting on website satisfies this requirement.

HB 4687 was sent to the Governor on 6-20-12. Governor has 60 calendar days to take action.

2. WORKS STILL IN PROGRESS

VI. INSTRUCTION

ISAC/MAP Task Force (SJR 69 and HJR 81)

Senate Joint Resolution 69 and an identical House Joint Resolution 81 create task forces to develop options for the adoption of new rules for the Monetary Award Program, with the goal of improving the outcomes for students who receive these awards. SJR 69 was adopted by both houses on 5/31. ISAC has not made appointments to task force yet. Only SJR will be implemented.

Articulation - Several bills were introduced to improve articulation between community colleges and public universities. The State General Assembly will continue to work with IBHE over the summer.

VII. OTHER

Search Firms (HB 5914)

HB 5914 would prohibit public universities in Illinois from paying charges for the services of an external search firm from any source of funds, except (1) in the hiring of the President of the University or (2) in the case when the University President and Board of Trustees demonstrate a justifiable need for guidance from an individual or firm with specific expertise in the field of the hiring. Universities are required to implement a search firm hiring policy, including qualifying criteria, within 6 months of the effective date of the Act. The bill was sent to the Governor on 6-28-12. Governor has 60 calendar days to take action.

3. BILLS DEFEATED

Bills: HB 5531 and HB 3873 Repeal Tuition Waivers for children of university employees-DeShana Forney

Sponsor: Rep. Arroyo (D-Chicago) **Description:** Eliminates the 50% tuition waiver earned by university employees for their children to attend a public university in Illinois. HB 5531 was defeated in the House (26-75-7) and no legislative action was taken on HB 3873.

Bill: HB 2959 Repeal Tuition Waivers for children of university employees-DeShana Forney

Sponsor: Rep. Mulligan (R-Park Ridge) **Description:** Eliminates the 50% tuition waiver earned by university employees for their children to attend a public university in Illinois. No legislative action was taken on HB 2959.

Bill: HB 5696 Eliminates education benefits for children and spouses of university employees-DeShana Forney

Sponsor: Rep. Tryon (R-Crystal Lake) **Description:** Provides that universities are prohibited from entering into a contract or agreement that offers its employees tuition waivers, grants, scholarships or any other higher education benefits for their children or spouses. No legislative action was taken on HB 5696.

Bills: HB 5654 and HJR 75 University Administrators Salaries Linked to Tuition-DeShana Forney

Sponsor: Rep. M. Davis (D-Chicago) **Description:** HB 5654 and HJR 75 both deal with the issue of linking university tuition rates increases to the salaries of top university administrators. HB 5654 and HJR 75 were both defeated in the House Higher Education Committee

Bills: SB 59 and SB 3804 Articulation –DeShana Forney

Sponsor: Sen. Kotowski (D-Park Ridge) **Description:** SB 59 and SB 3804 establish Statewide Articulation and Transfer Committee. Both measures deal with the transferring of credits between community

colleges and public four-year universities. SB 3804 passed out of Senate Higher Education but no further action was taken in the Senate. No legislation action was taken on SB 59.

Bill: HB 5786 Articulation- DeShana Forney

Sponsor: Rep. Hatcher (R-Yorkville) **Description:** Creates the Student Transfer Achievement Reform Act. Under the provisions of this act, would require state universities to guarantee junior status to any community college student who is admitted. No legislation action was taken on HB 5786.

Bill: HB 3961 Stun Gun and Taser Use Reporting Act -DeShana Forney

Sponsor: Rep. M. Davis (D-Chicago) **Description:** Creates the Law Enforcement Officer Stun Gun and Taser Use Reporting Act. As introduced, HB 3961 required the University of Illinois to compile data, analyze data and submit report to General Assembly and Governor. After working with the sponsor, University was able to amend legislation to change this responsibility from the University of Illinois to the Illinois Criminal Justice Information Authority.

Bill: SB 3802 Procurement Code – Energy Efficiency Contracting – Dianna Barrows

Sponsor: Senator Link (D-Lincolnshire) **Description:** Amends the Illinois Procurement Code to provide that state agreements for performance contracting and guaranteed energy savings contracting shall be included in the definition of "contract" and further provides that the Capital Development Board (CDB) shall establish procedures to prequalify firms or entities seeking to provide services for performance and guaranteed energy savings contracts. The bill also would require a performance or guaranteed energy savings contract to include a written guarantee of the qualified provider that either the energy or operational cost savings, or both, will meet or exceed within 20 years the costs of the energy conservation measures. The bill sets forth provisions concerning requests for proposals, evaluation of proposals, award of contract, installment payment contracts, operational and energy cost savings, and bonding. The University of Illinois opposed this bill since all public universities currently enter into these agreements under authority of the Public University Energy Conservation Act. These provisions, if passed, would have established a competing state statute. Furthermore, requiring universities to instead work through the CDB would add cost, administrative burden and impede our ability to achieve energy efficiency and savings.

The University of Illinois proposed an amendment to exempt public universities from the provisions of SB 3802 and to retain the current authority of the public universities under our existing statute. The University was successful in having no further action taken on this bill.

(During the final week of the legislative session, this bill was stripped of all underlying provisions and became the 2013 Budget Implementation bill, which includes many, many provisions to implement the State's FY13 budget). On June 30, 2012 Governor signed SB 3802 into law. Public Act 97-0732.

Bill: HB 5745 Concealed Carry-DeShana Forney

Sponsor: Rep. Phelps (D-Harrisburg) allows the Illinois State Police to issue licenses to carry a concealed handgun to Illinois and out-of-state residents. Under the proposed legislation, licensees are prohibited from carrying a concealed firearm in a stadium area, collegiate/professional sporting event, campus of a community college or public/private college or university.

However, licensees may carry a concealed firearm on campus with the consent of school authorities.

Note: if the college does elect to prohibit concealed carry on its campus, the college is civilly liable for a criminal act upon a person who would otherwise lawfully carry a concealed firearm but was prohibited

from doing so due to campus policy. Rep. Phelps the sponsor of HB 148 and HB 5745 had indicated that he may move HB 148, last year's version of concealed carry instead of this year's version HB 5745. HB 148, as amended by HA#2, exempts campus of a community college or public/private college or university and stadium, area, collegiate/professional sporting from the legislation. No legislation action was taken on any of these bills prior to adjournment on 5-31-12.