

Capitol Update by Jessica Nardulli ... 2022 SESSION WRAP-UP

The Illinois General Assembly finished an unusually accelerated and highly charged spring session in the early morning hours of Saturday, April 9. Most years, session runs from the beginning of January to May 31. This year, however, legislators abbreviated their session due to an unusual June primary because of pandemic-related delays in census data and the creation of new state and federal legislative districts through the constitutionally required remapping process that was contentiously debated for months. With legislators facing a late primary and contending for their seats in newly drawn districts, adjourning in April gives lawmakers more time to campaign in their new districts.

During the 2022 legislative session, members of the General Assembly filed 10,000 bills that could be active this spring, including bills introduced in the first of the two-year Assembly cycle. Legislators eventually passed more than 400 bills to the Governor's desk for his consideration this summer, including a \$45.6 billion state budget, but they adjourned with several large issues still looming.

Lawmakers will now focus on in-district work and the 2022 campaign cycle before convening again for the Fall Veto Session. It is anticipated that Leadership will also call session to order in early January for a "lame duck" session before inauguration of the new General Assembly and Governor. It is believed the Democrat-led General Assembly will take up more controversial issues after the November election.

FY 2023 Budget Enacted

The General Assembly approved a budget in the waning hours of the spring legislative session before adjourning. With billions of dollars from the federal American Rescue Plan Act (ARPA) and record revenue increases, the Illinois budget process was much easier than in past years where difficult spending decisions were needed. This year, Democrats had excess revenue and were able to pass a budget with many one-time tax breaks for Illinois families that will occur in the middle of an election year.

Revenue in the FY23 budget totals \$46.543 billion against \$46.541 billion in spending. Illinois has recognized a record \$4.6 billion in increased general revenue over the past year with the Governor's Office of Management & Budget revising their revenue projections upward on three separate occasions.

For state retirees, the budget includes the full required pension payment of \$9.6 billion and an additional \$200 million applied to the pension debt for FY 2023. Earlier in the session, the Governor and lawmakers passed a supplemental FY 2022 budget bill, which appropriated another \$300 million to the state's pension funds. In all, pensions were funded at \$500 million more than required, reducing long-term liabilities by an estimated \$1.8 billion.

Notable New Law

HB 4292, passed with bipartisan support and signed into law, extends the state's pension buyout program. State retirees now have until 2026 to take an accelerated direct pension payment in exchange for giving up the remainder of their pension benefit. The new law also comes with authorization for the state to borrow \$1 billion to pay for the extended pension buyout program using the same bonding method which originally funded the program in 2018 when it was introduced. State Employees' Retirement System has already paid out about \$250 million to employees who have chosen the buyout, reducing the state's pension debt by more than \$1.4 billion.