

# **ILHIC Legislative Committee Update**

**December 4, 2020**

## **DOI Director Update**

Director Muriel will be stepping down on December 11, 2020 to rejoin the private sector. The current Chief Deputy Director of Product Lines and Acting Chief of Staff for the Department, Shannon Whalen, will take over as the interim director. Shannon took over as the Chief Deputy from Michael Chrysler who left the Department in August and has served as the acting Chief of Staff since Lauren Peters departed in October. She previously worked as an actuarial examiner for the Department before going to Horace Mann. She returned to the Department in 2018 and served as the Deputy Director, Financial Corporate Regulatory prior to becoming Chief Deputy.

Jeff Varga, who joined the Department earlier this year from Horace Mann, currently serves as the Deputy Director, Life and Annuity Products and Ryan Gillespie remains on as the Deputy Director, Health Products. Robert Planthold is currently serving as the acting General Counsel.

## **2021 Legislative Session Update**

The General Assembly has not yet released a session calendar for 2021. Per the IL Constitution, the new 102<sup>nd</sup> General Assembly must convene on January 13. It remains unclear at this time if the General Assembly will convene a brief lame duck session prior to that date, in part due to the uncertainty that exists as to whether the long-time current House Speaker Michael Madigan can secure another term as House Speaker.

A total of 19 House Democrats have announced that they will not support the current Speaker during the leadership elections for the 102<sup>nd</sup> General Assembly, leaving him 6 votes short of securing the 60 votes necessary to be re-elected. (House Democrats lost one seat in the recent election but will maintain a 73-seat supermajority). Despite the growing public opposition to his re-election, Speaker Madigan has maintained that he will seek re-election and only one other House Democrat has announced their intent to run for House Speaker to date.

While the state's Constitution requires the Secretary of State to convene the House on the first day of the January session of a new General Assembly to elect a new Speaker of the House, state statute considers the current Speaker of the House as holding continuing office until their respective successor is elected and qualified. Furthermore, in the case of a potential stalemate, the current House Rules will remain in place and state that "no legislative measure may be considered and no committees may be appointed or meet before the election of the Speaker."

Furthermore, the House currently has no ability to convene virtually since legislation allowing remote voting and virtual committees to convene failed to advance during the May special session. The Senate amended their rules to allow them to convene and vote remotely.

## **State Budget Update**

The Governor announced just prior to the Thanksgiving Day holiday that he would execute on federal borrowing authority granted him under the FY 2021 budget, borrowing \$2 B (of the \$5 B allowed) from the Federal Reserve's Municipal Liquidity Facility (MLF). The MLF was created in April to help qualified states and municipalities address financial challenges caused by the pandemic. Illinois previously borrowed \$1.2 billion to

address Fiscal Year 2020 budget shortfalls in June. New Jersey is the only other state to authorize similar borrowing.

The Administration has stated that the money will be targeted towards paying outstanding bills that can draw down federal match (namely, Medicaid). Illinois' current backlog of unpaid bills stands at \$7 billion in addition to \$4 billion deficit estimated for Fiscal Year 2021.

The Governor and the Legislature will not be able to rely on a change to the state's income tax structure and nearly \$2 billion in new revenue for the remainder of Fiscal Year 2021 since voters failed to approve the proposed "Fair Tax" constitutional amendment in November. The Governor has already warned of significant cuts and potential tax increases, including ending or reforming state business tax incentives, in 2021 to address the state's precarious financial situation. *(For reference, the IL Comptroller releases an annual "Tax Expenditure" report summarizing the cost of individual and business tax deductions and other tax incentives to the state. The most recent 2018 report is available [HERE.](#))*

At this time, however, there has been no alternative revenue package proposed, but this is expected to be a focus of what may be a condensed spring session in 2021.

**UPCOMING MEETINGS/IMPORTANT DATES:**

January 13, 2021 – 102<sup>nd</sup> General Assembly Inauguration

April 6, 2021 – Municipal Election