

## Some States Attack Spoofing on Social Media Sites

States have begun to address the practice of posting messages on social media or other Internet sites, or creating e-mail accounts, under others' names without their consent. Such acts can range from juvenile pranks, to political tricks, to promoting violence against the object of the impersonation by making that person seem to have made unpopular statements in a public forum. Illinois appears to have no law directly addressing this practice, but has a somewhat related law and two current bills on the issue. At least four states (California, Hawaii, New York, and Texas) have laws on the subject.

### Illinois

The Harassing and Obscene Communications Act prohibits harassment by electronic communication. It does not mention impersonation. But some kinds of impersonation might violate a section of the Criminal Code on "Computer fraud":

- (a) A person commits the offense of computer fraud when he knowingly:
  - (1) Accesses or causes to be accessed a computer or any part thereof, or a program or data, for the purpose of devising or executing any scheme, artifice to defraud, or as part of a deception; . . .

Violation is Class 4 felony, punishable by 1-3 years in prison or probation, and a fine of up to \$25,000.

Senate Bill 51 (Silverstein) would prohibit "credibly impersonating" a person, using a Website or other electronic means, to harm, intimidate, threaten, or defraud anyone. This would include opening an account or profile in another's name on a social networking site. Violation would be a Class A misdemeanor (punishable by up to a year in jail and/or a fine) for a first offense, or a Class 4 felony for a repeat offense.

Senate Bill 64 (Silverstein et al.) would prohibit falsely representing oneself as another person through a



Website or other electronic means to obtain a benefit or commit fraud, among other prohibited acts. Violation would be a Class A misdemeanor. Both bills were in a Senate committee at press time.

### California

A law effective January 1, 2011 says that anyone who knowingly and without consent "credibly impersonates" another person through or on a Website or by other electronic means (including creating an e-mail account or social networking profile in another person's name) for the purpose of "harming, intimidating, threatening, or defrauding" another person can be punished by up to 1 year in jail and/or fined up to \$1,000. The victim also may sue for damages.

### Hawaii

Anyone who poses as another person without that person's consent, and transmits that person's personal information (defined as name, address, telephone number, or e-mail address) to anyone else orally, in writing, or by electronic means, with intent to harass, annoy, or alarm anyone, commits "harassment by impersonation." This crime is punishable by up to 1 year in jail and a fine up to \$2,000.

### New York

It is a Class A misdemeanor to impersonate anyone through a Website or other electronic means with

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# Midwestern States' Tax Rates Compared

The Legislative Research Unit recently compared state and local tax burdens in Illinois to those in neighboring states. If compared to personal income, overall tax burdens in Illinois in recent years have been similar to those in adjoining states. This year's tax increases pushed Illinois above the averages by some measures.

One way that Illinois differs significantly from nearby states is in its use of real property taxes. Table 1 compares amounts collected in property taxes in Illinois and its neighbors in fiscal year 2008 as reported to the Census Bureau. It includes any state-level property tax collections (although few states have property taxes at the state level).

**Table 1: State + Local Property Tax Collections in Seven States, FY 2008 (highest to lowest by total)**

<i>State</i>	<i>Total collected (billions)</i>	<i>Collections per capita</i>	<i>National rank per capita</i>
<b>Illinois</b>	<b>\$21.3</b>	<b>\$1,662</b>	<b>9</b>
Michigan	14.1	1,409	15
Wisconsin	8.8	1,573	12
Indiana	6.9	1,089	31
Missouri	5.5	924	37
Iowa	3.7	1,245	22
Kentucky	2.8	651	45

Sources: Legislative Research Unit calculations based on data from U.S. Department of Commerce, Bureau of the Census, "State and Local Government Finances by Level of Government and by State: 2007-8" (downloaded from Census Bureau Internet site) and Tax Foundation, "State and Local Property Tax Collections Per Capita, Fiscal Year 2008" (downloaded from Tax Foundation Internet site).

Illinois' personal income tax rates were closer to the middle last year. After this year's increase, Illinois has the highest minimum rate among these seven states, but its flat rate is well below the maximums in the four adjoining states that have graduated rates. Table 2 compares these seven states by their personal income tax rates. Rates reported are those in effect in 2010, except that they reflect Illinois' 2011 increase.

**Table 2: Personal Income Tax Rates and Brackets in Seven States, 2010 (highest to lowest minimum rates)**

<i>State</i>	<i>Tax rates</i>		<i>Number of brackets</i>	<i>Income brackets</i>	
	<i>Low</i>	<i>High</i>		<i>Low</i>	<i>High</i>
<b>Illinois</b>	<b>5.0 %</b>	<b>5.0 %</b>	<b>1</b>	-	-
Wisconsin	4.6	7.75	5	\$10,070*	\$221,660*
Michigan	4.35	4.35	1	-	-
Indiana	3.4	3.4	1	-	-
Kentucky	2.0	6.0	6	3,000	75,000
Missouri	1.5	6.0	10	1,000	9,000
Iowa	0.36	8.98	9	1,428	64,260

\* Wisconsin amounts are for individual filers. For married couples filing jointly, the low amount is \$13,420 and the high is \$295,550.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); Iowa Department of Revenue, "Iowa 2010 Tax Rate Schedule" (downloaded from Iowa Department of Revenue Internet site); and Wisconsin Department of Revenue, "Tax Rates" (mod. Dec. 3, 2010; downloaded from Wisconsin Department of Revenue Internet site).

Illinois' corporate income tax rate is now higher than rates in all but two neighboring states with flat corporate income taxes. If Illinois' 2.5% Personal Property Tax Replacement Income Tax for local governments is included, Illinois has the highest flat rate in this group. Table 3 compares corporate income tax rates of Illinois and its neighbors.

**Table 3: Corporate Income Tax Rates and Brackets in Seven States, 2010 (highest to lowest minimum rate)**

State	Tax rates		No. of brackets	Income brackets	
	Low	High		Low	High
Indiana	8.5 %	8.5 %	1	-	-
Wisconsin	7.9	7.9	1	-	-
<b>Illinois</b>	<b>7.0*</b>	<b>7.0*</b>	<b>1</b>	-	-
Missouri	6.25	6.25	1	-	-
Iowa	6.0	12.0	4	\$25,000	\$250,000
Michigan	4.95 <sup>†</sup>	4.95	1	-	-
Kentucky	4.0	6.0	3	50,000	100,000

\* Illinois also levies a 2.5% Personal Property Tax Replacement Income tax for local governments, which can no longer tax personal property. Thus its total rate on corporate income is now 9.5%.  
<sup>†</sup> Michigan also levies a gross receipts tax of 0.8%, and a 21.99% surcharge on state business tax liability before credits (the surcharge is limited to \$6 million per year per taxpayer).

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date); Tax Foundation, "State Corporate Income Tax Rates, As of February 1, 2010" (downloaded from Tax Foundation Internet site).

Illinois' state sales tax rate in 2010 was higher than those of all but one neighboring state (Indiana). Among these seven states, only Illinois and Missouri impose sales taxes on food, and only Illinois imposes sales tax on prescription drugs (albeit at only 1%). Missouri's rate on food is 1.225%. Table 4 shows 2010 statewide sales tax rates in these states; it does not reflect any locally added rates.

**Table 4: Statewide Sales Tax Rates in Seven States (2010)**

Indiana	7.0 %
<b>Illinois</b>	<b>6.25*</b>
Iowa, Kentucky, Michigan	6.0
Wisconsin	5.0
Missouri	4.225

\* Of Illinois' statewide rate of 6.25¢ per \$1 on most items, 1.25¢ is distributed to local governments.

Sources: Commerce Clearing House, *State Tax Guide* (looseleaf to date) and Tax Foundation, "State General Sales and Use Tax Rates, As of February 1, 2010" (downloaded from Tax Foundation Internet site).

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intent to get a benefit or to injure or defraud another person; or to use such a communication to pretend to be a public servant so as to induce someone to submit to public authority or act in reliance on such a pretense of authority. A Class A misdemeanor is punishable by up to 1 year in jail.

### Texas

No one may use another's name or persona to create a Web page or post messages on a "commercial networking site" without that person's consent and with intent to "harm, defraud, intimidate, or threaten any person." A "commercial networking site" is defined as a Website that allows registered users to establish personal relationships by communicating with other users or using Web pages or profiles. The term excludes e-mail accounts and message boards. Violation is punishable by 2-10 years in prison and/or a fine up to \$10,000.

It is also illegal to send an electronic message, instant message, text message, or similar communication that uses someone's name, domain address, phone number, or other identifying information (1) without the other person's consent; (2) with "intent to cause a recipient of the communication to reasonably believe that the other person authorized or transmitted the communication;" and (3) with intent to harm or defraud a person. Violation is punishable by up to 1 year in jail and/or a fine up to \$4,000. □

*Maria V. Gomez, Science Research Assistant & Gina Pantone, Research Assistant*

## Midwestern States' Tax Rates Compared (continued from p. 3)

Neither Illinois nor its neighbors tax professional services, such as those of accountants or lawyers. Many states tax some other kinds of services. A 2007 survey of state tax officials (partially updated in 2010) reported numbers of services taxed by each state. Table 5 lists them for Midwestern states by category.

**Table 5: Number of Services Taxed in Seven States, by Category (2007, partly updated in 2010)**

<i>Category</i>	<i>Iowa</i>	<i>Wis.</i>	<i>Ky.</i>	<i>Mich.</i>	<i>Mo.</i>	<i>Ind.</i>	<i>Ill.</i>
Utilities	13	11	11	12	8	7	12
Personal services	15	11	2	2	1	4	1
Business services	18	8	4	7	2	3	1
Computer services	1	5	6	3	3	4	3
Admissions/amusements	14	14	6	1	10	3	0*
Professional services	0	0	0	0	0	0	0
Fabrication, repair, and installation	14	15	5	2	1	2	2
Other services	26	24	8	11	12	13	5
<b>Totals</b>	<b>101</b>	<b>88</b>	<b>42</b>	<b>38</b>	<b>37</b>	<b>36</b>	<b>24</b>

\* The survey reports that Illinois taxes no services in this category—but two services fitting this category are admissions to pari-mutuel racing facilities, which Illinois taxes at 15¢ per person (230 ILCS 5/25) and to riverboat casinos, which Illinois taxes at \$2 to \$5 per person (230 ILCS 10/12(a) and (a-5)).

Source: Federation of Tax Administrators, "Sales Taxation of Services—Actual Survey Data—2007" (updated Mar. 2010, downloaded from FTA Internet site).

Overall in 2009, Illinois' tax burden for state and local taxes combined as a ratio of personal income (10%) was slightly above the national average (9.8%). Table 6 shows state and local taxes per capita paid, income per capita, tax as a ratio of income, and national ranks of Illinois and its neighbors. The Tax Foundation, which provided this comparison, has not yet issued a comparison reflecting Illinois' 2011 income tax increase.

**Table 6: Taxes and Income Per Capita, and Tax Burdens in Seven States (2009) (highest to lowest burden)**

<i>State</i>	<i>State + local taxes per capita</i>	<i>Income per capita</i>	<i>Tax as ratio of income</i>	<i>National rank by tax burden</i>
Wisconsin	\$4,427	\$40,321	11.0%	4
<b>Illinois</b>	<b>4,596</b>	<b>46,079</b>	<b>10.0</b>	<b>13</b>
Michigan	3,565	36,880	9.7	21
Indiana	3,396	35,767	9.5	25
Iowa	3,688	38,688	9.5	24
Kentucky	3,059	32,959	9.3	30
Missouri	3,425	37,853	9.0	34

Source: Tax Foundation, "State and Local Tax Burdens: All Years, One State, 1977-2009" (downloaded from Tax Foundation Internet site). □

*Sarah E. Franklin*  
Senior Research Associate

# Indiana Offers Health Savings Accounts to Its Employees

A 2003 federal law authorized employers to set up Health Savings Accounts (HSAs) for their employees. An HSA is a federally tax-exempt account that can be used to pay many medical expenses. Indiana’s Governor at the time, Mitch Daniels, directed the State Personnel Department to make HSAs an option for state employees starting in 2006.

Under Indiana’s HSA program, participants choose between two high-deductible health plans described as “Consumer Driven Health Plans” (CDHPs). (Federal law requires that each person with an HSA be enrolled in a high-deductible health plan meeting some federal requirements.) The state puts a set amount per year into each employee’s HSA, which the employee can use to pay medical costs. The employee must pay costs beyond that amount, up to an out-of-pocket maximum of \$3,000 to \$8,000 per year (depending on the plan and whether it covers only one person or a family). If a participant does not spend the entire state contribution in a year, the leftover amount remains in the account for future use. The state pays all costs above the out-of-pocket maximum. It also pays most of the premiums in both plans.

Table 1 shows the state’s annual contributions for premiums and HSA contributions. Each amount is a contribution for one employee plus any dependents.

**Table 1: Annual Indiana State HSA Contributions Per Employee Plus Any Dependents (2010)**

<i>Plan</i>	<i>Annual employer premium</i>		<i>Annual employer HSA contribution</i>		<i>Total annual employer contribution</i>
<b>CDHP 1</b>					
Single	\$ 3,336.84	+	\$1,375.92	=	\$ 4,712.76
Family	10,380.24	+	2,750.28	=	13,130.52
<b>CDHP 2</b>					
Single	3,885.96	+	826.80	=	4,712.76
Family	11,480.04	+	1,650.48	=	13,130.52

Sources: Indiana State Personnel Department, “State of Indiana 2010 Rates” (downloaded from Indiana State Personnel Department Internet site) and “Health Savings Accounts” and “Consumer Driven Health Plans” (downloaded March 14, 2010 from Indiana State Personnel Department Internet site).

The state offers employees three options: the two CDHPs and a Preferred Provider Organization (PPO) plan. The state self-insures all three plans. Table 2 gives an analysis of some of the costs of those plans in calendar year 2009. (The amounts in the three last columns are per member, rather than per employee plus dependents. To determine the average HSA contribution per member in the next-to-last column, the Indiana State Personnel Department averaged the state’s annual HSA contributions to singles and families in 2009 for each plan, and then spread that amount across all members of the plan—employees and dependents.)

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# Indiana Offers Health Savings Accounts to Its Employees (continued from p. 5)

**Table 2: Annual Indiana State Health Plan Costs Per Member (2009)**

<i>Plan</i>	<i>Members in plan</i>	<i>Claims paid</i>	<i>Average claims per member</i>	<i>Average HSA contribution per member</i>	<i>State's total cost per member</i>
CDHP 1	22,014	\$ 38,764,000	\$1,761	\$965	\$2,726
CDHP 2	12,364	47,834,000	3,869	653	4,522
PPO	28,683	220,165,000	7,676	0	7,676

**Note**

The figures in the “Average HSA contribution per member” column are averages of the state’s annual HSA contributions to singles and families in 2009, spread across all plan members (employees and dependents).

Sources: E-mail message from Christy Tittle, Benefits Manager, Employee Benefits Division, Indiana State Personnel Department, April 16, 2010, and “State of Indiana 2009 Rates” (provided by Christy Tittle).

These numbers indicate that the two CDHP plans, with a total of about 34,400 members, cost the state about \$115.9 million in 2009; and the PPO plan, with 28,683 members, cost the state about \$220.2 million.

At Indiana’s request, a private company that studies health and benefit issues studied the effectiveness of the CDHPs. The study, published in 2010, found that both of Indiana’s CDHPs had significantly lower costs to the state than the PPO. It projected that the CDHPs would save the state \$17 million to \$23 million in 2010. The study did show that employees in each of the CDHPs paid more out of pocket than if they had enrolled in the PPO; but those who moved from the PPO to a CDHP used less medical services, and used them less intensely. Major factors leading to reduced costs among CDHP participants were reduced use of services; seeing a primary-care physician instead of a specialist; and using generic instead of brand-name drugs.

For Illinois’ employee health plans in fiscal year 2010, average costs to the state per participant (excluding participants’ contributions) were \$5,685 in the Quality Care Health Plan and \$4,394 in the managed care plans. These plans covered almost 348,000 participants (employees, dependents, and retirees) that year—over five times as many as Indiana’s three plans did in 2009. Participants paid about 17% of the costs of their care. □

*Sarah E. Franklin*  
*Senior Research Associate*

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# Abstracts of Reports Required to be Filed with General Assembly

The Legislative Research Unit staff is required to prepare abstracts of reports required to be filed with the General Assembly. Legislators may receive copies of entire reports by sending the enclosed form to the State Government Report Distribution Center at the Illinois State Library. Abstracts are published quarterly. Legislators who wish to receive them more often may contact the executive director.

## **Arts Council**

*Annual report, FY 2009*

Council's FY 2009 activities included funding local art agencies, youth arts education, individual artist fellowships, international arts activities, and forums on careers in arts for people with disabilities. Council awarded over \$14.2 million in grants. Future goals include Individual Artist Support Initiative, Open Dialogue XII, Illinois Cultural Data Project, and modernization of the Council's online resources. (20 ILCS 3915/4; undated, rec'd Aug. 2010, 6 pp.)

## **Attorney General**

*Collection statistics, 2010*

State agencies referred 28,152 cases involving \$199.7 million to the Attorney General, who collected \$401.9 million (including amounts from past years) on referrals. This excludes \$283.8 million in tobacco settlement payments and \$236.3 million in estate tax collected. (30 ILCS 205/2(j); Feb. 2011, 2 pp.)

*Lead poisoning cases, 2010*

The Attorney General is required to report lead poisoning cases referred by the Illinois Department of Public Health to Attorney General. None were referred in 2010. (410 ILCS 45/12.1; Jan. 2011, 1 p.)

*Social Security Number Task Force report, 2010*

The Task Force, placed in the Attorney General's Office in 2007, was

directed to examine state procedures to prevent unauthorized disclosure of Social Security numbers (SSNs). The Identity Protection Act, effective July 1, 2010, banned public posting or display of SSNs; printing them on cards required to get products or services; requiring their transmission through the Internet unless the connection is secure or they are encrypted; or printing them on mailed materials, with some exceptions. (20 ILCS 4040/10(c); Dec. 2010, 6 pp. + 2 appendices)

## **Auditor General**

*CTA Retiree Health Care Trust, 2010*

Auditor General is required to review funding level of Health Care Trust annually. He determined that projected income and assets (\$781 million) slightly exceeded projected benefits (\$772 million), so no reduction in benefits or increase in contributions was required. (30 ILCS 5/2.3(b); Dec. 2010, 8 pp. + appendix)

## **Board of Higher Education**

*Blue Ribbon Committee on higher education mandates, 2010*

Committee analyzed statutory and regulatory mandates on public universities. Six mandates were identified for immediate legislative attention: Illinois veterans grants and tuition waivers; procurement procedures; CDB construction administration fee; State Universities

Retirement System 6% rule; CMS/movable equipment inventory level; and IBHE approval of non-instructional capital projects. (H. Res. 918 (2010); Nov. 2010, 12 pp. + 5 appendices)

*Fiscal impact of Higher Education Veterans Service Act, 2010*

Projects fiscal impact in FY 2011 of programs and services for veterans and active-duty personnel at Illinois public colleges and universities. A total of 206 employees and \$8.2 million were budgeted for FY 2011, with \$3.4 million (42%) coming from state sources. Includes surveys from each Illinois college and university. (110 ILCS 49/20; Oct. 2010, 69 pp.)

*Public university tuition and fee waivers, FYs 2009 and 2010*

Public universities granted 47,582 waivers worth \$370 million in FY 2009, and 47,484 waivers worth \$390 million in FY 2010. During those years, 21.7% of waivers by value went to undergraduates and 78.3% to graduates; discretionary waivers were 86.3% of the total. Discretionary waivers are awarded to undergraduates for athletic, academic, or other talent; and to graduates for teaching and research assistantships. Lists number and value of waivers at each university, and purpose, goals, and eligibility criteria for each waiver. (110 ILCS 205/9.29; Dec. 2010, 3 pp. + 3 tables and 2 appendices)

## **Central Management Services Dept.**

*Employee Suggestion Award Program Board annual report, 2010*

Board met monthly in 2010 and received 242 new suggestions. None resulted in monetary rewards. (20 ILCS 405/405-130(b); Jan. 2011, 2 pp.)

*Property Conveyance & Lease, 2010*

The state conveyed no surplus real property and made no new installment or lease-purchases in 2010.

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## Abstracts *(continued from p. X)*

(30 ILCS 605/7.1 and 20 ILCS 405/405-300; Jan. 2011, 1 p.)

### *State employee childcare centers, 2009*

The state oversees two private on-site childcare centers, in Chicago and Springfield, for employees' children. Chicago's Child Development Center in Bilandic Building has been accredited a fourth time by National Association for the Education of Young Children. Dependent Care Assistance Program allows employees to fund childcare with pretax money; 1,635 employees participated in 2010. (30 ILCS 590/3; Dec. 2010, 4 pp.)

### *State-owned and surplus real property report, 2010*

Reports on 34 state agencies and universities, listing building names and locations, acreage, acquisition dates, and cost. State leased one property and had 3 parcels pending. (30 ILCS 605/7.1; Oct. 2010, CD-ROM)

### *State-Wide Disparity Study status report, Sept. 2010*

Department was directed to study the impact of discrimination on minority-, female-, and disabled-owned business development and report findings and recommendations. It hired a private firm for the study. Meetings have been held in three cities; contract data have been collected from participating agencies; a legal analysis has been drafted; and a manager survey on procurement practices has been distributed. Study will be completed in 2011. (30 ILCS 575/4(d); Oct. 2010, 11 pp.)

### *Supported Employment Program annual report, 2010*

Program helps state agencies employ people with severe mental or physical disabilities. In December

2010 it had 11 employees. They needed job coaches or other support at placement, but nine no longer need assistance. (5 ILCS 390/9(b); Dec. 2010, 2 pp.)

### **Charter Schools Authorizer Task Force**

#### *2010 Report*

Task Force was created in 2009 to study the need for an independent charter school authorizer so charter school founders would not have to apply to the local educational agency. It compiled a list of statewide authorizers in other states; summarized current charter school law and process; analyzed possible use of higher education institutions or State Board of Education as authorizers; and determined that a statewide public charter school commission would need at least \$300,000 of startup funding. Task Force made no overall recommendation. (105 ILCS 5/27A-14(d); March 2010, 33 pp.)

### **Chicago Transit Authority**

#### *Equal Employment Opportunity and Disadvantaged Business Enterprise reports, 2010*

As of the third quarter of 2010, CTA had 10,264 employees; 69% were male. Minorities were 81% of the total: 64% Black, 14% Hispanic, 2% Asian, and under 1% American Indian. From Oct. 2009 through Sept. 2010, 817 contracts for a total of \$45.4 million were awarded to Disadvantaged Business Enterprises. (70 ILCS 3605/50; undated, rec'd Oct. 2010, 1 pp. + 3 attachments)

### **Commerce Commission**

#### *Electric utilities' workforce study, 2010*

Reports electric utilities' staffing levels for "linemen," customer service representatives, and meter service or repair employees from 1995-2006, and future levels recommended by ICC. Includes findings from an outside consulting group and self-assessments by the utilities. All

utilities were within ICC staff benchmarks and utilities' training programs are satisfactory. Includes reports from utilities and staff analysis. (220 ILCS 5/4-603(b), Aug. 2010, 50 pp. + 5 attachments)

### **Commerce & Economic Opportunity Dept.**

#### *Business Information Center report, 2010*

The Center (also called the Illinois Entrepreneurship Network Business Information Center) is a resource for businesses' questions on state and federal requirements, regulatory processes, and assistance. In 2009 it helped 10,150 clients, answering questions for 1,690 clients on financial sources, 1,602 on licensing and registration, 231 on government contracting, and 27 on international trade. (20 ILCS 608/15(q); Mar. 2010, 10 pp.)

#### *Economic Development for a Growing Economy (EDGE) Business Location Efficiency Act report, 2010*

Since its inception in 2007, awards under Business Location Efficiency Incentive Act have created 1,145 and retained 5,148 jobs in 13 companies. DCEO has given over \$163 million in EDGE awards and recommends permanent extension of this Act (scheduled for repeal December 31, 2011). (35 ILCS 11/20b; Jan. 2011, 3 pp.)

#### *Economic Development for a Growing Economy (EDGE) Tax Credit Program annual report, 2009*

Tax credits go to eligible businesses to foster Illinois job creation and retention. Eligibility depends on capital invested and jobs created, but minimum may be waived for a business in a distressed community; in an area with limited economic development prospects; that would generate spinoff business; or that would avert loss of a major employer. Profiles the 51 projects in 2009 (2,959 jobs projected to be created and 8,149 saved; \$740.3 million projected to be invested), and updates tax status of prior projects

that received or lost tax credits. (20 ILCS 620/5(c); June 2010, 29 pp.)

*High Impact Business designations*  
Lexington Chenoa Wind Farm, LLC was designated as an Illinois High Impact Business/Wind Energy Business for a wind energy facility in McLean County. Materials for it will be exempt from state sales tax for up to 20 years.

Settlers Trail Wind Farm, LLC was designated as an Illinois High Impact Business/Wind Energy Business for a wind energy facility in Iroquois County. Materials for it will be exempt from state sales tax for up to 20 years. (20 ILCS 655/5.5(h); Aug. 2010, 2 pp.)

#### **Comptroller**

*Fee imposition report, FY 2009*  
State received \$7.069 billion in fees collected by 82 state agencies. The largest collector was the Secretary of State, with fees of \$1.836 billion (33% of total). Most fees went to restricted funds, including 36% deposited to special state funds and 19% to highway funds. Only \$484 million (7%) went to General Funds. Describes number and types of fees; number and amount collected by agency; and disposition. (15 ILCS 405/16.2; June 2010, 12 pp. + 5 appendices)

#### **Corrections Dept.**

*Illinois Correctional Industries annual report 2010*  
ICI reported a \$746,000 profit on \$46 million in operating revenues. Sales were mostly to state agencies, including 66.3% to IDOC; 52.9% of sales were food. (730 ILCS 5/3-12-11; undated, rec'd Dec. 2010, 23 pp.)

#### *Quarterly report, Oct. 1, 2009*

On August 31, 2009, adult facilities had 45,863 residents—133.7% over rated capacity. Adult transition centers held 1,158 (122 below capacity).

Enrollment in educational and vocational programs was 8,541 (non-duplicated). Ratio of security staff to residents was 0.166. Two-thirds of prisoners were double-celled. (730 ILCS 5/3-5.31; Oct. 2009, 11 pp.)

#### *Sex offender housing, 2010*

In 2010 the Department used one transitional home for sex offenders: Another Chance Ministries in East St. Louis, which housed 73 offenders during 2010. (730 ILCS 5/3-17-5(e); Dec. 2010, 3 pp.)

#### *Video conferencing visitation for inmates, 2010*

Public Act 96-869 created a pilot program to allow inmates to “visit” with family members by video conferencing. Three prisons were selected: Tamms Closed Maximum Security Adult Male, Menard Adult Male, and Dwight Adult Female. The remote family host site is the Westside Adult Transition Center. By August 1, 2010 the Department had received over 100 written or phone inquiries and approved more than 30 video visitations. (730 ILCS 5/3-7-2(f-5); Oct. 2010, 4 pp.)

#### **Employment Security Dept.**

##### *Women and minorities in labor force, 2010*

Illinois’ workforce participation rate was lowest among African-Americans (60.4%). Hispanics had highest participation rate (72.3%) but earned lowest weekly wages (\$529). Unemployment rate of whites was 9.0%; Hispanics, 11.6%; and African-Americans, 17.1%. Median wage of women in Illinois rose from 75.9% of the median wage for Illinois men in 1998 to 77.8% in 2008. Includes figures on occupational trends and a career resource directory for women and minority workers. (20 ILCS 1505/1505-20; April 2010, 53 pp. + tables + appendix)

#### **Government Forecasting & Accountability Commission**

##### *Legislative capital plan analysis, FY 2010*

Governor’s capital budget proposal for FY 2011 included \$4.320 billion in new appropriations and \$26.151 billion in reappropriations. Proposed new appropriations were from bond funds (\$1.628 billion); various state revenue funds (\$2.531 billion); and federal or trust funds (\$160 million). New appropriations were for 23 agencies, including Transportation (\$2.338 billion), Environmental Protection (\$476 million), Higher Education (\$268 million), and State Board of Education (\$250 million). Current General Obligation bond authorization for new projects is \$22.77 billion, of which \$6.23 billion was unissued on March 31, 2010. Debt service on general obligation bonds is projected at \$2.646 billion in FY 2011 (\$1.917 billion from GRF), including \$1.344 billion for pensions. In FY 2010 it was \$1.677 billion (\$1.113 billion from GRF), including \$544 billion for Pension Obligation bonds. Debt service on state-issued revenue bonds is projected at \$317.0 million in FY 2011 versus \$288.7 million in FY 2010. As of March 2010, Illinois had the second lowest rating among all states from the three ratings agencies. (25 ILCS 155/3(8); Apr. 2010, 81 pp. + 1 appendix)

##### *Wagering in Illinois, 2010*

Examines economic impacts of State Lottery, horse racing, and riverboat gambling on state’s economy. Total revenue was \$1.019 billion, down 4.5% from FY 2009. Decrease is primarily due to indoor smoking ban on riverboats. State lottery transferred \$625 million to the Common School Fund (same as FY 2009) and \$32.9 million to Capital Projects Fund in early FY 2011; riverboats provided \$398.4 million in state revenue in FY 2010; horse racing provided \$7.1 million in state revenue

(continued on p. 10)

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## Abstracts *(continued from p. 9)*

in 2009. Under P.A. 96-34 (2009), the lottery is to be run with a private manager, and video gaming was legalized throughout the state. Terminals may be operational in July 2011. The effect of communities opting out could be \$102.3 million to \$190.1 million. (S. Res. 875 (1991); Oct. 2010, 74 pp. + tables and charts)

### **Healthcare and Family Services Dept.**

*Cross-Agency Medicaid Commission, preliminary report 2010*  
Commission was created to study ways for the state to coordinate activities and programs to maximize federal Medicaid matching funds. It has begun reviewing how Illinois receives federal funds through Medicaid, and intends to identify and recommend ways to streamline claiming processes and identify spending that may be eligible for federal reimbursement. (305 ILCS 5/12-4.7e; July 2010, 5 pp.)

### **Higher Education Procurement Study Commission**

*Final Report, 2010*  
Commission studied effects on public universities of P.A. 96-795's changes to Illinois Procurement Code. Concerns of Commission include: registration, certification, and disclosure requirements that vendors may not be motivated to meet; lengthy sole-source hearings and approvals by non-University employees delay and constrain research projects; and public Web posting of discussions with vendors on potentially proprietary research information. Recommends a separate Procurement Code for public universities for a 5-year trial period. (H. Res. 919 (2010); Nov. 2010, 19 pp.)

### **Human Services Dept.**

*Home Services annual report, FY 2009*

In FY 2007 the federal Medicaid agency gave states the option to participate in Money Follows the Person. Illinois participation was approved in FY 2009. In FY 2008 a pilot program was begun in Rockford and Springfield to help patients discharged from hospitals return home instead of going to nursing homes. It helped 84 persons in FY 2009, and has kept 95 persons out of nursing homes. Some 44,581 persons received assistance from 14 categories of aid in FY 2009, at a total cost of \$476 million. (20 ILCS 2405/3; Oct. 2010, 18 pp.)

*Institutional services for disabled children report, 2010*

Describes status of children through age 17 with developmental disabilities, severe mental illness, or emotional disorders who get DHS-funded institutional care. In FY 2009, 8,121 children with developmental disabilities received these services. Of these, 7,621 (94%) received care in their homes or small group homes; 500 (6%) were served in large institutions. In FY 2009, 44,959 youth with mental illness were served by 151 community mental health agencies. (20 ILCS 1305/10-55; March 2010, 8 pp.)

### **Investment, State Board of**

*Economic opportunity investments, 2010*

Board makes "economic opportunity" investments in companies with market capitalizations of at least \$30 million. On March 31, 2010 they totaled \$419.6 million: private equity investments (\$114.4 million); real estate wholly owned by the Board (\$63.8 million); other real estate (\$25.5 million); and public equity or fixed-income investments (\$215.9 million). (40 ILCS 5/1A-108.5(c); Aug. 2010, 16 pp.)

### **Judicial Conference**

*Annual report, 2010*

Conference received reports of six committees. Highlights: Alternative Dispute Resolution Coordinating Committee began eight initiatives on arbitrator training and evaluating; Committee on Criminal Law and Probation Administration analyzed use of videoconferencing in criminal proceedings; and Study Committee on Juvenile Justice worked on updating Volume II of Illinois Juvenile Law Benchbook. (Ill. Const., art. 6, sec. 17; undated, rec'd Feb. 2011, 5 pp.)

### **Legislative Reference Bureau**

*Review of court cases through 2009*

Major U.S. Supreme Court holdings: (1) The right to keep and bear arms applies to the states through the 14th Amendment; and (2) prohibiting independent campaign spending by a corporation from its general treasury fund violates the First Amendment.

Major Illinois Supreme Court holdings: (1) forfeiture of pension benefits after a felony conviction applies to all pension benefits from service for the same public employer; (2) Compulsory Retirement of Judges Act is unconstitutional because it mandates that a sitting judge retire at age 75 but does not prohibit a person 75 or older from being elected as a judge; (3) State anti-piracy law is pre-empted by federal Copyright Act of 1976; (4) P.A. 94-677 is unconstitutional due to limiting medical malpractice non-economic damages, and its provisions are not severable; and (5) trial court has discretion to grant defendant's request for trial by fewer than 12 jurors.

Major Illinois Appellate Court holding: the Smoke Free Illinois Act is to be enforced administratively rather than by criminal proceedings.

Major federal district court holdings: (1) longer statute of limitations for claims of childhood sexual abuse applies to claims by person abused, not

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by others claiming injury based on someone else's childhood abuse; and (2) state Environmental Protection Act pre-empts home-rule ordinance regulating real property containing hazardous waste. (25 ILCS 135/5.05; Nov. 2010, 125 pp.)

#### **Public Health Dept.**

*Report under Nursing Home Care Act and Abused and Neglected Long-Term Care Facility Residents Reporting Act, 2010*

Illinois had 1,262 nursing homes with 120,693 beds in 2009. Allegations of physical abuse by nursing aides declined from 105 in 2008 to 48 in 2009; IDPH put findings of abuse or neglect into the listings of 81 aides. Total reports of abuse and neglect were 3,506 in both 2008 and 2009. For all types of allegations, IDPH found 22% valid in 2009. (210 ILCS 30/6 and 45/3-804; Aug. 2010, 66 pp. + tables + figures + appendices)

#### **Revenue Dept.**

*Unified Economic Development Budget, 2008*

The "Unified Economic Development Budget" (of tax breaks to promote development) was \$452.1 million for 18 tax breaks in tax year 2008. A large majority was claimed against corporate income and replacement taxes (\$261.7 million) or individual income tax (\$167.9 million). The largest types were for high-impact businesses (\$165.6 million) and enterprise zones (\$89.9 million). Lists number of taxpayers receiving each credit. (20 ILCS 715/10; Sept. 2010, 3 pp.)

#### **Service Disabled Veteran-Owned Businesses Task Force**

*Report, 2010*

Task Force was to determine percentage of state procurement contracts to go to Service Disabled Veteran-Owned Businesses. It recommended a 2% goal. Additional recommendations included raising the annual sales limit to \$75 million; establishing the

Central Management Services Business Enterprise Program as the lead certification agency; and clearly defining how contract dollars should be reported. (30 ILCS 500/45-57; March 2010, 2 pp.)

#### **State Board of Education**

*Annual statistical report, 2009*

Gives statistics on student distribution and attendance at public and nonpublic elementary and high schools in 2008-2009; enrollment by grade, gender, race, and geographic area; enrollment in bilingual and special education services; numbers of graduates and dropouts; personnel; financial assets and liabilities; bond and tax referenda; cost per capita; transportation expenses; tax rates; driver education expenses; and state aid claims. (105 ILCS 5/2-3.11; Oct. 2010, 356 pp.)

*Complaints against private business and vocational schools, 2010*

Lists names and addresses of 13 institutions investigated on 26 complaints (21 were ongoing, 4 resolved, and 1 not filed in a timely manner). The Board did on-site inspections at 18 institutions. (105 ILCS 425/14.2; Jan. 2011, 5 pp.)

*Prekindergarten programs report, 2008-2009*

Programs called Prekindergarten At-Risk, and Preschool for All, served 95,123 children (91% of those eligible) in FY 2009 using \$380.3 million; 17,759 children were on waiting lists. Nearly 97% of parents participated in at least one activity during the programs; 32% participated in parenting skill development in FY 2009. (105 ILCS 5/2-3.71(6); Aug. 2010, 29 pp. + 3 appendices + 3 figures)

*Special Education Funding Task Force report, 2010*

Task force was created to (1) study current special education funding needs, (2) recommend how the state can increase special education

funding, and (3) find ways to ease the financial burden on school districts. It concluded that current funding formula delivers funds in accord with Illinois priorities and federal law. Sending more funding for the most severe and complex disabled students could ease the financial burden on school districts. (2007 H.J.R. 24 (2007); Oct. 2010, 1 p. + 6 attachments)

*Streamlining Educational Delivery Systems Task Force, 2010*

Task Force was to examine duties of all Illinois educational service agencies. It recommended (1) naming a statewide coordinating council to establish focus, monitor progress, and ensure quality of delivery system; (2) funding core services (to be defined by April 1, 2012) statewide; (3) coordinating services in each region; (4) conducting an independent review of funding across the system; and (5) implementing an accountability system for Regional Offices of Education/Intermediate Service centers. (105 ILCS 5/3-13.5(f); Oct. 2010, 30 pp.)

*Transition services for disabled students, 2010*

P.A. 95-558 required the State Board to create an Ensuring Success in School Task Force to develop policies to help students who are parents or victims of domestic or sexual violence finish school. Its recommendations include: in-service training for school personnel; accommodating students for absences or missed work; establishing school health centers; respecting confidentiality of students' situation; and promoting a safer environment for students whose perpetrators also attend the school. (105 ILCS 5/2-3.142(c)(6); June 2010, 5 pp. + 2 appendices)



# New LRU Executive Director

Alan R. Kroner became the Executive Director of the Legislative Research Unit on January 1, succeeding Patrick D. O'Grady who retired. The new Director had served as a legislative analyst on the Senate Republican Staff since 1984. Specializing in transportation issues, he worked extensively with members of all legislative caucuses and the Governor's office on many programs, including Illinois FIRST (the largest public works program in Illinois history).

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## FIRST READING

A publication of the Legislative Research Unit

**Alan R. Kroner**  
Executive Director

**Jonathan P. Wolff**  
Associate Director

**David R. Miller**  
Editor

**Dianna Jones**  
Composition & Layout

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**LRU**   
LEGISLATIVE RESEARCH UNIT  
222 South College, Suite 301  
Springfield, Illinois 62704

