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**CHALLENGES MET.  
CHALLENGES REMAIN.**

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**THE RAUNER ADMINISTRATION  
2015-2019**





STATE OF ILLINOIS  
**OFFICE OF THE GOVERNOR**  
CAPITOL BUILDING, 207 STATE HOUSE  
SPRINGFIELD, ILLINOIS 62706

**BRUCE RAUNER**  
GOVERNOR

January 9, 2018

To Members of the 101<sup>st</sup> General Assembly:

As prescribed in our State Constitution, enclosed is a report on some of our administration's initiatives and accomplishments over the last four years. Our focus has been on improving prospects for Illinois taxpayers, job creators, and schoolchildren, with a fundamental emphasis on balance, fairness, and equity. As this report demonstrates, we've made great progress in education, government operations, healthcare services, technology job growth, and criminal justice, and our efforts are saving taxpayers billions of dollars. We also successfully blocked many policies and laws which would have promoted more unnecessary spending, business overregulation, and illegal immigration.

Despite important progress, Illinois' most critical financial challenge remains: government spending continues to grow faster than our economy, forcing persistent deficits, tax increases, and out-migration of jobs and families. Unless you implement major structural reforms that help our economy grow faster than government, our children face a bleak future of ever higher taxes and lost opportunity.

Attached to this report are summaries of the recommendations from Lt. Gov. Evelyn Sanguinetti's bipartisan Commission on Government Consolidation and Unfunded Mandates and from our administration's reform plan. Full implementation of these proposals would save taxpayers over \$6 billion per year and lead to dramatically faster economic growth, allowing Illinois to achieve its full economic potential to become one of the fastest growing states in America.

To illustrate the power of economic growth, if Illinois' economy had been growing at just the national average over the last twenty years, we would have been running budget surpluses and have no unpaid bills, with only a 3% income tax rate. While portions of our policy plans have been implemented, the vast majority have not yet come to pass. We hope that efforts at major reform will continue.

The following highlights some of our administration's key priorities and achievements since 2015, and our recommendations for further work to improve Illinois' future:

### **EDUCATION**

Our administration created and led a bipartisan task force which developed a new and more equitable school funding system that had eluded elected officials in Illinois for more than twenty years. We led a collaborative effort that achieved record K-12 funding, record early childhood education funding, equal funding for charter schools, expanded student apprenticeships, created a historic tuition scholarship tax credit program, and developed perhaps the best ESSA plan in America focused on objective measurement of student growth. We hope that, in the future, apprenticeships will expand dramatically and that we will focus on granting technical and vocational certificates in high school so that our students are ready to pursue careers at age 18 without high tuition costs or debt. We helped set in motion the effort to rationalize and properly fund a higher education system focused on centers of excellence. We hope you can bring it to successful implementation.

### **ECONOMIC GROWTH**

Illinois has added hundreds of thousands of jobs over the last four years. We created Intersect Illinois, a public private partnership, to recruit and expand businesses at no expense to taxpayers. We cut LLC fees, red tape and regulatory burdens. We made Illinois a national leader in sustainable energy jobs, expanded the University of Illinois' ability to create new technology companies around the state, and dramatically expanded the ability of minority owned businesses to get state contracts. On the latter, much more needs to be done to end the racial discrimination prevalent in the apprentice programs and hiring practices of the unions and companies that contract with state and local governments.

Unfortunately, we continue to dramatically underperform the rest of the country in technology and manufacturing. To rectify this, we must do three things:

1. Complete development of the Illinois Innovation Network and ensure its success by creating a business climate free of the constant threat of increased taxes that discourages job creators and philanthropists from investing here.
2. Allow certain counties/municipalities/high unemployment areas to create empowerment zones so that the thousands of companies that will not invest in a forced union state will finally consider coming to Illinois. Free choice unionism is supported by over 60% of Illinois voters, and allowing it in select communities would create dramatically more good-paying union and non-union jobs.
3. Reform our worker's compensation system so our insurance costs are more competitive and no longer push manufacturers out of state.

### **GOVERNMENT**

The focus of our administration has been to bring Illinois state government into the digital age and provide greater value for taxpayers. To that end, we created our state's first Department of Information Technology and made Illinois a national leader in streamlining and digitizing government services.

To end our state's debilitating pattern of deficit spending and tax increases, we insisted on balanced budgets, as required in our state constitution, and on policies to promote stronger economic growth. We refused to sign deficit budgets or tax increases without major structural reforms.

We worked to rebalance the power between taxpayers and public sector employees. We eliminated forced unionism in schools and state and local governments across America, began the process of eliminating illegal unionization of managers in state government, and negotiated innovative incentive-based new contracts with 22 of our state government unions.

We also curbed end-of-career pay spiking to save half a billion dollars in annual pension costs. Still to be achieved are major reforms in pensions and in employee healthcare, by eliminating it from collective bargaining as was done on a bipartisan basis in Massachusetts.

Thirteen agencies in our administration negotiated an 1115 Medicaid waiver with the federal government to make Illinois a national leader in mental health services. An administration task force eliminated or avoided hundreds of millions million in Medicaid fraud while improving the quality of Medicaid managed care.

By executive order we established the Commission on Criminal Justice and Sentencing Reform which was instrumental in developing the job training and sensible sentencing programs that have cut recidivism rates from nearly 50% to 39% and safely reduced the prison population by 16%.

### **POLITICS & ETHICS**

We signed Executive Orders to curb lobbyist revolving doors and sexual harassment, and to prohibit legislators from arguing cases in front of the state property tax appeals board. Our efforts to win term limits and fair maps and prevent lawmakers from doing property tax appeals work have all been blocked. Now it is up to you to challenge your caucus leaders and act on these critically important voter reforms. It is also time to form a bipartisan task force to evaluate different options for selecting and removing state judges, to reduce the politicization and conflicts of interest inherent in our current system.

### **CONCLUSION**

We know that the many initiatives undertaken by our administration will continue to produce major benefits for the people of Illinois for years to come. But there is so much important work yet to be done.

The path to a better future is clear: increase funding for education and human services, not through tax increases, but through savings in the cost of government and through stronger economic growth unleashed by cuts in taxes and regulations.

Sincerely,

A handwritten signature in black ink that reads "Bruce Rauner". The signature is fluid and cursive, with the first name "Bruce" being larger and more prominent than the last name "Rauner".

Bruce Rauner  
Governor, State of Illinois

CC: John Cullerton, Senate President  
Michael Madigan, House Speaker  
Jim Durkin, House Minority Leader  
Bill Brady, Senate Minority Leader



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'Challenges Met. Challenges Remain.' is not a comprehensive list of *all* agencies/boards and accomplishments achieved by the Rauner Administration. Numerous other departments and individuals contributed to the State of Illinois from 2015-2019.

## **Lieutenant Governor**

### **Battling the opioid overdose epidemic in Illinois**

The State of Illinois is battling the deadliest drug epidemic we have ever seen as opioid drug overdoses claimed the lives of more than 2,000 Illinoisans in 2017, twice the number killed in automobile accidents. Without intervention, overdose deaths are projected to increase to 2,700 by 2020.

- Governor Rauner issued Executive Order 2017-05 creating the Governor’s Opioid Overdose Prevention and Intervention Task Force in September 2017.
  - Since the Executive Order was issued, the Task Force:
    - Unveiled the State of Illinois Opioid Action Plan to curb the spread of the crisis, treat and promote recovery, and pursue a goal to reduce the anticipated number of opioid-related overdose deaths by one third in three years.
    - Issued a Standing Order through the IDPH that allows Illinoisans to purchase the overdose reversal drug naloxone without a prescription. (Naloxone is a medication that can reverse the effects of an opioid overdose.)
      - Partnered with dozens of organizations to train more than 113,000 how to save lives with naloxone.
    - Launched a 24-hour Helpline (1-833-2FIND-HELP) and website ([www.helplineIL.org](http://www.helplineIL.org)) through DHS to give guidance to those impacted by Opioid Use Disorder.
      - Nearly 9,000 people have called the helpline and more than 11,000 visited the website.
    - Championed SB 772, which now requires physicians to use the Illinois Prescription Monitoring Program to guard against doctor shopping.
    - Supported SB 336, which allows those prescribed addicted opioids for pain to exchange those prescriptions for medical cannabis.
    - Secured \$32 million in federal funding the past two years with an additional \$58 million pledged the next two years to DHS to fight opioid addiction battle. DHS has targeted its federal funding on naloxone distribution and training, the helpline, and several new initiatives, including:
      - DHS contracted with 11-community based providers to expand outpatient methadone services to 2,500 additional clients in Illinois.
      - DHS contracted with 5 organizations to provide “warm handoffs” at 14 targeted hospitals to ensure those who suffer an opioid overdose have access to treatment shortly after release from the ER. To date, 79% of those handoffs have resulted in 1,380 patients seeking treatment.
      - DHS contracted for two pilot projects to provide Medication Assisted Treatment to underserved areas in central and southern Illinois. Currently, 1.3 million people live in Illinois counties that have little or no access to Medication Assisted Treatment.
      - DHS has also contracted with six organizations to provide naltrexone-based Medication Assisted Treatment services to inmates with opioid use disorder in 10 county jails in Illinois. To date, more than 400 inmates have been treated in our jails and 92% followed up with treatment providers once they were released from custody.

### Telemedicine

Telehealth, where technology meets health, is being used to expand access to health care and reduce costs throughout Illinois. The Lt. Governor visited numerous hospitals and health systems to highlight the benefits of telemedicine and determine how it can be implemented statewide.

- Created the Illinois Telemedicine Task Force to develop a comprehensive telemedicine strategy for the Medicaid program to help improve access to healthcare for Illinois residents in rural areas.
- Thanks to the Task Force's efforts, SB3049 - which expanded telemedicine services for behavioral and mental health for Medicaid beneficiaries - was signed into law.
- In its final report, the Illinois Telemedicine Task Force made the following recommendations to the Governor:
  - All Medicaid-eligible professionals authorized to provide services in the State of Illinois be able to deliver care via telehealth, where appropriate,
  - Permit telemedicine to be delivered to any patient, in any location that is clinically-appropriate from any location where a Medicaid-eligible professional is authorized to provide services.
  - Care delivered using telehealth should be fully aligned with in-person care and compensated at the same rate as in-person, Medicaid-eligible provider payment rates.
  - It is the recommendation of the Task Force that the next administration accept these recommendations and work with the General Assembly on adoption.

### Local Government Consolidation and Unfunded Mandates Task Force

As Chair of the Governor's Local Government Consolidation and Unfunded Mandates Task Force, Lt. Governor Sanguinetti held 16 hearings across the state highlighting the record numbers of local governments in Illinois (the state currently has more than 7,000 units of local government, 1,800 more than the next highest state in the nation). These unnecessary layers of government create bureaucratic waste and inefficiency, contributing to why Illinois residents pay among the highest property taxes in the nation.

- The Task Force received more than 85 proposals during those hearings and endorsed 27 recommendations on topics relating to local government consolidation and unfunded mandates. Those recommendations are listed in the final report.
  - A number of those recommendations have been signed into law:
    - **PA 99-0353:** Four-year moratorium on creating new local governments.
    - **PA 100-106:** Township consolidation reform: road and bridge district consolidation.
    - **PA 100-107:** Township consolidation reform: DuPage County consolidation expansion, coterminous township consolidation expansion, 126-mile township square mile consolidation limit removed, county form of government retention after abolishing townships.
    - **PA 100-242:** Unfunded mandate statewide cost of compliance estimates by DCEO.
    - **PA 100-0465:** Education unfunded mandate; driver's education third-party contracting and physical education.
    - Published two journals (in 2016 and 2018) highlighting 47 best practices from local governments that shared services and saved taxpayer dollars.
    - Worked with the Northern Illinois University Center for Governmental Studies to prepare a Guidebook with materials to help local public officials examine the potential for changes in the local public service delivery system.

- The Guidebook focuses solely on local interests, data, and preferences to find alternative delivery arrangements to reduce costs and property taxes. There is no set arrangement or prescription changing the delivery arrangements. Rather, the Guidebook helps local officials, administrators and residents think through options where services can be provided in different ways by agencies collaborating or rearranging their efforts.

### **Waterway Infrastructure**

Worked closely with Congressmen Rodney Davis and Darin LaHood to advance the Navigation and Ecosystem Sustainability Program (NESP).

- NESP is a long-term program of navigation improvements and ecological restoration for the Upper Mississippi River System (UMRS) and Illinois River that will be implemented incrementally over a 50-year period through integrated, adaptive management.

NESP authorized lock expansion to 1,200-feet at Lock and Dams 20, 21, 22, 24, and 25 on the Upper Mississippi River and at La Grange and Peoria on the Illinois Waterway.

According to the Illinois Chamber of Commerce, Illinois moves \$28 billion of commodities along the Illinois River annually.

### **Asian Carp/Brandon Road project:**

Worked closely with the US Army Corps of Engineers, Illinois DNR, Congress, Great Lakes Governors, and local stakeholders to keep Asian Carp out of the Great Lakes while protecting Illinois taxpayers, our economy, and our ecosystems.

Lobbied Congress to reduce the state share of Operation and Maintenance costs from 100% to 20% (in perpetuity) for the Brandon road Project.

Advocated a more active role for Illinois on Brandon Road with the goal of fully mitigating Illinois' concerns rather than blocking the project all together.

### **Equitable school funding formula:**

The Lt. Governor was a member of the Illinois School Funding Reform Commission that made recommendations to the General Assembly to revise the old K-12 school funding formula.

In August 2017, Governor Rauner signed into law Public Act 100-465. This law provides a more equitable funding formula for Illinois schools. Tier I, high minority/low income schools will see an increase in funding as a result of this new formula.

### **Adult High School Legislation**

Helped formulate and strongly advocated for legislation that became Public Act 100-0514 to allow adult learners in Illinois over the age of 21 to earn a high school degree through accredited nonprofit organizations and community colleges.

### **Advanced Placement Pilot Program/education equity**

Led effort to reduce the rural-urban educational achievement gap.

Partnered with the Illinois Virtual School, The College Board, the Association of Rural and Small Schools, and the Illinois Association of Regional School Superintendents to launch an AP Pilot Project in January

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2018 where 75 students from 10 rural high schools across the state of Illinois took AP courses online so that students in rural Illinois received the same opportunities to learn as their counterparts in the urban/suburban areas of the state.

Comprehensive results of the pilot program are available on the Lieutenant Governor's website.

### **Combatting Childhood Hunger**

Spearheaded several initiatives to help children in poverty.

Worked with the Illinois Coalition to End Hunger to promote the Summer Meals Program in Illinois.

Advocated for Breakfast After the Bell legislation, and urged the Governor to sign the bill (Public Act 099-0850), to provide additional meal flexibility to at-risk youth in high-poverty school districts.

### **Economic and Workforce Development**

Angel Investment Tax Credit: Worked with legislators to introduce compromise legislation (SB2012) to reauthorize the \$10 million Angel Investment tax credit and create a new set-aside for eligible businesses that are owned by women, minorities and people with disabilities, and those headquartered in rural Illinois counties.

Lower LLC Fees: Worked to reduce fees charged to Limited Liability Corporations (LLC) to make rates more competitive with neighboring states. Through a coordinated and bipartisan effort, SB0867 was passed/concurred during veto session.

Industrial Hemp Act: Championed legislation to allow Illinois farmers to grow industrial hemp.

- Enacting the Industrial Hemp Act opened a significant cash crop for farmers in rural areas and provided an opportunity to create more jobs.
- Industrial hemp is estimated to be used in more than 25,000 products spanning nine markets: agriculture, textiles, recycling, automotive, furniture, nutrition, paper, construction materials and personal care.

### **Supply Chain Mapping for Illinois Defense Industry:**

Partnered with the University of Illinois' Defense Industry Adjustment program to develop a better understanding of the defense industry supply chain in Illinois.

Funded by the Department of Defense, this program allows us to understand the diversification of contracts of our Illinois' defense manufacturing base.

This Illinois Defense Network partnership produced the following reports and analyses: The report on the economic impact of defense-related spending in Illinois, A closeup of Defense and Manufacturing in Illinois, 2016 Economic Profiles Summary, and the State of Illinois Economic Profile (2017).

In partnership with the Illinois Defense Network, Lt. Governor Sanguinetti was invited to make a presentation at the 2017 National Summit of the Association of Defense Communities on Illinois' efforts.

### **Clemency process, helping Governor reduce backlog**

Provided significant counsel to the Governor on Prisoner Review Board clemency and commutation recommendations and helped dramatically reduce the backlog of clemency requests inherited from the previous administration.

## **Department on Aging**

### **Economic Empowerment**

Awarded Specialized Supportive Services Grant Award for Alzheimer's initiative.

- For FY17, FY18 and FY19 the Older Americans Act unit was awarded a federal grant for \$960,000 to assist seniors with Alzheimer's living in Illinois.
- The Department has demonstrated a proactive approach toward the effects of the debilitating disease affecting millions across the country.

Awarded Care Ombudsman Advocacy Services Grant Award for Home Care Ombudsman advocacy services and One-on-One Counseling Assistance

- In January 2016 and 2017 the Long-Term Care Ombudsman and SHIP programs were awarded a grant from Centers for Medicare and Medicaid Services (CMS) totaling \$1,025,000 (per year).
- Funds will be used to provide Home Care Ombudsman advocacy services to dual Medicare/Medicaid beneficiaries and will allow SHIP counselors the ability to provide enrollment comparisons, access to services, education, and advocacy.
- Approximately half of the award was sub-granted to existing SHIP sites to aid in counseling.

Awarded SHIP MIPPA grants used to enhance SHIP services

- Through local not-for-profit agencies assisting Medicare beneficiaries with the Medicare Savings Program applications and Extra Help applications to Medicare Part D.
- Approximately \$801,074 in SHIP/MIPPA funds were sub-granted to local site 2016-2018.

Received federal grant for Opening Minds Through Art program.

- Opening Minds is an intergenerational art program for people with dementia and is grounded in person-centered ethics and founded on the fact that people with dementia can express themselves creatively and improve their physical and psychological well-being.
- The Department funded the Alzheimer's Disease Resource Center or ADRC at SIU School of Medicine to provide this service and other supportive services such as Music and Memory, Savvy Caregiver, etc.

### **Fiscal Responsibility**

Rebid 10 CCU contracts in Chicago (PSA 12) for improved performance and have started the competitive procurement cycle for all CCU contracts statewide.

- Re-bid ten CCU contacts in Chicago (PSA 12) to ensure improved performance for 39,489 authorized CCP participants by timely completions of redeterminations, more efficient and effective processes for intakes, and Medicaid applications completed to improve overall service and performance in the area.
- Started the competitive procurement cycle for all Case Management Contracts statewide. This entailed complete overhaul of the Request for Proposal (RFP) language, the scoring tool used in the awards and the agreements themselves. This will ensure uniform contract requirements which simplifies monitoring and improves quality of care.
  - The new RFP included language and requirements to comply with federal and state regulations addressing the safety, welfare and quality of services.
  - Used performance data and selected PSA12 as the first PSA in this process.
  - Successfully procured 10 contracts and 2 more in the process to be completed in the Spring of 2019.

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- By end of 2018, we increased the number of Care Coordinators in the field and the quality of Case Management Services to approximately 40 thousand participants in the Community Care Program in Chicago PSA 12.
- The procurement cycle will continue until new and competitively procured CCU contracts are in place statewide by the end of 2020

### **Human Service Transformation**

Implemented a “data-driven” approach to compliance and monitoring of the Aging provider network.

- Implemented an automated critical event reporting system required by federal Centers for Medicare and Medicaid Services (CMS) 1915(c) Waiver regulations to address the health, welfare and safety of CCP participants. Though enhanced collaboration with the network, the Department is now ensuring that risk mitigation efforts are occurring to prevent participants from experiencing future critical events.
- Revised the training curriculum for CCUs to mandate statewide training on the Determination of Need (DON) assessment tool and plan to initiate three day in person training for all new Care Coordinators beginning in January, 2019.

Implemented the federal Medicaid Waiver regulations requiring person centered planning and the provision of services in integrated settings through amendments to the CCP Administrative Rule. The amendments were adopted November 26, 2018 and become effective January 1, 2019. In the process of revising policies pertaining to person centered planning and adult day services in collaboration with the network and training on the new policies is being scheduled.

- As required by federal Centers for Medicaid and Medicare Services (CMS), contracted with an independent vendor through a competitive bid process – Public Consulting Group, to complete a rebasing of the Waiver rates via a rate study for CCP Waiver rates – EHRS, Adult Day Program, and In Home Services. Additionally, contracted with another vendor – Myer and Stauffer to complete a study of the CCU rates both for compensation and structure of the rates.

Revised the Choices for Care pre- and post-screen policy to implement a more timely screening process and to provide individuals with more information on home and community-based options prior to admission to long term care.

- Implemented policy changes in January 2017 in response to legislation introduced by nursing facility interest groups.
- The new policy requires CCUs to provide weekend coverage for hospital pre-screens and requires a two-day turnaround for the completion of post-screens.
- In response to the policy changes, CCUs are averaging 1.4 days to respond to a request for a post-screen, enabling nursing facilities to be reimbursed for the cost of care in a more timely manner.

### **Technology Solutions**

Moving the Department’s applications to new state-of-the-art servers.

- The Department is moving all of its applications off of 2003 Windows XP servers to new state of the art servers. This project involves 400 Cobol programs, stored procedures and reports.
- The process created a complete TEST system which now allows the developers to test applications prior to moving them to Production. This will improve the availability of the system.

Developed a Consumer Choice website to assist consumers in making informed choices when seeking additional information regarding the State’s long-term care facilities.

- The consumer and/or family member is able to search based on location, needs, preferences, and services provided by facilities.

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- For example, someone may be looking for a skilled care facility in Springfield that provides bariatric care, community outings, and allows pets.
- The website meets the requirement of the Illinois Act on the Aging.

Developed Provider Profile Web application to provide older adults with informed choices when seeking Department on Aging services.

- The older adult and/or family member will be able to search for HCBS services based on location, needs, and preferences provided with a simple single click on a county.
  - For example, someone may not know what services are available to them or who to contact to access those services, we now have a single click to get those services.
- The website meets a federal Waiver requirement to provide informed choices to the participant and family.

Added Google Language translator to all Public facing websites.

- The consumer will now be able to have all of the agencies information translated into the language of their choice.

Developed a Child and Adult Care Food Program billing application to replace the current paper process.

- Adult Day Care providers will now be able to send in their monthly billing for providing food to clients. This improves the department and provider efficiency in processing and reporting.

Created a new (APS) Case Management System for the tracking of Adult Protective Service cases to help track abusers and the quality of care for Illinois elderly.

- The new automated system assists the Department to meet federal requirements on quality related requirements, including the tracking of APS cases.

### **Administrative Operations Improvements**

Terminated the Chicago Demo Project improving the care coordination services for 900 participants in Chicago.

Adopted revisions to the CCP Administrative Rule to amend the provider qualifications for Automated Medication Dispenser (AMD) services.

- Launched AMD services on July 1, 2018.
- The Department revised the CCP rules specific to the AMD service provider requirements as the rules were too narrow, and providers could not meet the strict requirements.
- The AMD service is a key component of supporting older adults in their own homes and deflecting older adults from admission to nursing facilities and potential unnecessary hospitalizations due to a lack of medication adherence.

Revised the Adult Protective Services Rules relating to the Statewide Fatality Review Team Advisory Councils, self neglect and the APS Registry.

- Addressed the creation of a Statewide Fatality Review Team Advisory Council and updated provisions relating to Regional Fatality Review Teams under the Adult Protective Services Program.
- These teams review suspicious deaths of any adult with disabilities age 18 through 59 or a person 60 years of age or older who resides in a domestic living situation in the community. This Rulemaking was effective April 2, 2018.
- Rulemaking included self-neglect as a form of covered abuse, in addition to the existing categories of abuse, neglect and financial exploitation.

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- Department produced rulemaking to create the Adult Protective Services (APS) Registry. The APS Registry will protect victims and participants receiving in-home and community-based services from caregivers against whom a verified and substantiated finding of abuse, neglect or financial exploitation was made. The self-neglect and the Registry rulemaking became effective July 1, 2018.

Department is taking a common-sense approach to the interpretation of the rules pertaining to EHRS (Emergency Home Response System) and contractors' requirements.

- In amending internal policy to clarify the rules, the Department can ensure consumers have choice in their provider, creating a more competitive market to obtain vendors who deliver the highest quality of care.

Work is underway on proposed amendments to update the rules for the Long-Term Care Ombudsman Program.

- Changes will improve consistency with changes in federal policy for advocacy services on behalf of residents of long term care facilities and individuals residing in their own homes or community-based settings who receive home care and community-based care under a medical assistance waiver administered by the State or from a managed care organization providing care coordination and other services for the State.

#### **Additional Agency Accomplishments**

Illinois' State Long-Term Care Ombudsman Named to National Council

- The State's Long-Term Care Ombudsman Jamie Freschi was recently named to the National Leadership Council for the National Consumer Voice for Quality Long-Term Care.
- The Leadership Council is made of long-term care consumers, family members, consumer advocates, long-term care ombudsmen, and policy experts nationwide.
- Board members are elected to 3-year terms and contribute to the Consumer Voice's national policy advocacy. It has been more than 5 years since the Consumer Voice had an Illinois member.

IDOA Employee named Outstanding Employee of the Year by the Illinois Interagency Committee for Employees with Disabilities (ICED)

- The Illinois Interagency Committee for Employees with Disabilities in October named John Eckert its 2017 Outstanding Employee of the Year.
- Eckert has had a major role in the Department on the federal Money Follows the Person Demonstration Program aimed at better serving the elderly and those with disabilities. He chairs the state's Inter-Agency Long-Term Services and Support rebalancing project for Medicaid and is also co-lead for Older Americans Services Advisory Committee.

IDOA Employee named Instructor of the Year for the Illinois Army National Guard

- The Illinois Army National Guard 129<sup>th</sup> Regimental Training Institute named Chief Information Officer (CIO) Russ Kemple as the Instructor of the Year.
- Kemple teaches 25U for the 129<sup>th</sup> RTI as a member of the Illinois Army National Guard. Russ is now competing on a National Level as one of the top instructors in the country.

The 19-member Community Care Program Services Task Force established completed its report, findings and recommendations, and turned them into the Governor and the General Assembly.

- Task Force was established in July of 2017 by the General Assembly and completed the report at the end of January 2018.

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- Task Force comprised of advocates, providers and legislators led by the Illinois Department on Aging (IDOA) was charged with reviewing the Community Care Program (CCP) to develop and recommend solutions to reduce costs without diminishing the level of care that IDoA provides.
- The report offers the discussion of strategies to prepare for the future demand for HCBS services for the aging population, the development of efficient and innovative programs while not diminishing the level of care.

Awarded SHIP Basic Grants totaling \$5,879,003

- April 1 through March 31 grant cycle for 2015, 2016, 2017, 2018, to operate SHIP counseling services throughout the state offering Medicare training/certification and technical assistance to counselors and beneficiaries through five annual counselor conferences, public speaking engagements, and an average of 105,000 one-on-one counseling sessions offered by 1,000 SHIP counselors annually.

Illinois SHIP Director Elected to National SHIP Steering Committee

- Sandy Leith, SHIP Director was elected in April of 2016 and will serve a 3-year term.
- The SHIP steering committee consists of 9 Directors from various states and territories and serves as the voice the SHIPs working closely with National Council on Aging, the Administration for Community Living, and the Centers for Medicare and Medicaid Services to ensure the needs of Medicare beneficiaries, and the SHIP counselors who serve them, are met.

Medicaid Bootcamp training

- Offered in July of 2018 as a collaborative effort between the SHIP and the Home and Community Ombudsman to explain the Medicaid system as it applies to Medicare/Medicaid dual eligible beneficiaries, offering best practices for counseling the dual eligible population. Two one-day training sessions were offered in Chicago.

## **Department of Agriculture**

### **Technology transformation and upgrades**

The Department initiated many changes in program delivery via technology modernization to better serve its constituency groups.

- Overhauled the Department's general website and improved consumer maneuverability of the site, creating more ease for Illinois agri-businesses and producers doing business with the State.
- Improved the Illinois and Du Quoin State Fair websites.
- Implemented an IT application allowing licensees to pay the State electronically. E-licensing allows licensees to pay by credit card, ACH, and other electronic means to save time and money and offer faster and better service. One group of e-licenses became available in May 2017.
- Accepted electronic payment at the State Fair admission gates for the first time in 2017.
- Updated the state fair management software system to provide for more patron convenience in the form of electronic, mobile, and online purchases. The Department worked with procurement to offer this service again in 2018.
- Created a State Fair mobile phone app to help patrons navigate the state fairgrounds, including an interactive map, events schedules, vendor lists, and fair contest winners. An initial cellular telephone app was created for the 2016 fair and was updated for both the 2017 and 2018 Springfield State Fairs.

- Working with the Department of Innovation & Technology (DoIT), the Department retrofitted the IDA administration building auditorium with a video conferencing system to help reduce costs and realize other efficiencies associated with long-distance meetings and training sessions. The renovations were completed during the fall of 2017; more than 100 meetings and conferences were held in the auditorium utilizing the new equipment in calendar year 2018.
- Reduced costs for agencies by modernizing the John R. Block Building Auditorium with a state-of-the-art video conferencing system.

### **Reinvestment in state fairgrounds infrastructure**

After decades of neglect resulting in more than \$190 million of deferred maintenance on the Springfield and Du Quoin State Fairgrounds, the State finally began reinvesting in various upgrades to facilities through both the traditional Capital Development Board (CDB) process and through the creation a new, privately-funded Fairgrounds Foundation.

- The Illinois Fairgrounds Foundation, formed in August 2016, is a public-private partnership designed to support care at the State's fairgrounds in Springfield and Du Quoin.
  - Private donations to the Fairgrounds Foundation fund building upgrades, facility improvements, and new facility construction at both historic fairgrounds locations.
  - To date, the Foundation has funded several upgrades at the Springfield State Fairgrounds, including lighting and sound at the Livestock Center; fans at the Swine Barn; new roofs and repairs to Barns 16A and 16B, which were previously closed for public use; and the first stage of major structural repairs and improvements to the historic Coliseum.
- 8th street reconstruction. Working with the CDB, the Department of Agriculture and Department of Natural Resources internally financed the reconstruction of the north end of 8th Street on the Springfield fairgrounds, providing better access to the northern end of the grounds and smoother access for animal trailers and exhibitors.
- Enclosure of Practice Arena. Due to the closure of the Coliseum because of structural issues, the Department of Agriculture and the CDB made permanent additions to the adjacent covered practice arena. The resulting enclosed structure now serves as a suitable alternate venue for various events that would normally be housed in the coliseum.
- Roof replacement of Barn 13. This structure, located directly west of the Coliseum, is known as the Sales Arena and was constructed in 1909. The brick structure encloses a 181 ft. x 11 ft. dirt show ring and includes oversized round arched entrances and restrooms. This facility is used for horse warm-up, horse stables, cattle storage, and livestock seminars. The entire roof was reconstructed along with new windows on the north and south sides, allowing it to continue to be an important part of the large animal housing and show complex.
- Resurfacing of Main Street, Central Avenue, and Illinois/Grandstand Avenues. Working with the Department of Transportation (IDOT) and the CDB, the Department utilized a portion of the FY19 capital appropriation to resurface three main streets on the Springfield fairgrounds in time for use during the 2018 Illinois State Fair. IDOT day labor section personnel and equipment were utilized to make these improvements.
- Roof replacement and structural repairs of Barn 41. This structure, along with three others on the Springfield fairgrounds, is one of the oldest, constructed in 1895. It is a two-and-a-half story wood frame, shingle and clapboard clad barn with hip and gambrel roofs and turret. Damaged roof sheeting was replaced, and it was completely re-shingled. Several support columns were replaced, and additional structural repairs are currently ongoing. The initial roof replacement and structural repairs were funded through IDA appropriations through the normal CDB process. The Department of Central Management Services fairgrounds personnel supported additional repairs through IDA appropriations.

2015-2019

- Roof replacement and structural repairs of the Junior Livestock Building. This ongoing project is being funded as an emergency project through the CDB and includes roof replacement and south wall stabilization.
- Initiated reconstruction of Coliseum. Closed in 2016, this turn-of-the-century structure is the cornerstone of the animal housing and show facilities on the Springfield State Fairgrounds. Erosion of column bases and the uncontrolled deterioration of roof support members and other roofing materials has caused the need for complete reconstruction of the facility. Design plans and specifications have been completed, contractors selected, and work has commenced. Substantial completion is scheduled for late July 2019.
- Renovating Barns 16A & 16B. The 2018 renovation of these two single-story horse barns has been accomplished using CMS fairgrounds labor, IDA appropriations, and the Illinois Fairgrounds Foundation donated roofing materials.
- Initiated two additional roof replacement projects. Although only in the beginning stages, these two roof replacement projects will include the Series 25 Barns, the Dairy Building, the Exposition Building, the Illinois Building, and the Emmerson Building in the first project; and Racehorse Barn 38, Sheep and Swine Pavilion 31, Racehorse 101 Barn, Racehorse Barn 102, Racehorse Barn 77, the Junior Livestock Building, and the Hobbies Arts & Crafts Building in the second project. The project costs for these structures are estimated at \$3,551,000 and \$1,870,700, respectively, and are in the architect/engineering selection phase.
- Recently initiated repairs to Multipurpose Arena and Grandstand. Also, in the early stages of project development, the repairs to these two important fairgrounds structures include foundation repair, major masonry work, and canopy replacement estimated at a total cost of \$4,649,300.

**Implemented the Department’s responsibilities under the Compassionate Use of Medical Cannabis Pilot Program and the Industrial Hemp Act.**

The Compassionate Use of Medical Cannabis Pilot Program became law in 2013. In 2014, the Bureau of Medicinal Plants accepted more than 160 cultivation center applications and awarded 21 licenses to medical cannabis cultivators.

- The Bureau has grown to four full-time staff in the home office and seven inspectors in the field. Inspectors are responsible for weekly inspections of the cultivation centers to monitor adherence to the administrative code, including traceability requirements, chemical and pesticide use, packaging, and credentials of employees. The mission of the Bureau is to ensure a safe product is available for qualified patients in Illinois.
- The Industrial Hemp Act was signed into law in August 2018. The Agency’s Bureau of Medicinal Plants has drafted proposed rules to implement the Act and is currently in the first notice comment period. The rules provide for the licensure and registration of growers and processors.

**Partnered with various stakeholders on the State Nutrient Loss Reduction Strategy (NLRS) to improve the nation’s water quality.**

This was a joint effort by the Department, the Illinois Environmental Protection Agency, the Illinois Water Resources Center, and several public and private stakeholders to develop and implement strategies across the Mississippi River basin. The intent is to improve the nation’s water quality.

- Provides a framework for reducing both point and non-point nutrient losses to improve Illinois’ overall water quality, as well as the quality of water leaving the state and making its way down the Mississippi River into the Gulf of Mexico.
- The biennial report of the NLRS accomplishments was released in the summer of 2017 and can be reviewed at the Illinois Environmental Protection Agency’s website.
- Meetings and additional educational outreach activities continued in 2018.

**Modernized various agency statutes, rules, and regulations through Administration initiatives during both the 99th and 100th General Assembly sessions, including:**

Expanded the Centennial Farms Program to include Bicentennial Farms [HB 5790 (P.A. 99-824)].

- The first Bicentennial Farm designated under the program was recognized at Agricultural Legislative Day in April 2018. The Grand Marshals of both the Illinois State Fair and the Du Quoin State Fair parades in 2018 were Illinois Bicentennial Farm families.

Increased county compliance with the Noxious Weed Law [SB 2910 (P.A. 99-539)].

- The passed legislation provides that if a county Control Authority fails to fulfill its required duties under the Noxious Weed Law, the Department shall enforce the Act by sending the county Control Authority a letter of noncompliance. At the time SB 2910 was enacted in 2016, virtually no county was complying with the existing law. There are now 19 counties that have named Noxious Weed Control Superintendents and are now in compliance. Extended the duration of commercial, commercial not-for-hire, dealer and public applicator and operator pesticide licenses from one calendar year to three calendar years, beginning with calendar year 2018 [SB 2918 (P.A. 99-540)]. The legislation also streamlined the commercial not-for-hire applicator and public applicator licenses by combining them into a single commercial not-for-hire license category. The changes included in this legislation have been implemented by the Department.

Eliminated unnecessary governmental entities associated with the Department [HB 2995 (P.A. 100-110) and HB 3188 (P.A. 100-116)].

- HB 2995 repealed the Agricultural Export Advisory Committee, which had not met in years and whose appointments expired in 2003.
- HB 3188 repealed the David A. Wirsing Food Animal Institute Act. The Act was enacted in 2004, but it was never fully implemented. Availability of online resources made the concept of the Institute unnecessary.

Updated the Diseased Animals Act to remove the requirement that rules under the Act must be printed in pamphlet form and furnished to the public free of cost [HB 2998 (P.A. 100-111)].

- The administrative rules for the Diseased Animals Act are available through the Department's website.

Freed up agency resources by giving the Department more discretion in pest and insect inspections [HB 3058 (P.A. 100-112)].

Eliminated the annual licensure requirement for Type I and Type II meat and poultry processors and slaughters if the establishments remain in compliance with the Meat and Poultry Inspection Act [HB 3081 (P.A. 100-113)]. The legislation also eliminated the fee for an original license, so they are now issued free of charge.

Eliminated unnecessary requirements on the Department and law enforcement regarding livestock branding and markets [HB 3090 (P.A. 100-114)].

- The bill amended the Illinois Brand Act to allow the Department to publish brands on-line rather than in printed book form. The brand book is currently available on the Department's website. The legislation also repealed provisions that required livestock markets to keep records of branded livestock as well as one that required law enforcement to notify livestock markets of reported livestock thefts.

## THE RAUNER ADMINISTRATION

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2015-2019

Established an incentive for people to pay administrative fines assessed through the Bureau of Weights and Measures [HB 3121 (P.A. 100-155)].

- The bill amended the Weights and Measures Act to allow the Department to prohibit those who fail to pay administrative fines from using a weighing or measuring device. Penalties for fines \$2,500 or greater not paid within 120 days of notice are now turned over to the Department of Revenue rather than the Attorney General for collection.

Repealed the Specialty Farm Product Buyers Act [HB 3189 (P.A. 100-117)].

- Specialty farm product buyers are no longer required to register with the Department.

Allowed the Advisory Board of Livestock Commissioners to meet annually instead of semiannually, regardless of whether a meeting was deemed necessary [HB 4999 (P.A. 100-841)]. This legislation addressed an audit finding, as the Board was not meeting on a semiannual basis as required by statute.

Updated the definitions in the Animal Welfare Act regarding kennel operators, dog and cat breeders, and day care operators so that the Act more accurately reflects current industry practices [HB 5029 (P.A. 100-842)], effective January 1, 2019.

Temporarily expanded eligibility for the Illinois Conceived and Foaled Program to assist the Illinois Standardbred breeding industry [HB 5459 (P.A. 100-777)]. The legislation, which went into effect on January 1, 2018, is scheduled to sunset on January 1, 2022.

Reduced the potential for the State to lose money due to property damage on the State Fairgrounds by allowing the Department to establish locally held accounts to collect non-Fair facility rental deposits [SB 1902 (P.A. 100-325)].

- SB 1902 allows the Department to collect and hold security deposits in local accounts in advance of use of the State Fairgrounds in Springfield and Du Quoin in addition to any facility rental fee. It also allows the Department to recoup losses due to property damage and ensures payment of post-event charges such as utilities and facility clean-up. The legislation allows for deposits to be returned on a timely basis instead of being processed through the Comptroller's office.

Repealed a number of outdated Acts and/or programs administered by the agency including: the Illinois Food, Farms and Jobs Act; the Dairy Statistics Act; the Illinois AgriFIRST Program Act of 2001; the Forever Green Illinois Program; the Anhydrous Ammonia Security Grants Program; and the Local Food, Farms and Job Act labeling and certification program [SB 2875 (P.A. 100-844)].

### **Capital Development Board**

#### **Economic Empowerment**

Closed out 191 projects since 2016

- Closed out 72 projects in FY18
- Closed 25 projects in the first half of FY19
- Jobs range in sizes from the new DMA Kankakee Readiness Center, to the SIU Edwardsville Renovated Science Building to several smaller state facility roofing and HVAC projects.

Increased pool of acceptable subcontractors by eliminating federal apprenticeship and training requirements for projects in several counties in Illinois.

2015-2019

- Eliminated the requirement that design firms or their consultants performing work in certain areas of Illinois to participate in federal apprenticeship and training programs to potentially reduce projects costs and make it easier for design firms to find industry partners.

Created a searchable vendor database to help contractors and design professionals partner with qualified subcontractors and consultants based on trade, location, or minority/woman/veteran business enterprise status.

Responded to industry concerns of lack of adequate compensation by organizing an A/E Compensation Review Committee with the industry to identify issues.

Hosted ‘lunch and learn sessions’ to notify construction and design professionals of new products and innovations in construction processes.

Provided outreach to firms to create a more competitive bidding pool and increase participation by minority, veteran, or women-owned businesses.

Held periodic trainings on CDB’s documents and procedures for contractors and A/E firms.

Began participation in the Illinois Procurement Gateway (“IPG”) System for continuing disclosures and simplification of forms.

- By using the IPG, CDB can now utilize information in the IPG for vendors to meet the requirements for continuing disclosures. Additionally, the continuing disclosure form was amended so that vendors with multiple multi-year contracts can utilize a single form. This simplifies bidding for firms that bid frequently with CDB or other State agencies.

### **Fiscal Responsibility**

Reduced postage spending by 74% and printing by 49% since FY15.

- Now allowing Form 255 (qualifications-based selection submittal document for architect and engineering firm) to be transmitted electronically.
- Emailing certain contract documents to vendors that had previously been sent by US mail.
- Notices to performing contractors to be sent by email rather than certified mail, saving the State on average \$520.00 per year.

Implemented a pilot project to allow a design firm to provide certain services for non-specified projects throughout the year to react more quickly to urgent needs (“IDIQ projects”).

- Allows the firm to provide ongoing architectural, engineering, and construction administration services over the course of a year.
- IDIQ projects typically involve an emergency or otherwise urgent matter and allow the State to react more quickly to urgent capital needs, saving time and possibly money.

Have made changes to at least 30% of agency processes as part of the Mission Excellence, an agency-wide initiative to review and update procedures to gain efficiencies.

- Reviewed forty different internal processes to implement streamlining and make it easier for companies to do business with the State, while reducing agency costs and increasing efficiencies.
- Updated procedures to reduce processing times.
  - Eliminated unnecessary levels of approval.
  - Process modifications shave days to weeks off processing times.
- Updated the schedule used to select architect and engineer (A/E) firms.

2015-2019

- CDB previously used a schedule that allowed time for a formal interview even though a formal interview is not required for contracts under \$250,000.
- Since over 90% of CDB's A/E selections did not require a formal interview, CDB modified its procedures to allow for two different A/E selection schedules, one for those with interviews and one for those without.
- A/E selections where no interview is conducted now go to the Board for approval one month earlier, which allows projects to get started more quickly.

### **Technology Transformation**

Implementing a new project management software system to improve efficiency and workflows and speed up completion time of capital projects.

- eBuilder will allow vendors to receive and submit contracts, change orders, and other construction documentation electronically.
- With electronic receipt and approval capabilities, processing times should be reduced by weeks, possibly months over the course of a large construction project.
- CDB projects may start and end more quickly with this new technology.

Upgrading database systems and created an internal Intranet site for better communication.

- Efficiencies with communication and information sharing throughout agency have been realized.

### **Administrative Operations Improvements**

Limited the number of times Department issues revised bidding documents to lessen the burden on vendors wanting to bid on State construction projects.

Updated Building Code and Building Requirement databases.

- These assist vendors and partners in the construction and design process by providing an efficient one-stop shop for information.
- By providing this resource, CDB hopes to provide beneficial information to help designers reduce design timelines.

Updated Illinois Accessibility Code (IAC) to simplify code compliance and alleviate legal uncertainty.

- Proposed changes to the Illinois Accessibility Code (71 Ill. Adm. Code 400) to update the most recent version of the IAC (the 1997 version) to incorporate, when more stringent, the 2010 ADA Standards for Accessible Design (28 CFR Parts 35 and 36).
- The rule, now adopted by JCAR, will create one comprehensive document for design professionals, contractors, and code officials to follow to ensure compliance with both the IAC and the ADA standards.
- Rule will help alleviate legal uncertainty by providing clear guidance for compliance with State and federal accessibility regulations and reduce the burdensome review process currently placed upon design firms, business owners, and code officials trying to comply with both the IAC and the ADA Standards.
- The amendments remove unnecessary stringency from the IAC.
  - The working group for the IAC, which was comprised of two people from CDB, two representatives from the Attorney General's Office, a representative from the Illinois Department of Transportation, a representative of the design industry, and two members from the disabled community, reviewed every requirement of during a multiyear process.
- When the working group determined that a more stringent requirement in the IAC was not necessary, they removed it to better align the IAC with the ADA.

2015-2019

- Some of those changes include reducing the number of accessible guest rooms in transient housing, allowing a shared access aisle between parking spaces, and removing the requirement for detectable warnings at the top of stairs, as well as requirements for areas of refuge at correctional facilities or in stairways of buildings equipped throughout with a supervised automatic sprinkler system.
- Eliminating those restrictions reduced the stringency of the IAC without compromising protections for the disabled community.

Updating and revising CDB's procedural administrative rules to streamline CDB's processes and clean-up outdated language.

Streamlined the procurement vetting process.

- Made changes to Architect/Engineer Disclosure Vetting Process where the Disclosures are now reviewed prior to board selection, saving 2-6 weeks on the project timeline.

Reviewing all agency forms used to determine necessity, accuracy and clarity and see where electronic forms can be implemented to reduce paperwork for staff and vendors.

- CDB identified forms that were no longer necessary or otherwise duplicitous and has eliminated those forms completely, resulting in less paperwork for our vendors.
- Identified forms unnecessarily requiring a wet signature.
- Implementation of eBuilder will make these and additional forms completely electronic providing cost savings to Department and vendors.

### **Bills Signed by Governor**

HB3497 - Expanded the single prime with protected subcontractor delivery method.

- Implementation has led to project timeline and cost savings, increased the competitive bidding environment and known reduced change order rates and legal claims.

SB 1334 - BEP Goals Cure Period allows contractors to cure a BEP/VBE goal deficiency post-bid, as opposed to having to reject the lowest bidder if sufficient information regarding attempts to comply with project goals was not provided at the time of bid.

- Implementation led to cost savings and encouraged increased participation of BEP/VBE firms.

## **Department of Central Management Services**

### **Fiscal Responsibility**

Bureau of Benefits

- For retirees, the Bureau of Benefits negotiated lower rates for the Medicare Advantage Prescription Drug plan, allowing the State to avoid approximately **\$10 million** in unnecessarily higher costs.
- Through work with the Illinois Department of Insurance and a healthcare vendor, the Bureau of Benefits discovered, rectified, and recovered **\$6.5 million** in overbillings from 2014, 2015, 2016.
- Negotiating below-national-projected HMO renewal rates allowed the State to avoid nearly **\$18 million** in costs.

Bureau of Property Management

- The Bureau of Property Management (BoPM) has contracted with one of the leading real estate management firms in the world, entered into a contract with Jones Lang LaSalle (JLL). JLL's expertise will not only allow the Bureau to provide client agencies with better customer service, but will result in long-term savings.

Bureau of Agency Services

- More efficient mail and messenger services resulted in more than **\$500,000** annual savings.

**Enhancing Diversity Engagement in Government**

The Fair Practices in Contracting Task Force

- CMS continues to support the efforts of the Task Force, which, by statute, became the Illinois African-American Fair Contracting Commission in January 2019. CMS was an important partner in increasing external stakeholder outreach and training along with extensive data-gathering to further the Task Force/Commission's mission.

CMS Business Enterprise Program

- Submitted rules to JCAR which will govern the process to advance the Sheltered Market Initiative
- Awarded the first Sheltered Market contract for IT procurement in 2017.
- Declared a second Sheltered Market for the advertising sector in August 2018.

CMS's Diversity and Enrichment Program

- CMS's newly refocused Diversity and Enrichment program seeks to implement a workforce diversity program that is equity-based, anchored by scientific research, and customized to the State's unique employment selection procedures to ensure equal access to State government for all citizens.

**Enhancing Government Productivity and Efficiency**

CMS Office of Operational Excellence

- The Office of Operational Excellence established the State of Illinois Rapid Results program in 2016 to provide centralized statewide training and guidance on the principles of continuous improvement, and project implementation support for CMS and all executive branch agencies.
- The Illinois Rapid Results program has trained 2,405 employees on the principles of Rapid Results. This has led to the initiation of 1,381 improvement projects statewide.
- To date, Rapid Results projects have resulted in annualized savings of more than **\$14 million** and the redeployment of nearly 800,000 labor hours.

CMS Bureau of Administrative Hearings

- Established in 2016, the CMS Bureau of Administrative Hearings works to increase the quality and independence of administrative justice across the State and to efficiently provide hearings for agencies that do not employ full-time adjudicators
- The Bureau has developed first-in-the-state resources for adjudicators (Bench Book, case sharing, etc.), offers ongoing training specifically related to the work of adjudicators, and works with other State agencies to improve hearings processes to decrease backlogs and enhance justice.
- The Bureau's efforts have resulted in thousands of hours of training at no cost to the State; development of an enterprise case management system; more than **\$400,000** savings to agencies who formerly employed contract hearings officers; and, at the Human Rights Commission, improved processes which led to a **44% reduction** in case backlog in the first six months.

CMS Bureau of Personnel

- Working with the federal court appointed Special Master and OEIG HEM, CMS Bureau of Personnel conducted an extensive review and justification of at-will positions in State government and has developed improved processes for lawfully hiring State workers.

2015-2019

- To meet the State's operational needs, agencies must be able to efficiently locate and employ the most qualified applicants for government positions.
- With the upcoming implementation of the improved processes, citizens will more easily be able to compete for public sector jobs, the State will be better able to ensure that unlawful considerations are not part of the hiring process, and agencies will see shorter hire times to onboard quality candidates.

### **Technology Transformation**

CMS Business Enterprise Program launched an online certification system in 2016 and is implementing a new compliance system.

- Purchased and began implementing compliance system, phase one launched in July 2018.
- Achieved the third highest dollar spend in the history of the program at over \$490M.
- Launched online certification system in August 2016.
- Revitalized outreach division.

### **Developed Agency Data Practice**

- Launched in 2018, the CMS Data Practice team have entrenched themselves into the various Bureaus at the State agency in the hopes of learning where data is being stored and how best to collect and compile data. To date, CMS Data Practice has already begun to leverage its administrative data to track performance and improve efficiency. Current data analysis is done in Excel on an ad hoc basis. The CMS Data Practice's vision is to implement interactive Business Intelligence in PowerBI/Tableau, iteratively produced in 1-2 week projects.
  - Supporting reform of Budgeting for Results ("GOMB") and Public Accountability Report ("IOC") metrics from output-oriented to outcome-oriented
  - Launching an automatically updating strategic performance dashboard for these metrics
  - Providing an analytics data store refreshed by key CMS data sources
  - Producing analytical or operational dashboards for all CMS bureaus
  - Launching an advanced analytics project.

Developed and implemented a full-service e-procurement system.

- E-procurement will help agencies shorten the procurement process, provide greater transparency and accountability, and track spend and vendor performance with greater detail.

Eliminated paper enrollment system for 450,000 members of state benefits plans.

- MyBenefits online enrollment portal has led to processing efficiencies and drastically reduce payroll discrepancies.

CMS Bureau of Agency Services Division of Surplus Property introduced a tablet-based inventory system saving money and increasing efficiency and productivity.

- Increased items placed on state's iBid system by 200% - 400% each week.
  - Previously only 30-40 lots were listed each week compared to the 100-200 lots now listed each week.
- All Illinois' State surplus assets were moved to an online auction platform eliminating the need for costly live auctions.
- TSA Property sales have gone from \$70K to \$145K a year, indicating both an increase of inventory integrity and a more thoughtful approach to selling property.
- Illinois tablet-based inventory management system is being utilized by the State's primary inventory vendor, Asset Works, as a model for other states.

CMS Bureau of Agency Services Division of Vehicles (DOV) License and Title used web-based tools to streamline processes, reduce paper, and improve documentation, content and collaboration to vehicle coordinators and drivers.

- DOV implemented recommendations from the Fleet Efficiency Study reducing about 500 passenger vehicles in agencies including CMS, IDOT, ISP, DOC, DNR and Agriculture.
- DOV reallocated vehicles for more efficient use
- DOV initiated file sharing with ISP to reduce redundant manual entry of data.

## **Department of Children and Family Services**

### **Public Employee Union Contracts**

Secured a side agreement with AFSCME, with support of Central Management Services, to create a pool of Deferred Assignment Investigators to drastically improve staffing vacancies.

- Agreement allows Department to hire an additional Child Protection Specialists (CPS) in anticipation of vacancies, creating a “pipeline” of staff ready to fill vacancies as soon as they come up dramatically improving staffing.
- Deferred Assignment Investigators hiring started in Cook County and expanded statewide. Department has now created similar pipeline for caseworkers.

### **Fiscal Responsibility**

Drew down additional federal funds for foster care services.

- Filed paperwork that had not been completed prior to 2015, netting DCFS an additional \$15 million in FY18 (\$70 million over four fiscal years).
- Continued implementation of the Department’s federal IV-E waiver, approved in FY2017 and producing an additional \$26 million in FY2018. Waiver expected to expire on September 30, 2019.

### **Technology Transformation**

Rolled out mobile app for frontline staff, saving personnel time by giving staff access to vital case information and enabling them to upload photos and enter notes from the field via their smart phones or tablets in real time.

- Resulted in a 22% reduction in average number of days for investigators and caseworkers to enter notes in 2017.
- Produced savings in field staff overtime.
- App rolled out to nearly 1,300 DCFS staff and 32 private agency staff.

### **Human Services Transformation**

Implemented the Regenerations Pilot for Dually-Involved Youth, which is designed to provide intensive case management, support, and placement finding to move children involved in both the DCFS and the Department of Juvenile Justice (DJJ) systems out of detention and into to home or home-like settings as soon as possible.

- Reduced the wait times from eligibility for release to actual release from an average of 104 days to 45 days.

Established unit to serve youth who are involved with both the DCFS and DJJ systems, temporarily placed in an emergency shelter, or who have been victims of human trafficking.

- In 2017, the DCFS Office of Delinquency Prevention and Restorative Justice partnered with Cook County to write a Multi-System Collaboration Training and Technical Assistance Grant. It was one

of only six communities that were awarded grants from the Center for Juvenile Justice Reform at Georgetown.

### **Administrative Operations Improvements**

Significantly improved personnel and hiring processes.

- Worked with CMS to expedite grading for critical CPS investigator positions, reducing wait times for receiving grades from 9 months to a week or less. This resulted in expedited hiring times.
- Changed the minimum work experience requirements for CPS positions to increase the number of eligible candidates.
- Began utilizing continuous postings for child protection investigator positions in “hot spots” throughout the state.
- Added criminal justice degrees and various education and medical-related degrees to those eligible to meet the requirements for CPS positions.

Helped expand management skills for staff with implementation of Success! Academy.

- Continued collaboration with Casey Family Programs to implement a Success! Academy where mid-level supervisors participate in an intensive 10-week leadership development program.
- This process has helped expand the management skills of newer supervisors and helped senior staff identify rising agency employees for important new assignments.
- 700+ DCFS staff have participated in Success! Academy.

Trained 572 new investigators at the residential simulation lab and mock courtroom for the Child Protection Training Academy.

- DCFS began a partnership with the University of Illinois at Springfield (UIS) to develop and run academy in 2016.

### **Department of Commerce and Economic Opportunity**

Aimed to build economic opportunities for businesses, entrepreneurs, and residents resulting in improvements to the quality of life for all Illinoisans.

Promoted Illinois as a destination for commerce throughout the state, the country, and the world.

- Business Development/Job Creation: 117,000+ jobs created // \$7.6B in capital investment from companies receiving DCEO support since 2015.
  - Supported the launching of 1,550 new small businesses.
- Tourism: 113M Domestic/International Visitors to IL in 2017 (3M increase from 110M in 2015).
  - \$280.7M in Hotel/Motel Tax Receipts in FY18 (\$22M increase from FY16).
  - \$2.5B increase in tourism/visitor expenditures from 2015-2017.
- International Trade: Over the last 6 years, DCEO has lead 100+ overseas missions
  - Missions have lead to \$2.5B in international sales of IL products
  - Illinois State Trade and Export Promotion (ISTEP) participants created 4,000+ new jobs.

### **Leading Business Development**

Directed and increased business development through job creation, capital investment, customer service.

- Modernized the EDGE tax credit process and improved responsiveness to Illinois businesses.
  - DCEO’s Office of Business Development leads business development and expansion throughout Illinois by addressing the needs of the EDGE customers.

2015-2019

- Business Development employees provide educational programs to help applicants understand nuances of the program, and aid applicants by completing portions of the application through a template.
- Created a more cohesive application by eliminating necessary and duplicative information, allowing businesses to devote less time to bureaucratic redundancies and more time developing the businesses economic success.
- Created New Jobs through Capital Investments.
  - Since 2015, tax credit and business development programs delivered more than 117,000 new jobs and \$7.6 billion dollars in capital investments to Illinois.
  - Additionally, DCEO elevated its international business portfolio by directing programs for international business expansion and creation. Illinois companies located domestically exported \$188 billion in revenue to Illinois and supported 300,000+ Illinois jobs annually.
- Streamlined Customer Service
  - From 2015 through 2017, the SBDC (Small Business Development Center) Network assisted 143,341 entrepreneurs and businesses, created or retained 15,692 jobs and cultivated 1,552 new business starts and expansions.
  - Through expanded technologies, the Business Information Center (BIC) can deliver faster customer service through the telephone, email and the newly added online instant messaging service.
- Piloted the Initiative for Cultivating Minority Business Development
  - Created the Office of Minority Economic Empowerment (OMEE) in 2017 to provide dedicated outreach to underserved communities.
  - By extending the Advantage Illinois loan program, OMEE created 983 new jobs with 71 projects to MWDV (Minority, Women, Disabled, Veteran owned) enterprises since 2016. These efforts delivered an estimated \$800 million in private investments to small businesses through federal funding matches.
    - The OMEE led ADME (Advancing the Development of Minority Entrepreneurship) business training sessions resulting in 324 trained workshop attendees from ten locations during a one-year period from December 2017 to December 2018.

#### **Steered Workforce Training**

- More than 800,000 Illinois citizens benefitted from the employment, education, training and support services in the Workforce Innovation and Opportunity Act (WIOA) program, to succeed in the labor market.
- Developed a recruiting “playbook” targeting Illinois manufacturers. This effort now links manufacturers with local and educational resources to build the supply of skilled workers and to help businesses more effectively recruit the skilled workers they need to build and expand.

#### **Directed Community Development and Assistance Programs**

- Offered a bridge between the business development functions of the agency and served those in need of federal funds for low-income and poverty level individuals and families. Specifically, through Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization programs for subsidizing utility bills in low-income households, \$416.5 million was distributed to 545,515 of the neediest Illinois citizens.

2015-2019

- Provided \$76.6 million in grant funds through the Community Development Block Grant (CDBG) programs between 2015 and 2017. Funds benefited over 100,000 Illinois residents.

#### **Attracted National and International Tourism**

- Through more aggressive outreach and marketing tools attracting visitors to Illinois, Illinois leads as a top destination for vacationers and business travelers both nationally and internationally. Illinois' Tourism generated \$114.9 billion in overall revenues, \$8 billion in state and local taxes, and increased the number of jobs by 18,600.

#### **Eliminated Agency Inefficiencies**

- Decreased overall agency headcount has decreased from 327 in January of 2015 to 252 in FY17 for an overall decrease of 23%.
- Reduced overhead by roughly \$5 million per year between FY15 and FY18 for a 20% reduction in costs. This was achieved through reductions in office costs through efficiency programs and grant recoveries.
- Saved taxpayers \$29.2 million since 2015 and will continue to lower costs with the annual savings resulting from foreign office modernization efforts.
- Leading efforts in complying with federal and state grant Grant Accountability and Transparency Act (GATA) requirements. This has been, and will continue to be, accomplished through grant manager and grantee customer service, as well as limiting unnecessary duplicity with grant applications and requirements.

### **Department of Corrections**

#### **Education**

Made the High School Equivalency (HSE) available to all offenders who score a 9.0 or higher on the Test of Adult Basic Education (TABE).

- Implemented computer-based instruction and testing of HSE at all facilities in 2017.
- The number of offenders completing the HSE increased from 346 in FY16 to 660 in FY17.
- In 2017, the success rate for the Test of Adult Basic Education (TABE) was 94%, which was #1 in the nation for comparable state Corrections Departments.
- Southern Illinois University completed an evaluation of facility programming and proposed strategies to improve the system based on findings. Report includes proposed strategic intervention plan for program review, refinement, elimination, and development of evidenced based programming.

#### **Fiscal Responsibility**

Saved 23,000 sheets of wasted paper by streamlining Statewide Dietary quarterly surveys.

Trained 227 employees in the "Rapid Results" initiative and implemented 179 projects, allowing the Department to reallocate more than \$2,232,6 and save more than 105,980 labor hours.

#### **Administrative Operations Improvements**

Launched "Thinking for a Change," an integrated cognitive behavioral change program for offenders which incorporates cognitive restructuring, social skills development, and the learning and use of problem solving skills.

- Program to helps offenders take control of their lives by taking control of their thinking.

2015-2019

Staff attended the “Desert Waters, Corrections Fatigue to Fulfillment” program training in Canon City, Colorado in November 2017, focusing on promoting wellbeing of corrections workforce.

- Program focuses on promoting the occupational, personal and family well-being of the corrections workforce through the provision of evidenced informed resources, solutions, support.
- Phase 1 of the program is now fully operational within IDOC facilities.
- Phase 2 will launch in February 2019. It is called ‘True Grit’ and is intended to help staff build resiliency by providing coping skills. Eight staff members were trained to teach this workshop.

Launched a staff wellness response team to respond to traumatic or stressful incidents that adversely affect employees and institutional climate.

- Requires staff to complete a 32-hour training course in Crisis Incident Stress Management.
- Wellness Response Team members are assigned regionally.
- Team members can also provide one-on-one confidential peer support to coworkers struggling on personal or professional levels through referrals to employer and union provided resources.

Piloted a new procedure to ensure responsive and timely handling of offender grievances.

Achieved 100% compliance with the Prison Rape Elimination Act (PREA).

Safely reduced the prison population by approximately 19%, from 48,214 on January 12, 2015 to 38,926 on January 1, 2018 - the lowest population count since 1996.

Implemented racial bias training for all IDOC staff covering Discrimination and Harassment; reporting procedures; and professional conduct.

Programs staff is working to complete offender risk and needs assessments to guide evidenced based program roll-out system wide.

- The refinement and development of new programs is an ongoing effort within the Department to best equip our offenders for a successful re-entry to the community.

Collaborated with the Criminal Justice Coordinating Councils to strengthen communication and relationships with Illinois counties.

- Council is sponsored by the Illinois Criminal Justice Information Authority.
- Work began with 5 pilot sites to include Lake, St. Clair, Winnebago, McLean and McHenry and has proven helpful with several Department initiatives surrounding rehabilitation and reentry.

### **Technology Transformation**

Launched new Offender 360 management system, a cloud-based program that replaced a decades old, antiquated system that provided limited data on offender and offender needs. Department continues to implement new modules including:

- CARE (Classification, Assessment, Rehabilitation and Engagement) module that updates the Department’s security classification and annual re-classification instruments.
  - Features a combination of risk assessment instruments including recidivism risk, violence risk and needs assessments based on both clinical assessments and predictive analytics modeling.
  - Based on the predictive analytics needs modeling, IDOC is piloting a reentry program for males at Stateville MSU and females at Logan CC targeted for the offenders within 9-12 months of release.

2015-2019

- Development of new Offender Trust application to include offender banking and commissary operations.
  - Staff have been working on development and implementation planning to ensure that the new system will be robust enough to meet the Department's needs and provide an enhanced level of streamlined operations. Female facilities will go live in May or June 2019 and male facilities are scheduled for September 2019.

### **Criminal Justice Reform**

Opened a first of its kind "Life Skills Re-entry Center" in Kewanee, IL to increase offender opportunities for success upon release.

- Also opened a satellite Life Skills Re-entry Centers at the former IYC facility in Murphysboro and at Logan Correctional Center.

Partnered with NYU Marion Institute of Urban Management to pilot a Graduated Reintegration Initiative for IDOC offenders.

- Program designed to improve outcomes of people returning to the community with intensive pre-release programming and a safe, structured and graduated pathway to community reintegration.
- Pilots underway in Peoria and Winnebago counties.

Significantly enhanced mental health treatment for offenders

- As part of the "Rasho" Settlement Agreement, the Department opened the first stand-alone Residential Treatment Unit in Joliet.
- A Residential Treatment Unit for women was constructed and opened at the Logan Correctional Center in Lincoln.
- Completed construction on and opened the Agency's first Residential Treatment Facility in Elgin serving both male and female offenders with severe mental illness.
- Construction of a Residential Treatment Unit at Pontiac Correctional Center is expected to be complete in February 2019.
- Selected a builder to construct a 200-bed Inpatient Treatment Center in Joliet. The groundbreaking is expected to take place in the Spring of 2019.

### **Bills Signed by Governor**

HB3904 – Created IDOC's Women's Correctional Service Division setting a national standard representing critical commitment to comprehensive reform that benefits corrections staff, justice-involved women and their children, and communities throughout the state.

- Supported a Gender Informed Practice Assessment and Implemented a Gender Responsive Approach for IDOC's female population, which has become a national model.
- Implemented CR/2 (Creating Communication and Resilience) in the Women's Division. More than 400 staff at Logan and Decatur Correctional Centers have been trained since 2017. The model was developed to assist staff when working with the female offender.
- Implemented the Spin-W tool, which assesses the needs of women while incarcerated.
- Received a grant from the National Institute of Corrections to implement Collaborative Case Management for women. This compliments the risk assessment/needs assets tools to help women from reception & classification through to parole.
- Staff from Decatur and Logan Correctional Centers were selected to attend training in Colorado from the National Institute of Corrections on "Safety Matters: Relationships in Women's Facilities" as well as "Women Offenders: Developing an Agency Wide Approach" and "Gender Responsive Discipline and Sanctions."

2015-2019

- Logan Correctional Center hosted the National Institute of Corrections to conduct training on “Operational Practices at a Women’s Facility.”

### **Criminal Justice Information Authority**

Transitioned grant-making from a primarily non-competitive, legacy-based system to a research-informed competitive system and expanded its grantmaking from \$37.6 million in grants in FY15 to more than \$100 million in FY18.

Significantly increased support for victim services throughout the state due to an increase in its federal Victim of Crime Act award, which went from \$17.6 million in 2015 to \$77.5 in 2016.

- The award has continued to grow in subsequent years, allowing ICJIA to strengthen existing programs and expand into new areas like community violence and civil legal services.

Secured approximately \$7.5 million in discretionary grants and technical assistance awards from the federal government and private foundations.

In 2017, ICJIA was one of two states to receive a 5-year award from the U.S. Department of Justice’s Office of Victims of Crime to help link services for young victims of crime.

Staffed and helped lead the Illinois State Commission on Criminal Justice and Sentencing Reform in 2016 and 2017.

### **Education Accomplishments**

Expanded quality, equity, and access to education for *all* students across the state.

- Signed a historic funding formula for K-12 districts in Illinois that distributes resources more equitably based on need.
- Through our statewide partnership with Education Superhighway, we increased the number of students who have access to high quality internet in schools by 25%.
  - Passed a state match fund this past year which should help get us to 99 of the 100% threshold.
- Launched the IL College2Career Tool so students have easy access to outcomes data to help them select a college that best serves their needs.
- Crafted a nationally regarded state plan for ESSA that includes subpopulation performance in the accountability system and an innovative, new college and career readiness indicator that acknowledges that there is much more to students than just test scores.
- Created a student-focused system for higher education board appointments that looked at trustee skills and needs of university, rather than relying on political favors, leading to some of the most diverse board appointments in the history of the state.
- Established a partnership with Equal Opportunity Schools to increase low-income and minority student access to AP/IB coursework.
- Signed the Hunger-Free Students Bill of Rights to ensure that no students in Illinois will go hungry when at school.

Worked to create smoother pathways and transitions from early childhood and Pre-K to career readiness and workforce entry.

2015-2019

- Early Childhood Example: Implementing the KIDS (Kindergarten Individual Development Survey) assessment so that teachers, administrators, families and policymakers better understand the developmental readiness of children entering kindergarten classrooms.
- K-12 Example: Increasing access to dual credit coursework so that students can earn college credit while in high school, thus increasing college affordability.
- Higher Ed Example: Increasing implementation of apprenticeships and work-based learning across K-12 and higher ed so that students can graduate from postsecondary *with* a job and ready to enter the workforce.

Prioritized removing silos among all the agencies that work on education.

- Established the Children’s Cabinet to encourage cross-agency collaboration and problem-solving between the 17 state agencies that touch children and youth.
- The Children’s Cabinet launched 7 projects, focused on a variety of topics including:
  - Reducing the childhood lead burden
  - Increasing workforce readiness through apprenticeships and pathways
  - Growing the quality of the early childhood workforce
  - Creating multi-system collaborations to support and engage dually involved youth
  - Building a statewide mentoring program to ensure all youth in this state have at least one positive adult relationship in their life.
  - Utilizing transition math and alternative high school equivalency offerings to smooth the transition for both traditional and non-traditional students moving into a post-secondary program
  - Linking our employment data and our childcare subsidy recipient information to gain a better understanding on how Childcare Subsidy program impacts families’ employment outcomes

Invested deeply in expanding public-private partnerships so educators and employers can work collaboratively to support students and grow the economy.

- Announced plans to establish the Discovery Partners Institute in Chicago to grow businesses and keep the best and brightest Illinois has to offer here in the state.
- Hosted Illinois’ first-ever summit on Work-Based Learning which brought together more than 200 employers and educators to collaborate and increase implementation of work-based learning opportunities (i.e. apprenticeships, internships, etc.) statewide.

Championed school choice for parents and students.

- Implemented an innovative tuition tax credit program, Invest in Kids, to help students from low socio-economic backgrounds obtain scholarships to attend the schools of their choice.
- The program helps advance school choice for all students, rather than reserve it as a luxury for just a few.

Increased investment in Early Childhood, K-12, and Higher Ed

- Early Childhood
  - Increased our investment in Early Childhood Education by \$50M in FY18 in order to stay on track for the federal match.
  - A total of \$200M in new money for early childhood since 2015
- K-12
  - Added an additional \$350M for K-12 students through the historic evidence-based school funding formula, a total of \$1.4B new dollars for K-12 since 2015.

2015-2019

- Higher Ed
  - Appropriated \$25M for a new, merit-based aid program – AIM High – to encourage our best and brightest high school graduates the attend universities and community colleges here in Illinois.

## **Environmental Protection Agency**

### **Economic Empowerment**

Funded cleaner public transportation for Chicago area's most vulnerable residents with first round of 'Driving a Cleaner Illinois' funding from Volkswagen Settlement.

- Issued nearly \$19 million in grant awards to public transit projects benefiting low-income residents, minority residents and children.
- Projects include three types of vehicle replacement projects and fuels: new cleaner diesel passenger/commuter locomotives; new electric and alternate fuel public transit buses; and new electric school buses. IEPA anticipates achieving approximately 290 tons of nitrogen oxide emission reductions per year from these projects.

Bureau of Air has issued 309 expedited environmental permits allowing Illinois businesses to expand and/or upgrade facilities.

- Within the 2018 calendar year alone, 60 expedited permit agreements were executed with an average processing time of 26 days until permit issuance.

Bureau of Water implemented expedited permits beginning at the end of calendar year 2017.

- In 2018, the Permit Section has issued or is in the process of issuing 32 expedited permits or 401 Water Quality Certifications. This includes 22 State Construction and/or Operating Permits, five National Pollutant Discharge Elimination System (NPDES) permits, and two 401 Water Quality Certifications. Implementation of expedited permits helped the regulated community meet their construction schedules without interrupting the flow of other pending permit applications.

### **IEPA Bureau of Water Small Municipal Systems – Compliance Assistance Program**

The Small Systems Compliance Assistance Program is designed to assist small systems experiencing significant non-compliance issues. IEPA technical experts partner with facilities to develop a multi-phase Facility Specific Compliance Action Plan (FSCAP) and work with each facility to provide comprehensive onsite compliance assistance. The program also provides tools and training to ensure sustained compliance in the future.

- Six small municipal wastewater treatment systems have partnered with IEPA in the program. Four additional facilities have been targeted and are under consideration for participation in the program, that would bring the total number of participating facilities to ten.
- Conducted multiple assistance visits at the six participating facilities.
- Provided individualized on-site training.
- Provided unit process diagnostics to each facility at no cost.
- Compliance Operation & Maintenance measures have required only minimal expenditures.
- All facilities participating have either returned to compliance with permit effluent limits, or significantly improved effluent quality and are reducing pollution loading.

### **Watershed Management**

IEPA receives funding from U.S. EPA to identify and administer projects to prevent nonpoint source pollution. These projects include watershed management planning; best management practice

implementation and outreach efforts. In the past 10 years, ending 2016, the program has resulted in almost 400,000 lbs. of nitrogen reduction and almost 175,000 lbs. of phosphorous reduction.

- Initiated four Clean Water Act Section 319 nonpoint source pollution control projects in FY18, dedicating over \$1.2 million with another \$838,792 in local and state funds for total project costs of \$2,069,159 to help improve the health of Illinois' water resources.

### **Infrastructure Financial Assistance**

In calendar year 2018, the IEPA Public Water Supply and Water Pollution Control Loan Programs have provided significant funding to projects throughout the state.

- 26 wastewater loans totaling approximately \$316 million in loan funding.
- 30 drinking water loans totaling approximately \$352 million in loan funding.
- Approximately \$2 million in principal forgiveness for Lead Service Line replacement.
- As of 7/1/17, the Administrative Rules governing loan program operations were modified to:
  - Offer reduced interest rates for small and economically disadvantaged loan applicants.
  - Expand the maximum possible loan term from 20 to 30 years.
  - Offer interest rate discounts for projects with environmental impacts.

### **IEPA's Office of Energy – Energy Efficiency Assessment and Funding Program for Public Wastewater Treatment Plants.**

The program will help identify upgrades and fund changes for energy and cost savings.

- Partnered with the Smart Energy Design Assistance Center (SEDAC) and the Illinois Sustainable Technology Center (ISTC) to provide free energy usage assessments to publicly-owned wastewater treatment plants (WWTPs).
- Final assessment reports breakdown recommendations for energy improvements at each WWTP including upfront costs for equipment upgrade or retrofits, estimated time for upgrade costs to pay-off in energy savings, and resulting energy and monetary savings – a service that would ordinarily cost municipalities between \$6,000-\$12,000.
- Funding for assessments is provided by the U.S. Department of Energy State Energy Program.
- Since announcing the program in April 2018, 22 WWTPs have been assessed. Another 19 WWTPs are in the process of being assessed.
- An October 2018 Energy Efficiency at WWTPs Workshop in Carbondale brought attention to the program in southern Illinois with 28 wastewater professionals in attendance.
- The application period for energy efficiency project funding opened on December 14, 2018 and will close on February 12, 2019. The Office of Energy aims to make awards totaling between \$2.5 and \$3 million in individual award amounts of no more than \$1.5 million.

### **Technology Transformation**

Expanded a self-service online tool called Illinois EPA Document Explorer to improve transparency and public access to Agency documents by adding final Compliance Commitment Agreements dating back to January 1, 2014.

Electronic Reporting system for Illinois' National Pollutant Discharge Elimination Program (NPDES) Permit universe requiring the submission of monthly Discharge Monitoring Reports (DMRs) is approximately 2,300 permits.

Began rapid implementation of Phase 1 of U.S. EPA's NPDES Electronic Reporting Rule and the use of federal electronic reporting tool (NETDMR) for the electronic submission of DMR data for Illinois NPDES Permits.

2015-2019

- More than 98% of Illinois NPDES permittees are reporting their monthly DMR data electronically via NETDMR.
- Results/Outcome for IEPA:
  - Reduction in staff needed for DMR data entry.
  - Increased timeliness of DMR data.
  - Significant reduction in data entry errors.
  - Increased accuracy of database, enabling IEPA to better target serious violators and permit non-compliance.

**IEPA Bureau of Land implemented a Field & Compliance Enforcement System (FACES).**

The streamlined and modernized inspection and enforcement tracking system is used to monitor the status of regulated sites in Illinois. FACES is the platform that field inspectors use to create inspection reports, which become immediately available to all relevant layers of Agency management. Implementing FACES has enable Illinois EPA to:

- Eliminate the six-month data lag time that existed using the past information platforms.
- Replace 12 previously existing duplicative databases.
- Avoid the need to replace two retired positions.
- Cut review and availability time.
- Conduct in-depth data analysis.

**Energy Code Training and Technical Support Intergovernmental Agreement (IGA) with the Smart Energy Design Assistance Center (SEDAC)**

SEDAC has addressed more than 70 technical support inquiries since July 1, 2018.

- More than 50% of the inquiries are from engineers or architects with 10% of the questions requiring in-depth analysis from SEDAC.
- Since July 1, 2018, more than 225 construction industry professionals and code officials have benefitted from SEDAC's in-person Energy Code Workshops.
- SEDAC has reached many more construction industry professionals and code officials with its original webinars on Illinois Energy Conservation Code Updates.

**E-notice**

Established rules and implemented e-notice for Bureau of Air permits and Agency hearing notices. This includes a searchable online database and a separate Twitter public notice announcement page.

**Social Media Outreach**

Continued a robust Twitter presence including more than doubling our number of followers in 2018 and averaging more than a tweet per day. Provides information for the ECOS (Environmental Council of States) Dashboard of environmental metrics.

**Staff Recruitment**

Joined Handshake, a connector software between employers and universities, and actively pursue recruiting of new graduates through this software platform. Continue outreach to IL universities to highlight Illinois EPA employment opportunities.

**Website**

Developed a more user-friendly website front page; regular updating of website information; and development and posting of several new web-based tools for the public including interactive recycling information tools.

**Environmental Justice (EJ)**

Implemented an option for local officials and the public to receive EJ notification electronically.

Began regular distribution of relevant EJ related issues, news and updates through the implementation of an EJ listserv.

Made Illinois EPA's EJ mapping tool (EJ START) available to the public.

**Additional Agency Transformation**

Bureau of Air achieved improvements in designations across multiple areas in the State and four different pollutants in 2018 due to support provided by the Air Quality Planning Section.

- In 2018, USEPA redesignated the Metro-East St. Louis area from nonattainment to attainment for the 2008 ozone NAAQS.
- In 2018, USEPA redesignated the Chicago (Pilsen) and Granite City areas from nonattainment to attainment for the 2008 lead NAAQS after the Agency worked with the companies in the area to reduce lead emissions via regulations and controls, causing ambient air monitors in both areas to show that lead levels have dropped.
- In 2018, USEPA reclassified the entire State of Illinois from "Unclassifiable" to "Unclassifiable/Attainment" for the 2012 PM2.5 NAAQS after the Air Quality Planning Section provided certified ambient air monitoring data showing that PM2.5 monitors throughout the State meet the standard.

Continued to implement Remediation Program over 1,041 acres in State Fiscal Year 2018.

- Site Remediation Program (SRP)
  - IEPA issued 231 No Further Remediation letters for 1,041 acres remediated.
  - Completed 641 inspections to verify compliance with terms and conditions identified in the No Further Remediation letter.
- Leaking Underground Storage Tank (LUST) Program
  - Illinois EPA issued No Further Remediation letters for 398 incidents, while 322 new incidents were identified, reducing the number of open incidents in Illinois to 5,615.
  - Completed 915 inspections to verify compliance with the terms and conditions identified in the No Further Remediation letter.

Removed and properly disposed of more than 2,500 tons of used and waste tires during State FY 2018.

- These included used and waste tires that are generated by units of local government by collecting the tires from public and abandoned properties.
- IEPA assists local governments in providing and maintaining a healthy environment. Waste Tire Removal Actions (Mosquito Reduction Strategy) focus on Illinois including in Environmental Justice areas such as East St. Louis and Hopkins Park (Kankakee County).

IEPA supported household hazardous waste (HHW) collections that were available to approximately 8.5 million Illinois residents.

- Residents participating in eight one-day HHW events, co-sponsored by IEPA, dropped off the equivalent of more than 1,185 drums of unwanted toxic materials. IEPA continues to co-sponsor four long-term HHW programs in Naperville, Rockford, Chicago and Lake County, as well as other ongoing programs that focus on paint and unwanted pharmaceuticals.
- The HHW programs together collected a combined 7,764 drums of HHW.
- These collections enabled Illinois residents to safely dispose unwanted toxic household materials, such as lawn chemicals, pool chemicals, motor oil and antifreeze, oil paints, pharmaceuticals, and mercury-containing products, in an environmentally safe manner free of charge.

U.S. EPA Announced First Annual National Federal Facility Excellence in Site Reuse Awards

- Two Illinois Superfund Sites were recognized for excellence in May 2018:
  - Naval Air Station Glenview, Illinois – Cleanup results reached residential-use standards, which let the community realize its reuse plan for mixed-use development.
  - Joliet Army Ammunition Plant, Illinois – After cleanup, the site offers multi-beneficial uses, including natural resource conservation areas, with public land, bird habitat & rare prairie ecosystems.

IEPA provided Education to Manure Haulers through Update/Refresher Course Workshops

- IEPA staff gave four presentations across the state related to land application requirements for livestock facilities, primarily focusing on the setback requirements for unpermitted Large Concentrated Animal Feeding Operations (CAFOs).
  - Question and answer sessions followed each presentation. In addition to land application questions, staff answered questions related to the CAFO rules.
  - The workshops were well attended by producers, engineers and applicators.

IEPA updated its 5<sup>th</sup> and 6<sup>th</sup> grade environmental education curriculum, introducing a new unit on algae and surface water that meets the Next Generation Science Standards.

- Prepared in partnership with the University of Illinois Urbana-Champaign College of Education, the curriculum is available online for teachers, parents, and students.

**Administrative Operations Improvements**

Adopted rules to streamline permitting of small boilers at Clean Air Act Permit Program sources.

- Submitted the adopted Permit By Rule (PBR) rule to USEPA for approval as a revision to the Illinois' State Implementation Plan.
- The rule, adopted by the Board on March 23, 2017, streamlines the permitting of small boilers less than or equal to 100 mmBtu/hr at Clean Air Act Permit Program (CAAPP) sources. – Four PBR have been issued to date.
- The public can obtain some of the most commonly-sought documents through Document Explorer, including final air permits (construction and operating), National Pollution Discharge Elimination System (NPDES) water discharge permits, Leaking Underground Storage Tank (LUST) documents, Site Remediation Program (SRP) documents and State Response Action technical documents, and final Compliance Commitment Agreements since January 1, 2014.

**Emergency Management Agency**

**Emergency Preparedness**

Retained national accreditation status from the Emergency Management Accreditation Program (EMAP) by meeting all of the program's 64 required standards.

- Illinois currently is one of 34 states accredited by EMAP's voluntary program.

Increased the portion of Illinois population covered by a local government hazard mitigation plans to 83.29 percent, up from 72.2 percent in February 2015.

Coordinated planning and preparation to ensure the safety of thousands of people who traveled to southern Illinois to observe the August 2017 solar eclipse.

2015-2019

- State, county and municipal public safety agencies worked together to protect celestial viewers before, during and after the event. IEMA established command centers in Effingham, Fairview Heights and Marion to maintain situational awareness of issues related to traffic, medical needs, cooling centers and other situations.

Participated in a National Governors Association (NGA) workshop to develop strategic action plans for public health preparedness and response by identifying legal, regulatory and administrative challenges to responding to a public health emergency.

- Illinois was one of six states selected to participate in this preparedness workshop.

Conducted a Mass Care table-top exercise with approximately 80 participants from local, state, federal and non-governmental organizations to test the state's ability to respond following a series of significant earthquakes along the New Madrid and Wabash Valley seismic zones.

- Walked participants through critical core capabilities including the need for population related disaster services, public health and medical service needs, operational communication struggles and long-term recovery missions.

Received a grant totaling more than \$14 million from the United States Commerce Department for the First Responder Network Authority (FirstNet) to aid the state's preparation for the National Public Safety Broadband Network.

- FirstNet will ensure public safety officials can make cellular phone calls, access critical information and transmit video during daily operations and during all types of emergencies by providing prioritized network access.

Partnered with Illinois Emergency Services Management Association (IESMA) to distributed 100 weather radios through a statewide weather alert radio contest, "Weather Alert Radios Save Lives." The contest is intended to enhance severe weather preparedness throughout the state.

### **Grants**

Awarded \$500,000 in grants to 32 county emergency management agencies to enhance their emergency operations centers.

Administered nearly \$300 million in grant programs, including distribution of approximately \$290 million to more than 600 grantees.

- Programs include Homeland Security, Emergency Preparedness, Public Assistance, Hazard/Flood/Pre-disaster Mitigation, Radon Mitigation, and Radiological Emergency Preparedness.

### **Disaster Assistance**

Administered Small Business Association (SBA) assistance to help people in the impacted counties recover from the unforeseen catastrophic event(s).

Coordinated the deployment of 151 Illinois National Guard military police to assist Puerto Rico's recovery from Hurricane Maria in response to a request from Puerto Rico via the Emergency Management Assistance Compact.

- Soldiers from the 933rd Military Police Company, based at Fort Sheridan, provided additional security, escorting relief convoys and conducting law enforcement patrols on the hurricane-ravaged island.

2015-2019

Coordinated state disaster response following a late season severe weather outbreak that resulted in several tornadoes across central and southwest Illinois.

- Storm surveys and reports indicate that 28 tornadoes occurred across the state, the largest December outbreak since 1957. Christian County was the hardest hit with more than 600 structures damaged or destroyed.

Coordinated the deployment of state assets and resources to aid North Carolina respond to aftermath of Hurricane Florence.

- Through an Emergency Management Assistance Compact (EMAC), ten Illinois Army National Guard soldiers and two helicopters deployed on a ten-day mission. Additionally, a 13-member Swiftwater search and rescue team was deployed to assist with water rescues due to the catastrophic inland and coastal flooding.

### **Nuclear Safety**

Partnered with the American Lung Association in Illinois to help Illinois school districts screen school buildings for radon by providing radon detection equipment, assistance with developing a radon testing plan, and guidance on radon detector placement within school buildings.

Completed the Remote Monitoring System (RMS) upgrade to enhance capabilities to monitor critical data inside and around the State's operating nuclear power stations from IEMA's headquarters.

Federal, state, local and utility representatives participated in the biennial exercise of the Illinois Plan for Radiological Accidents (IPRA) plan for the LaSalle Station nuclear power plant.

- The exercise tests the participating organizations ability to effectively implement plans to ensure public health would be protected in the event of a radiological release from the nuclear power plant. More than 300 people from various agencies and organizations participated in the full-scale exercise.

### **Terrorism Training**

Received a new \$1.2 million federal grant to enhance state and local government capability to prepare for, prevent and respond to complex coordinated terrorist attacks (CCTA).

- The agency's grant proposal outlined a four-year plan to analyze existing regional and statewide CCTA core capabilities for such attacks, develop plans to address capability gaps, provide training to community partners, conduct exercises and share lessons learned.
- The project will involve several state agencies, mutual aid partners with law enforcement, fire services and emergency management, voluntary organizations and federal agencies.

## **Department of Employment Security**

### **Economic Empowerment—January 2015-June 2018**

- Gained 213,000 non-farm jobs.
- Unemployment Rate dropped from 6.0% to 4.2%.
- Over 1.3 million individuals who were laid off received over \$6.6 billion in Unemployment Insurance (UI) Benefits.
- Certified nearly 485,000 workers with barriers to employment for Work Opportunity Tax Credits (WOTC).
- Employers received over \$1.1 billion in WOTC Tax Credits.

**Fiscal Responsibility**

- \$936 million in UI Trust Fund Bonds were retired between January 2015 and July 2017
- The cash balance of the UI Trust Fund, from which UI benefits are paid, has increased from just over \$400 million in 2014 to nearly \$2 billion at the end of 2018.
- 2019 Employer UI taxes estimated to be \$940 million LESS than UI taxes collected in 2014
- IDES system integrity and anti-fraud initiatives saved the UI Trust Fund over \$225 million

**Technology Transformation**

Developed and launched the new GenTax system, in partnership with the Illinois Department of Revenue. It is the most modern UI Tax System in the US.

- Saved the state between \$12 million and \$14 million in implementation costs by building on IDOR's system.
- GenTax system provides one-stop tax services for over 330,000 Illinois employers.
- System helped cleanse more than 27,000 tax records from the rolls.
- System helped reduce postage and printing costs by \$1.2 million.
- System helped reduce the number of tax related letters by two-thirds. Letters were re-written using plain language guidelines and can now be viewed online.
- Reduced paper tax filings by over 80% since GenTax launch.
- More than 120,000 paper check payments from one service bureau alone were electronically filed in Spring 2018, saving over \$800,000 in operating costs annually.
- Collected more than \$2.5 million from delinquent employers as a result of an added feature allowing IDES to use the IRS' Taxpayer Offset Program.

IDES piloted and launched a new accounting system, the SAP Enterprise Resource Program (ERP), to replace 1980's accounting, inventory, and federal reporting systems.

- IDES is poised to pilot a new Human Capital Management system in ERP to replace its 1975 payroll and HR systems.

Significantly enhanced the IBIS benefit information system to prevent, detect, and collect improper and fraudulent UI payments to claimants, resulting in over \$225 million in savings to the UI Trust Fund.

- Building on mandatory work registration implemented in June 2016, enhancements in process include self-scheduling for re-employment workshops, skills self-assessments, and the creation of re-employment plans.

Cross-matched extensive employment and wage records (6 million per quarter since 1990) with college completion records for all universities and community colleges in Illinois and with all high school seniors from 2003-2016 to show wages, wage growth, employment connectivity.

**Operations Improvement – January 2015-September 2018**

In December 2014, IDES met 4 of 15 US Department of Labor performance measures.

- By September 2018, IDES met 9 of 15 measures and is on track to meet them all by the end of 2019, meeting first payment promptness, timeliness, and quality measures for the first time since March of 2005.
- IDES is now meeting all US DOL Secretary Performance Standards
- In December 2014, IDES met four of seven US DOL veterans' performance measures. By June 2016, IDES met ALL veterans' performance measures.
- In January 2015, IDES failed to pass, or did not submit for, US DOL data quality review on any of the 15 benefit populations. In September 2018, IDES passed validation on 12 of the 15 benefit populations and is on track to pass them all by the end of 2019.

2015-2019

- With the rewrite and launch of a new internet claims application, application filing issues by claimants have been reduced by 80 percent. IDES is taking half as many calls as they used to take at the call centers because people are finding it easier to use the online function.

IDES staff answers tens of thousands of calls from employers and claimants each month. The Department expanded call center hours, modernized call center equipment, and increased office locations to avoid disruption, resulting in improved service and reduced wait times.

### **Legislation Signed by Governor**

SB 1941

- Extended unemployment insurance benefits for up to an additional 26 weeks to approximately 2,000 workers laid off from the Granite City Steel Mill. As of March 2018, 502 claims had been processed and \$5.2M had been paid under the additional benefit program.

SB 1381

- Incorporated the agreement between leaders from Business and Labor to move the unemployment insurance “rest stops” or potential unemployment insurance tax increases, from 2018 to 2020. The rest stops are unemployment tax increases and benefit cuts written into the law as an incentive for interested parties to periodically revisit the unemployment insurance system.

## **Department of Financial and Professional Regulation**

### **Public Safety**

Pharmacists are now required to provide more verbal counseling prior to dispensing prescription medications to a new patient; a new medication to an existing patient; and any medications where the dose, strength, route of administration, or directions for use has changed.

- Adds a layer of safety and awareness for those who take prescription medications.

### **Fiscal Responsibility**

Revamped examinations of Illinois currency exchanges to strengthen industry and provide greater consumer protections.

- IDFPFPR believes focusing on risk-based assessments to determine overall financial health will assist in averting crisis for troubled currency exchanges.
- Enables Illinois’ approximately 375 currency exchanges to spend more time serving customers and less time filling out reports with the Department.
- Permits Department to focus more resources on licensees needing assistance and not those in good standing.

Issued guidance to establish the regulatory treatment of digital currency under the Illinois Transmitters of Money Act.

- Encourages business and innovation in Illinois.

Reduced public fund expenditures while maintaining a high performance.

- During FY17, IDFPFPR participated in an agency-wide “gainsharing” program that created incentives for team members to deliver high quality work while spending less.
  - IDFPFPR maintained or exceeded its year-over-year performance on all quality criteria and hit 67% of its goals while spending \$1.4 million less year-over-year.
  - Each eligible IDFPFPR team members earned a non-pensionable gainsharing award of nearly \$600.

2015-2019

- Program was a practical motivator for efficient and effective employee performance.

Contracted supplemental bank exam services to enable a more sustainable bank examination process while establishing public-private partnerships

### **Human Services**

Partnered with the Illinois Department of Corrections and updated internal department policy to allow application for certain professions while incarcerated.

- Prior to the change, an individual with a criminal background had to appear in person for an informal conference which is not possible given these individuals are incarcerated. The policy changed to allow the Department to conduct informal conferences via video conference which can get the ball rolling on getting the license issued prior to release, allowing individuals who have completed vocational training in cosmetology to apply for a professional license within six months of release from a correctional center.
  - Once released, successful applicants may immediately begin working as a Barber, Cosmetologist, or Nail Technician to earn living and make positive contributions to their communities.
  - 19 individuals had received licenses as of December 31, 2018

Championed criminal justice reform to create a path to licensure for those with forcible felonies who have been rehabilitated.

- 3 new applicants have been licensed and 6 existing licensees have been able to keep their license due to the new law.

Adopted Federation of State Medical Boards standards to help guide physicians when prescribing opioids.

Sponsored legislation that became a law in August 2018, requiring all health care professionals holding a controlled substance license to take 3 of their required continuing education hours in safe prescribing.

### **Technology Transformation**

Department now allows nearly 90% of licensees (1.1 million) to apply and renew licenses online.

- Impacted license types include: Advance Practice Nurse, Licensed Practical Nurse, Registered Nurse, Barber, Cosmetologist, Esthetician, Nail Technician, Certified Public Accountant, Massage Therapist, Limited Liability Company, Medical Corporation, Dental, Physical Therapy, Occupational Therapy and Public Accounting Firm.
- Saved estimated \$600,000 annually on paper and postage costs as a result of paperless initiative.
- Drastically reduced license processing times from an average 86 calendar days in January 2015 to about 39 calendar days in March 2018.

Expanded the use of the National Multistate Licensing System (NMLS) to include nearly all non-depository financial services providers, which streamlines the licensure and supervisory process and better facilitates multi-state operations.

Hosted a series of financial innovation office hours, a first-of-its-kind state regulatory initiative, to break down barriers between innovators and government. Initiative also helped both government and fintech industry leaders better understand how regulations impact new, innovative technologies and how such technologies can harm consumers if they are not properly overseen.

### **Additional Agency Transformation**

In October 2016, IDFPR's Credit Union Section earned accreditation from the National Association of State Credit Union Supervisors (NASCUS) for the first time in the State's history.

Division of Banking was re-accredited by the Conference of State Bank Supervisors (CSBS), confirming that the Division maintains the highest standards and practices in state bank supervision.

### **Administrative Operations Improvements**

Championed legislation that repealed the professional licensure requirements for Athlete Agents, Real Estate Timeshares, Land Sales, Internet Auction Listing Services, Real Estate Branch Offices, Non-Bank Affiliated Automatic Teller Machines (ATMs), Check Printers, and Pawnbroker Managers.

- The total deregulation efforts to date eliminate close to 3,000 individual licensure requirements, thus reducing barriers to entry for professionals and offering more consumer choice.

### **Gaming Board**

Increased riverboat casino and video gaming revenues to State and local governments from \$739.4 million in FY15 to \$891.2 million in FY 18—a rise of 20.5%.

- Total distributions to the State increased from \$613.3 million to \$740.4 million.
- Total distributions to local governments increased from \$126.5 million to \$150.9 million.

Presided over successful expansion of video gaming in Illinois, with net revenue to the State and Local governments of \$409.9m in 2018, a 107% increase over four years.

- Distributions to the state government increased from \$165m in 2014 to \$341m in 2018.
- Distributions to local government increased from \$33m in 2014 to \$68.3m in 2018.
- As of December 31, 2018, there were 6,795 licensed locations operating 30,735 total VGTs.
- Illinois is the largest single video gaming jurisdiction in the world.

Illinois is continuing to adopt the most innovative technological advances in the industry, including transitioning all VGTs to the G2S communication protocol.

- Illinois is the first gaming jurisdiction in the world to mandate the transition to the G2S protocol.
- Transition for VGTs began December 1, 2016, and is anticipated to be completed across all locations in the state by July 2019.
- The new software will increase efficiency of maintenance and upgrades, including allowing many tasks to be done remotely which currently require physical access to the VGTs.
- The rollout of G2S statewide will result in time and cost savings for the industry and the State of Illinois, being about to accomplish more with less waste of resources.

Ensured the integrity of gaming and the safety of gaming employees and customers.

- In calendar years 2015 through 2018, IGB police officers conducted more than 70,000 separate investigations and made more than 2,400 arrests at riverboat casinos.

Partnered with the Illinois Department of Revenue to collect overdue tax liabilities from terminal operators (the licensed entities under the Video Gaming Act responsible for payment of video gaming taxes) more quickly.

## **Governor's Office of Management and Budget**

### **Grant Transformation**

Grant Accountability and Transparency Act (GATA) became law in July 2014.

- Modeled from Federal Uniform Guidance (2 CFR 200), implements a statewide life cycle grant management framework of controls and automation for all federal, federal pass-through and state funded grants.
- GOMB statutory mandate.
- Phased implementation began 2015 through GOMB Grant Accountability and Transparency Unit (GATU).
- Bipartisan support of Public Act 100-0676 removed the GATA sunset provision.

GOMB's Grant Accountability and Transparency Unit has worked aggressively to:

- Facilitate active engagement with more than 200 volunteers representing state agency and grantee stakeholders.
- Codified GATA Administrative Rules into 44 Ill Admin code 7000; 41 Ill. Reg. 12265 centralizing automation for pre- and post-award functions and established statewide uniform templates.
- Implemented Illinois Stop Payment List that currently includes 238 unique grantees in non-compliant status.
- Established GATA website, [www.grants.Illinois.gov](http://www.grants.Illinois.gov), with over 436,000 "hits" since inception in 2016.
  - Catalog of State Financial Assistance (CSFA) and public posting of funding opportunities (NOFOs).
  - Resource Library with over 110 supporting items.
  - 21 recorded webinars and more than 40 life cycle grant management trainings; over 13,000 training participants in FY18.
- Implemented a revolving fund as the state agency chargeback mechanism.

Illinois is benefitting from the implementation of GATA:

- Estimate \$258 million in savings/cost avoidance in calendar year 2018.
- Approximately 5,800 entities engaged in registration, pre-qualification and assessments in FY18.
- 11 of 73 (15%) Single Audit findings are expected to be resolved through GATA.

Illinois is nationally recognized as a leader in grants management:

- Federal OMB recognized GATA as a promising practice.
- Council on Financial Assistance Reform (COFAR), which assisted OMB in developing federal Uniform Guidance and the National Council of Nonprofits recommend GATA as the national model for grant management.
- 38 states/jurisdictions and 3 federal agencies are implementing GATA in whole or in part.

Procurement of a Statewide Grant Management System:

- GOMB and DoIT partnered to research and identify a statewide system for life cycle grant management.
- Procurement of the AmpliFund product was completed utilizing a cross-state Master Agreement.
- Planning and implementation phases will begin in January 2019.

**THE RAUNER ADMINISTRATION**

2015-2019

**Debt Management**

In 2016, Illinois issued \$2.8 billion of General Obligation (GO) bonds and \$548 million of Build Illinois (BI) sales tax bonds.

Par	Series	TIC	Sr. Manager	Type of Sale
\$480,000,000	GO Bonds, Series of January 2016	3.99%	Bank of America	Competitive
\$550,000,000	GO Bonds, Series of June 2016*	3.74%	Bank of America	Competitive
\$150,025,000	BI Bonds, Series A of September 2016	2.39%	RBC Capital Markets	Competitive
\$60,010,000	BI Bonds, Taxable Series B of September 2016	2.75%	JP Morgan	Competitive
\$152,000,000	BI Bonds, TE Ref. Series C of September 2016	2.26%	PNC Capital Markets	Competitive
\$186,755,000	BI Bonds, TE Ref. Series D of September 2016	2.51%	Bank of America	Competitive
\$1,303,145,000	GO Ref. Bonds, Series of October 2016	3.70%	Bank of America, Jefferies	Negotiated
\$480,000,000	GO Bonds, Series of November 2016	4.24%	Bank of America	Competitive

\* The June 2016 bonds had the lowest TIC the state has ever received for a GO bond sale with a similar final maturity.

In 2017, Illinois issued \$6.75 billion of General Obligation (GO) bonds and \$671 million of Railsplitter refunding bonds.

In 2018, Illinois issued \$1.5 billion of General Obligation (GO) bonds and \$250 million of Build Illinois (BI) sales tax bonds.

Actively managed the state's debt profile:

- Refunded outstanding bonds to save taxpayer dollars–
  - In fall 2016, issued \$338.8 million of BI and \$1.3 billion of GO refunding bonds produced total savings of \$229 million over the life of the bonds.
  - 15% present value savings on the BI bonds and 8% present value savings on the GO bonds, well above the state's 3% savings benchmark for refunding bonds.
  - Issued \$670,965,000 Railsplitter Tobacco Settlement Revenue bonds to refund existing Railsplitter debt. The refunding achieved \$68.6 million in debt service savings over the life of the bonds, or \$57.6 million in savings in present value terms. The transaction also enabled \$6.4 million to be released from Railsplitter's debt service reserve account and transferred to the state.
  - Issued \$965.8 million of General Obligation Refunding bonds in September 2018, which achieved \$127.2 million in debt service savings over the life of the bonds and \$96.8 million in present value savings.
    - The \$641,160,000 Series A bonds refunded the state's 2003B variable rate bonds and terminated the associated swaps for debt service savings of \$93.6 million over the life of the bonds. The state and its swap advisor were able to negotiate a discount on the swap termination fee of \$3.82 million. Present value savings were \$77.7 million, or 12.1% of the par amount of the refunding bonds.
    - The \$324,610,000 Series B bonds refunded various fixed rate General Obligation bonds for debt service savings of \$33.6 million over the life of the bonds. Present value savings were \$19.1 million, or 5.9% of the par amount of the refunding bonds.

Managed the state's outstanding variable rate debt:

- Replaced expiring letters of credit on the \$600 million in October 2003B bonds with direct placement structure.

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- The letters of credit associated with these bonds were scheduled to expire in November 2016. By switching to the direct purchase structure, GOMB was able to obtain costs less than what it would have been to renew the letters of credit.
- The Series October 2003B Bonds were purchased on November 7, 2016, by four banks. The direct placement agreements have a two-year term and would have expired on November 7, 2018.

Renegotiated the Rating Triggers on the State's Swap Agreements to Provide Downgrade Protection:

- In 2003, the state executed five separate interest rate exchange agreements to hedge the variable rate bonds.
- GOMB's Debt Unit lowered ratings triggers on the swaps giving the state some downgrade protection from having to pay a possible \$111 million (Current MTM) in swap termination payments all at once.
- Negotiations with the counterparties to change the agreements resulted in terms more favorable to the state including lowering the ratings triggers on all of its swaps to below Baa3 or BBB-.
- On the largest swap agreement, triggers were lowered to below Ba1 or BB+ at no cost to the state.

Refunded variable rate debt to fixed rate debt to achieve significant savings and reduce administrative burden:

- In advance of the direct placement agreements expiration date, issued \$641 million of General Obligation Refunding bonds in September 2018 to refund the state's 2003B variable rate bonds and terminate the associated swaps for debt service savings of \$93.6 million over the life of the bonds (as mentioned above).

### **General Obligation Section 7.6 November 2017 ABCD Bonds**

Section 7.6 of the GO Bond Act authorized the issuance of \$6 billion of GO Bonds to pay down the state's backlog of unpaid bills. These overdue bills were accruing interest at rates of 9% or 12% annually.

On November 8, 2017, the state issued \$6 billion in bonds. The issuance achieved an all-in interest cost of 3.5%, resulting in significant annual savings in interest costs. The bond sale generated \$6.48 billion in bond proceeds. This includes \$480 million of premium in addition to the \$6 billion initially generated, as a result of low interest rates and market demand.

The Illinois Office of the Comptroller (IOC) transferred \$2.50 billion of the bond proceeds into the General Revenue Fund and \$3.98 billion into the Health Insurance Reserve Fund. The General Revenue Fund proceeds were used to pay down Medicaid bills, which resulted in \$1.21 billion in federal matching funds from prior year Medicaid liabilities being deposited into the General Revenue Fund. Proceeds from the \$6 billion Series of November 2017 bond issuance helped reduce the state's backlog by more than 50 percent. The bonds will fully mature in November 2029.

### **New legislation**

Drafted amendments to GO and BI Bond Act to allow additional refunding savings in FY17- FY19.

Drafted legislation to create new income tax backed bond structure.

- Would have saved \$250 million over the life of a backlog borrowing when compared to general obligation bond costs.
- Legislation would have authorized a \$6 billion sale with a five-year final maturity.

Drafted legislation to allow for the payment of swap termination costs in association of the refunding of the state's only series of variable rate bonds to fixed rate bonds.

## **Budgeting for Results**

### Progress

- GOMB provides staff, coordination and analysis for the Illinois Budgeting for Results (BFR) Commission.
- BFR is a statutory directive to develop and implement a method to rate and compare the performance of state programs to inform resource allocation decisions.
- BFR provides a framework for state agency mandate relief.
- Under Gov. Rauner's BFR Commission, 72 mandates have been repealed or revised for 21 different agencies.
- An additional 17 mandates are currently subject to legislative approval.
- State agencies provide quarterly program-level performance reporting to GOMB through the Illinois Performance Reporting System (IPRS).
- GOMB has developed and implemented a first-of-its-kind comprehensive program assessment process, which incorporates the Results First benefit-cost analysis tool, provided by the Pew-MacArthur Trust and the State Program Assessment Tool (SPART). Utilizing Results First and the SPART, GOMB has conducted program assessments of seven programs across the adult and juvenile criminal justice policy domains.

## **Budget Management**

### January/February 2015

- Implemented EO 15-8
- Introduced Balanced Budget in first 6 weeks
- Proposed \$6.7 billion in cuts

### Spring 2015

- FY15 Budget Fix to \$1.6B deficit
- \$1.3 billion fund reallocations/ \$454 million interfund borrowing
- Ended FY15 with \$1 billion surplus

### Summer-Fall 2015

- Budget impasse began
- Implemented \$700 million in Budget Management Steps
- Instituted shadow budget process
- Monitored red flags
- December 2015 Stopgap passed

### Winter 2015-2016

- Introduced FY17 Budget
- Coordinated with agencies and vendors

### 2016

- Spring 2016 Budget Working Groups
- FY17 Stopgap passed
- Fall 2016 working group meetings to implement stopgap

### 2017

- Introduced FY18 Budget

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- Assisted with preparation of Senator Brady's budget proposal

2018

- Working groups with Legislative Staff and Members of the General Assembly to successfully pass a 2019 budget.

### **Interactive Budget**

GOMB has added enhanced transparency to the budget process by implementing the Illinois Interactive State Budget, which is a visualization tool for the Illinois State budget posted on the GOMB public website, at Budget.Illinois.gov. The Illinois Interactive Budget is composed of visualizations of the Fiscal Year 2019 Proposed and Enacted Budgets. With this tool, the Fiscal Year 2019 Proposed and Final Enacted Budgets can be displayed as Tree Maps. The budgets can be viewed at either the state agency level or at the fund level. Over time, additional information will be added to the Interactive Budget to allow the public greater understanding of the budget proposed by the Governor and enacted by the General Assembly.

## **Department of Healthcare and Family Services**

### **Behavioral Health Transformation**

Secured Federal 1115 waiver

- With the approval of the state's 1115 waiver and several state plan amendments, Illinois is transitioning to a higher-value, higher-quality, and more sustainable behavioral health ecosystem that integrates the delivery of behavioral and physical health.
- Behavioral Health Transformation will lead to better health outcomes for the 3.2 million Illinoisans on Medicaid.
- Improved behavioral health treatment will bend the healthcare cost curve in Illinois, help turn the tide of the opioid epidemic, reduce violent crime and violent encounters with police, and improve maternal and child health.

The Behavioral Health Transformation also included the development of Integrated Health Homes (IHH). IHH is a comprehensive system of care coordination for Illinois Medicaid individuals with chronic conditions.

### **Implemented Child Support Income Shares**

Implementing the Income Shares method, brought the State of Illinois in line with a model of child support that has already been adopted by 40 other states and is considered the best practice by child support experts.

This model takes into consideration the incomes of both parents instead of only the income of the non-custodial parent. This results in a more equitable system that ensures that the child with divorced parents receives a level of support analogous to that of a child living with both parents.

### **Redesigned Hospital Assessment through signage of bipartisan Hospital Assessment Bill (SB 1773)**

The redesigned hospital assessment moves the state toward better care ensuring that payments follow services for Medicaid beneficiaries while at the same time supporting safety net and rural hospitals.

- Allows the state to continue to receive federal matching funds to offer services for Medicaid beneficiaries through the Hospital Assessment Program, which brings in \$3.5 billion annually.
- Allows the state to draw down as much federal revenue as we permissibly can and helps medical providers transition to more effective health delivery models.

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- New assessment will enhance healthcare for Illinois residents and will help keep Medicaid sustainable for the future.

### **Transformed Medical Assistance with HealthChoice Illinois: Managed Care Reboot**

HealthChoice Illinois streamlines procedures to better serve patients and providers, while providing better care to beneficiaries by emphasizing care coordination, access, prevention and chronic disease management.

Expanded the managed care program to every county in Illinois covering over 80% of Medicaid Beneficiaries and reduced the number of contracted Managed Care Organizations (MCOs) from 12 to 7 ensuring the department can properly oversee all MCOs.

### **Expanding Telehealth Opportunities**

Brought together a diverse group of professionals to make recommendations on how to expand telehealth opportunities in Illinois.

- Various initiatives are underway in our state in this critical area, but no comprehensive plan had been developed across stakeholders and geographies – rural and urban – to address this issue for Medicaid beneficiaries. The goal of the Task Force is to leverage best practices within and beyond our state to outline a strategy to modernize Illinois’ existing services and infrastructure in alignment with our broader health and human services transformation efforts.
- The Task Force developed a comprehensive report making over 40 recommendations focusing on behavioral health, chronic disease management, infrastructure and outreach.

### **Extended the sunset date for the Covering All Kids Health Insurance Act**

Ensured health insurance coverage for over 40,000 children in Illinois.

- Under the Affordable Care Act, all states are mandated to maintain eligibility for children’s health coverage and not make any change in standards, methodology or procedures that would restrict eligibility beyond those in effect in the state as of December 2009.
- This mandate remains in place through September 30, 2019. The penalty for failing to maintain eligibility would be severe as it would mean total loss of all reimbursement to the state for all eligible individuals under Title XIX and Title XXI.

## **Illinois Board of Higher Education**

### **Illinois Best in Nation in Community College Transfer/Baccalaureate Degree Completion**

- Annually 40,000 - 45,000 Illinois students transition between and among Illinois institutions of higher education. The Illinois Articulation Initiative (IAI) is a voluntary, cooperative system comprised of public and private institutions of higher education and thousands of general education and major-specific courses. The IAI structure ensures that community college students will have the best possible opportunity to take the credits they earn at their community college and successfully transfer these credits to a public or private university such that both the costs associated with and time to completion of the baccalaureate degree are greatly improved.
- The IAI improves alignment between IBHE, ICCB and their respective institutions, enabling more Illinois students to turn their associate degrees into bachelor’s degrees.
- The IBHE works in concert with ICCB and public and private institutions across the state to successfully grow, manage and ensure the quality of the IAI.

**Alignment of College Degree Completion and Employment Outcomes – Partnership on the Career Outcomes Tool**

- Worked closely with ICCB, ISAC and IDES to develop a comprehensive data sharing agreement to report to institutions of higher education and current and prospective students the career/employment outcomes of college graduates.
- Results of this effort have culminated in the unprecedented ILCollege2Career Tool, which enabled students to make data driven decisions to align their educational and employment goals.
- IBHE and IDES data show the most popular economic sectors for recent Illinois graduates include healthcare and professional, scientific and technical services.

**Streamlined Approval Processes for Illinois Private Business and Vocational Schools (PBVS)**

- The PBVS sector is comprised of approximately 200 postsecondary schools that provide vocational training to an average of 40,000 - 45,000 students in Illinois each year.
- PBVS entities are small businesses in their own right that provide, in many cases, valuable workforce development training.
- Decreased the processing time for new entities seeking to provide vocational training in Illinois from an average of 12-18 months to a maximum of 90 days.

**Launched the Nation’s First Competency-Based System of Education, Credentialing and Professional Development for the Illinois Early Childhood Workforce**

- Worked closely with the Governor’s Office of Early Childhood Development, the Illinois Network of Child Care Resource and Referral Agencies, IDHS, ISBE, ICCB and many other stakeholders to create a clear pathway to improve the preparation, skills and professional opportunities of early childhood educators.
  - This groundbreaking work is a national model in the field of early childhood education, as well as competency-based education, workforce development and career pathways arenas.

**Student Transitions – Early College and Transitional Coursework Opportunities**

- Played a leadership role with the state’s other education agencies advancing key policies and programs supporting the state’s high school graduates to successfully transition to college and careers.
- Adopted policies to promote and grow dual credit coursework, which reduces the time it takes to complete a degree, saving time and money and allowing students to bypass certain introductory and remedial classes.

**Illinois Housing Development Authority**

**Affordable Housing**

IHDA lends state and federal resources to developers who build or rehabilitate apartments offering affordable rent. Since 2015, IHDA has invested \$723 million in nearly 14,000 units of affordable housing.

- Investment created quality homes across the state serving working families, veterans, seniors and persons with special needs.
- The Authority’s current portfolio consists of 1,270 properties containing 95,715 units, meaning one out of every 18 apartments in the state – more than 5.5 percent – was financed by IHDA.
- Expanded its multifamily business to include first mortgage lending, bringing low-cost capital to an increasingly underserved market. Programs provide first mortgages with aggressive fixed rates

that offer a broader range of lending options for developers of affordable housing in Illinois, all available through one common application.

- Became authorized to participate in the Federal Financing Bank (FFB) Risk Sharing initiative. As a result, IHDA is able to offer significantly lower interest rates to support the development and preservation of affordable rental housing.
- Amended its Low-Income Housing Tax Credit Program to address the growing number of foreclosed and vacant single-family homes.
  - For the first time, our developer partners use the program to acquire and rehabilitate scattered-site foreclosed single-family properties, transforming them from eyesores into affordable rental homes.
- Secured a \$6.4 million award from the U.S. Department of Housing and Urban Development's Section 811 Project Rental Assistance program.
  - Funds used to provide affordable rental housing and supportive services to 200 low-income persons with disabilities, many of whom are transitioning out of institutional settings (hospitals, nursing homes, etc.) and back to the community.
- IHDA named the Participating Jurisdiction for the federal HOME program in Illinois, permanently streamlining an important housing program for the state to provide more timely support for developers of affordable housing.
  - As the Illinois' Participating Jurisdiction, IHDA is the direct recipient of program funding from HUD and does not rely on appropriations from the state.
  - The change reduces the length of each HOME draw request by three weeks.
- Advocated for legislation that extended the Illinois Affordable Housing Tax Credit for an additional five years.
  - After more than a year of advocacy, the creation of a task force, and a Subject Matter Hearing with the Senate Revenue Committee, the extension became law when Governor Rauner signed SB2921 to preserve the credit through 2021.
- A total of 22 developments received awards of Low Income Housing Tax Credits (LIHTC) in 2017. 1,445 units of affordable housing will be preserved or created with these tax credits.
- Introduced an innovative FHA Risk-Sharing pass-through structure that provides credit enhancement to permanent loans.
  - The Authority partners with banks to provide construction financing. Through a forward bond purchase agreement, the Authority then delivers a long-term bond or loan.
  - In the case of a bond, the security will have a CUSIP and a rating. This makes the bond marketable and provides flexibility for a bank to either hold or sell the bond over time.
  - The structure effectively eliminates any credit risk to the bank since HUD and IHDA assume all the risks through the FHA Risk-Sharing credit enhancement.
- Received an additional 12.5% allocation of Low Income Housing Tax Credits (LIHTC) in 2018. This translates into approximately \$3 million in additional tax credits.
  - A total of 26 developments were awarded tax credits in 2018, which will be used to preserve or create more than 1,380 units of affordable housing.
- Requested applications for \$12 million in rental assistance from the Section 811 Supportive Housing for Persons with Disabilities program.
  - Funds will be used to provide affordable rental housing and supportive services to 200 low-income persons with disabilities, many of whom are transitioning out of institutional settings (hospitals, nursing homes, etc.) and back to the community.
- Announced a 5<sup>th</sup> round of the Permanent Supportive Housing Development Program, requesting applications for financing to create supportive housing serving extremely low-income persons with disabilities, persons experiencing homelessness, and other vulnerable populations.

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- Program will fund developments containing no more than 25 units – smaller properties that may not be good fits for other financing programs.
- Received increased allocations of National Housing Trust Fund (HTF) and HOME funds in 2018.
  - HTF increased from approximately \$4.5 million in 2017 to approximately \$9 million in 2018.
  - HOME funds increased from approximately \$11 million in 2017 to approximately \$16 million in 2018.
- Received approval for a total of \$236.5 million in 1<sup>st</sup> mortgage financing for affordable housing developments.

### Homeownership Production

- Originated \$687 million in first mortgages, with the help of our network of over 160 approved lenders, to assist approximately 5,500 families to purchase a home, generating 2,900 jobs and infusing \$150 million in Illinois' economy.
- Made homeownership possible for over 19,000 working families since 2015.
- Helped people purchase a home in 62 of Illinois' 102 counties.
- Helped 316 homeowners with underwater mortgages receive approximately \$11.7 million in assistance to buy down their principal balance, erasing their negative equity and allowing them to refinance into a new affordable loan based on the current market value of their home.
- Assisted homeowners to reduce their principal mortgage balance and save an average of \$360 on their new monthly loan payments.
  - On average, each household used approximately \$37,000 in assistance with the I-Refi Program.
- Helped provide down payment assistance, competitive interest rates, and tax credits to creditworthy low- and middle-income families.
- Launched @Homellinois.
  - The program targets first-time and repeat homebuyers or homeowners looking to refinance, offering a suite of personalized solutions that could be tailored to the borrower's individual financial situation. Benefits include \$5,000 in Down Payment Assistance (DPA), competitive interest rates, lender-paid mortgage insurance and tax benefits. This was the first time IHDA offered down payment assistance for repeat homebuyers.
- Launched the 1<sup>st</sup>Homellinois program.
  - The U.S. Treasury approved IHDA to utilize its Hardest Hit Fund (HHF) resources to jumpstart the housing market in ten targeted counties hit hard by the foreclosure crisis: Boone, Cook, DeKalb, Fulton, Kane, Marion, McHenry, St. Clair, Will and Winnebago.
  - IHDA targeted these counties as they are above the state average in distressed housing market indicators such as delinquency rates, negative equity and foreclosure rates. The program provides \$7,500 in DPA, forgiven over 5 years, with a secure, 30-year fixed rate 1<sup>st</sup> mortgage.
- Launched the I-Refi program in August. Provided via a partnership between IDHA and the U.S. Department of the Treasury, I-Refi helps homeowners who have been current on their mortgage payments for at least twelve months and are at least 10% underwater on their loan.
  - Program offers up to \$50,000 in federal assistance, funded through HHF, to buy down a mortgage and refinance into an affordable 30-year fixed rate 1<sup>st</sup> mortgage.
- Launched Access 4%
  - Program is designed to increase home purchase accessibility by offering a 10-year forgivable 2<sup>nd</sup> mortgage of 4% of the purchase price (up to \$6,000) in down payment

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and/or closing cost assistance with a 30-year fixed rate 1<sup>st</sup> mortgage to qualified households across Illinois.

- Launched Access 5%
  - Program designed to increase home purchase accessibility by offering a deferred 2<sup>nd</sup> mortgage of 5% of the purchase price (up to \$7,500) in down payment and/or closing cost assistance with a 30-year fixed rate 1<sup>st</sup> mortgage to qualified households across Illinois.
  - Repayment will be deferred for 30 years, unless repaid sooner, or in the event of a refinance or sale of the property, at which time the funds will become due.

### **Foreclosure Prevention**

Secured an additional \$269 million in federal Hardest Hit Funds under the U.S. Treasury's fifth allocation round.

- Funding is used to re-launch the Illinois Hardest Hit Program to offer up to \$35,000 in reinstatement and ongoing monthly mortgage assistance to homeowners who have experienced a 15-percent drop in household income.
  - More than 67,800 Illinois residents have received direct assistance through the Hardest Hit Program, in the form of one-on-one counseling, since 2015.
  - Launched Reverse Mortgage Assistance under the Illinois Hardest Hit Fund.
    - Eligible homeowners with reverse mortgages who have experienced a qualifying hardship will receive up to \$35,000 to pay overdue property taxes, eligible property expenses and will receive assistance in paying future taxes and insurance for up to two years. In order to receive assistance, homeowners meet with HUD-approved housing counselors to develop a financial recovery plan.
- Funding also used to launch the I-Refi program, a new refinance program that helps underwater homeowners escape their negative equity. I-Refi offers up to \$50,000 to buy down the mortgage and refinance the borrower into an affordable 30-year fixed-rate loan.
- Funding also used to continue funding the 1<sup>st</sup>HomeIllinois program to reinvigorate local housing markets with \$7,500 in down payment assistance for first-time buyers, and extended the Blight Reduction Program to help local governments eliminate vacant properties.
- Helped Illinois homeowners save their homes from foreclosure by connecting them with HUD-certified counselors who can help them understand their options and navigate the foreclosure process to reach a favorable outcome.

### **Community Revitalization Efforts**

IHDA supports hard-hit communities still struggling with the economic and social costs produced by the foreclosure crisis with programs for local governments and not-for-profit partners as they target blighted, vacant residential properties for maintenance or demolition, greening and eventual reuse. IHDA also funded programs that allow homeowners to make necessary repairs and accessibility improvements, allowing residents stay in their homes while improving the quality of single-family housing in neighborhoods throughout Illinois.

- Community Revitalization is the implementation of intentional efforts that are likely to lead to measurable increases in access to employment, living wage jobs, healthcare, supportive services, community amenities, transportation, quality and affordable housing stock. Community Revitalization plays a prominent role in ensuring the health and success of Illinois communities, and therefore, IHDA is a strong proponent of these processes.
- Provided funds for the maintenance, demolition and reuse of 2,300 properties for community revitalization efforts.
- IHDA's blight reduction programs provided \$12 million to help municipalities and community development organizations maintain or demolish 3,100 abandoned properties.

## THE RAUNER ADMINISTRATION

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2015-2019

- Hired its first dedicated Community Revitalization Specialist. The Authority now offers free technical assistance to communities and often has staff in the field meeting directly with community leaders, municipal planning staff and developers. Our menu of services now includes advance review of plans, advice on coordination of plan elements, knowledge of existing linkages to build connections and plan construction.
- Launched Round 2 of the Habitat for Humanity Community Impact Loan Program. IHDA allocated \$1 million in Affordable Housing Trust Fund resources to provide forgivable loans to help an estimated 50 low- and very low-income families in Central and South-Central Illinois to become homeowners. Funds are used to offset the acquisition, construction, or rehabilitation costs of a newly built or renovated home.
- Advocated for the extension of the Abandoned Residential Property Municipality Relief Fund. Under the approved bill, signed by Gov. Rauner in August (SB0647), the sunset date of the foreclosure filing fee paid by lending institutions is now January 2020.
- Awarded \$9.6 million in Abandoned Property Program funds to help 67 municipalities and local governments maintain or demolish abandoned homes within their jurisdictions.
- Launched a new funding round under the Home Accessibility Program, providing grants to units of local government and non-profit organizations to help low-income homeowners make costly repairs and modifications that increase accessibility. Eligible homeowners may receive up to \$25,000 to make home repairs and improvements.
- Launched a new funding round under the Single-Family Rehabilitation Program, providing grants to units of local government and community-based organizations to help low-income homeowners address health hazards and repairs they would have otherwise been unable to afford. Homeowners may receive up to \$45,000 to make overdue repairs.
- Won an award of \$1.125 million from Neighbor Works America's Project Reinvest program to offer free financial counseling to individuals who are at risk of foreclosure or recovering from a foreclosure. IHDA allocated program funds to 19 housing counseling agencies to assist clients in stabilizing their financing, rebuilding their credit and establishing savings for the long term.
- Expanded its community revitalization efforts by working with local governments and non-profit organizations to offer programs that address vacant residential properties and the blight that usually follow to benefit communities.
  - In addition, IHDA has launched an effort to enhance our collaborative planning efforts and increase the education and technical assistance we provide.
  - IHDA offers assistance to cities in community revitalization planning, whether they are just getting started or already have a plan. A Community Revitalization Specialist works closely with local staff, municipal and county leaders, and community organizations to guide these planning efforts.
  - IHDA's annual conference features an Empowering Communities track for municipal officials and staff, offering an opportunity to learn about IHDA's programs and how they can address their specific housing needs.
- The IHDA Board approved IHDA's Round 3 grant allocation of \$1 million for the Habitat for Humanity Community Impact Loan Program.
- Launched a third funding round under the Abandoned Properties Program. The Authority awarded \$8.5 million to 59 municipalities and local governments to maintain or demolish abandoned homes within their jurisdictions. We received 79 applications requesting \$12.3 million.
- Launched the Land Bank Capacity Program and Technical Assistance Network, a new initiative designed to offset the cost of creating and operating land banks. Nine municipalities, counties, land banks and two technical assistance providers received the first awards under the program to improve planning and land banking capacity in communities outside of the Chicago metro area. Grantees will receive individualized assistance to set goals and determine local needs, and will

receive program funds to reimburse start-up expenses, legal fees, staffing, and initial acquisition costs associated with land bank.

### **Leadership and Capacity Building**

Leadership and Capacity Building within the Authority is vital to enhancing collaborative planning efforts to foster productive housing policy changes.

- Instituted the Leadership Academy to serve as an internal training and mentoring program for employees who demonstrate potential for significant growth in responsibility and interest in advancement. IHDA also implemented a rapid results program that removes obstacles to employee innovation and allows employees to change processes that impede good customer service.
  - Easier: Completed projects have resulted in approx. 1,300 hours of time savings.
  - Better: Hundreds of process steps were eliminated.
  - Faster: Completed projects have reduced turnaround by over 250 days.
  - Cheaper: Process improvements have resulted in an estimated cost savings of more than \$45,000.

### **Department of Human Rights**

Launched the Illinois Sexual Harassment and Discrimination Helpline and Website

- Offers callers the option to anonymously report instances of sexual harassment and discrimination, obtain information and assistance on how to file sexual harassment and discrimination complaints, and obtain information about counseling services, legal services and training services.

Conducted more than 600 training sessions to private and public-sector employees in response to concerns over the prevalence of sexual harassment.

Developed four sexual harassment PSA's in English and two in Spanish.

- Raised awareness of what is sexual harassment and discrimination.
- Raised awareness of Illinois new *Sexual Harassment and Discrimination Helpline*.

Developed PSA celebrating PRIDE Month.

- Discussed LGBTQ rights in the workplace and in housing.

Created a first of its kind Fair Housing Guidebook.

- Aids housing professionals in eliminating housing discrimination and achieving diverse, inclusive communities.
- *The Guidebook on Reasonable Accommodations and Modifications* offers clarification on which accommodations and modifications must be made in housing for persons with disabilities, in accordance with the Federal Fair Housing Act.

Collaborated with the Governor's Office to develop state-wide guidance on sexual harassment prevention.

Partnered with Illinois Human Rights Commission, and the Bureau of Administrative Hearings to aid in addressing the backlog of cases awaiting adjudication.

- IDHR championed this partnership to eliminate the backlog at the Commission by examining and seeking process improvements, entering intergovernmental agreements and sharing resources.
- Aided in the reduction of the backlog at the Commission.

2015-2019

- 44% reduction of pending cases at the Commission.
  - Dropped from more than 2,500 to 1,445.
- Request for review backlog has decreased by 40%.

Initiated a statewide campaign promoting Fairness and Equality.

- Engaged Municipalities and Universities statewide in recommitting to promoting Fairness and equality in their communities.
- Hosted six flagship events, recognizing leaders in six cities, across the state, for their dedication to promoting fairness and equality.

## **Department of Human Services**

### **Ethics**

From July 2017-November 2018, the Home Services Program Fraud Unit reviewed 1274 allegations of fraud - of which 498 Individual and Agency Provider related fraud cases resulted in approximately \$2 million in calculated overpayments and 313 providers terminated for reasons ranging from abuse/neglect to fraudulent billing.

### **Economic Empowerment**

Increased number of SNAP cases cancelled due to earnings increases.

- In FY18 there were 84,538 SNAP cases with newly employed recipients compared with 78,380 cases in FY15 (8% increase).
- In FY18 23,164 SNAP cases were cancelled due to earnings as compared to 10,471 in FY15 (121% increase).

Increased Vocational Rehabilitation (VR) Program placements.

- In FY18, the Division of Rehabilitation Services (DRS) Vocational Rehabilitation (VR) Program increased employment outcomes by 4% (179 outcomes) over FY17.
- Through the first 5 months of FY19, VR has 15% more outcomes than in the first 5 months of FY18 and is on track to achieve their FY19 goal of increasing outcomes by 15% over FY18.

### **Fiscal Responsibility**

Saved about \$4.5 million a year by converting state-funded Bridge subsidies to federally funded Section 811 Housing Choice Vouchers.

- 685 individuals have been converted with a GRF savings of \$376,250 per month or \$4.5 million/year.

Reduced by half the percentage of super-utilizers (3 or more annual visits) at Madden SOPH.

- Super-utilizers account for a disproportionate share of spending at Madden SOPH, which provides “civil” (non-forensic) care. With focused attention on Medicaid enrollment and eligibility maintenance, many of these individuals can be treated more appropriately in the community.
- Since the start of FY16, the Division of Mental Health (DMH) has reduced the rate of individuals with 3+ admissions to Madden Health Center in a 12-month period by nearly 50%, from 4.59% to 2.44%. In FY16, there were 105 individuals with 3+ admissions to Madden, compared to 47 individuals with 3+ admissions in the 12-month period ending in November 2018.
- As part of this work, Madden has assisted with application and enrollment of over 500 individuals for the Medicaid program and over 250 individuals for SNAP.

2015-2019

Reduced transportation expenses by 40% since 2015.

- Includes personal vehicle reimbursement.
- Reduced from \$1.2 million to \$738,000.

Reduced paid administrative leave positions from 91 in FY17 to 2.

### **Technology Transformation**

Modernizing agency with transition to tablet-based systems, reducing needs for administrative staff and making processes more efficient.

- Allows for real-time data entry, standardization and analysis of results.

### **Human Services Transformation**

Department moved 602 people out of institutions into community settings from July 2017 until December 2018.

- Moved 424 from Williams Consent Decree
- Moved 89 from Ligas Consent Decree
- Moved 89 from SODC's

Worked to reduce opioid deaths by implementing Naloxone training, launching the Opioid Helpline and expanding the Prescription Monitoring Program.

Toward the goal of increasing opioid overdose reversals, the Division of Substance Use Prevention and Recovery (SUPR) has funded and overseen the training of over 40,000 individuals in Naloxone administration since the start of FY18.

The Prescription Monitoring Program (PMP) has increased the number of providers who have integrated PMP functionality into their electronic health record (EHR) systems from 14 providers in September 2017 to 58 providers in November 2018.

- During that same time period, the number of monthly users has more than doubled, and queries via automated connections have increased by over 500% (from approximately \$717,000 per month to over \$4 million per month).

### **Administrative Operations Improvements**

- Increase the percentage of forensic population who exit waitlist before 30 days to 50%.
  - Through reallocation of capacity and focused treatment the Department has been moving forensic cases more quickly out of jails into appropriate treatment.
  - From May 2017 through October 2018, DMH increased the percentage of individuals exiting the forensic wait list and being admitted to a State-Operated Psychiatric Hospital in less than 30 days from 6% to 70%. From December 2017 to October 2018, DMH increased the percentage exiting the wait list in less than 20 days from 10% to 50%.

## **Department of Innovation and Technology**

Created the Department of Innovation & Technology (DoIT), a new state agency charged with maintaining the information technology functions of state agencies and modernizing the state's technology systems to improve the efficiency of state government, enhance the delivery of services to citizens and better protect the valuable data entrusted to the state, through Executive Order 2016-01.

### **Administrative Operations Improvements**

Integrated all state IT personnel, nearly 1,500 employees, into one agency.

2015-2019

- Created advisory boards consisting of agency directors, representatives from the Governor's Office, GOMB and Illinois-based organizations to provide knowledge, expertise and guidance development of Illinois' IT strategy.
- Established cluster Chief Information Officer positions to lead transformation activities within each of seven vertical business alignments.
  - Alignments include: Families, Children, Elderly and Veterans, Government and Public Employees, Business and Workforce, Natural and Cultural Resources, Public Safety, Students and Transportation.
  - Positions were structured to accelerate IT Transformation from within agencies, aligned in groups by common customer set and service delivery.

Created the Enterprise Project Management Office to support enterprise project validation processes, project management methodology and serve as a communication vehicle for portfolio alignment and project status.

- Focused on supporting an IT governance model to align IT spending with strategic priorities, encourage reuse of resources and establish enterprise standards.

Established Competency Centers to enable agency collaboration and share resources to build standards, best practices and enable tools, processes and procedures across the state.

Established an Enterprise Service and Rates Committee to oversee the transformation of the DoIT business into a services-oriented technology organization.

- Focused on identifying and delivering the right services at competitive rates and measuring the delivery quality of services requested by DoIT customers.

The transformation supported the administration's enterprise approach by allowing IT staff to continue to serve and be co-located at their originating agencies while engaging and uniting staff, promoting collaboration and cultivating a borderless IT culture throughout the State of Illinois.

### **Technology Transformation**

Recognized by the Digital States Survey in September of 2016 for moving from the bottom fourth to the top third in the nation for technology effectiveness and utilization in government. The rating was sustained and continued in 2018.

- Launched the First Enterprise Financial Platform (through Enterprise Resource Planning-ERP), bringing greater efficiency to government operations.
  - ERP offers a single system for finance, human resources, procurement, grants management, asset management and other administrative functions of Illinois agencies.
  - The integration of legacy systems across the state will help with reporting and auditing transparency and allow agencies to streamline their GAAP and audit reporting processes and improve the ability to coordinate and manage shared services.
  - There are currently 45 agencies live on the SAP platform that runs ERP.
- 80% of all agencies have been migrated to the Illinois.gov Platform to realize enterprise benefits including centralized IT Services, virtual environments for space and cost savings, cloud services, volume licensing, standardization and 24/7 monitoring.
- Began migrating agencies to the Cloud to centralize service delivery, including labor, hardware and security provided by an organization that has the staff already trained and available to support an established, reliable and secure environment that adheres to the National Institute of Standards and Technology (NIST) to promote innovation and industrial competitiveness.
- Created Enterprise Architecture by using business and technical reference models to establish a blueprint to guide decisions without ambiguity.

- Released the first agency Sheltered Market RFP in IT Consulting to promote minority and disadvantaged businesses.
- Collaborated with 10 other states and the National Association of Purchasing Officers (NASPO) on a Cloud Services RFP, which established the foundation for increased usage of cloud services in Illinois by leveraging the existing statewide and backup datacenters.
- Expanded the Going Mobile in Illinois strategy, with an increase in mobile enabled citizen interactions from 73 to 90 percent.
- Launched Next Generation Web Platform for the state, which was first introduced for the Governor's Bicentennial Committee's efforts. To date, 90 percent of state websites are modernized with a consistent, mobile-enabled platform and real-time content management capabilities.
- Established an approach for rapid progress toward Shared Enterprise Applications for common capabilities across Illinois government entities.
- Issued the Information Technology Resource Provider (ITRP) program to accelerate the procurement of IT consulting contracts, which was historically difficult and cumbersome to navigate.
- Secured citizen information issuing the first comprehensive State of Illinois Cybersecurity Strategy.
  - Appointed the State's first Chief Information Security Officer (CISO).
  - Provided an enterprise plan to protect all state systems and information from attackers.
  - Secured nearly 6 billion records of sensitive information by working across agencies, boards and commissions to encrypt or remove the records containing sensitive data.
- Introduced Enterprise Wide Cybersecurity Training Program available to employees of state agencies served by DoIT to empower staff to be the first line of defense against cyber threats. More than 47,000 employees received training in 2017 and in August of 2017 legislation was signed to require cyber training of employees at agencies under the executive branch. DoIT successfully led the training rollout in 2018.
- Established a State Data Analytics Practice and hired Illinois' first data officer, data scientist and data architect.
  - The practice supports established standards for evaluating data to strengthen decision making across state agencies to share appropriate data and make informed decisions towards serving Illinois citizens.
- Facilitated an enterprise memorandum of understanding (eMoU) among 13 state agencies for Data Sharing Practices and encourage inter-agency data sharing to improve state services.
- Built an Enterprise Program Management Office (EPMO) to provide visibility into IT projects across all executive office entities.
  - Information provided by project managers and Chief Information Officers across the enterprise helps to identify synergies and opportunities for resource sharing, coordinating IT investments, services and projects and aligning strategy with capability.
- Acknowledged internationally as the First Smart State in the Nation.
- Served as host for two collaborative smart state workshops and hosted the NGA's "Smarter States, Smarter Communities Learning Lab" in October of 2018, focusing on implementing technology to enhance livability, workability and sustainability within Illinois.
- Launched the collaborative Illinois Blockchain Initiative to explore the innovations of blockchain and distributed ledger technology and their impact on government.
- Opened an Innovation Center at the James R. Thompson Center (JRTC) to provide work space for innovative and collaborative projects.
  - These have included student technology boot camps, hackathons and other meetings, presentations, "meet and greets" with city, county and state technology leaders.

2015-2019

- Partnered with the University of Illinois to capitalize on synergies in analytics, cybersecurity and emerging technologies, to provide resources to the State of Illinois and build towards a future workforce in Illinois.

#### **Additional Agency Transformation**

Held quarterly Employee Town Hall meetings via live video streaming, allowing employees to ask questions to a panel of executive leadership.

Held bi-monthly CIO Council meetings bringing together agency CIOs to align strategies and best practices.

DoIT leadership team attended an overview course on Rapid Results to better understand the methodology and to identify appropriate projects and personnel for Rapid Results training.

Hosted Strategic Planning Summits, bringing together Directors, CIOs and business leaders to identify and focus on enterprise-wide missions and strategies supported by DoIT to align with the Governor's initiatives.

### **Department of Insurance**

#### **Technology Transformation**

- Conducted a technology check and decommissioned seven redundant servers, resulting in an annual savings of \$58,200.
- Replaced Polycom video equipment with less expensive Cisco video equipment, moving agency staff to the no-cost WebEx solution saving on monthly telecom expenditures and removing outdated IT equipment.
- Eliminated 73 % of DOI records, resulting in the review and destruction of almost 6,000 boxes of obsolete records and eliminated the need for offsite storage.
- Partnered with the Department of Homeland Security and DoIT to conduct a Cyber Resilience Review exercise at DOI.
- Started the implementation of a modernized Consumer Complaints System to replace the old, unsupported legacy system.

#### **Administrative Operations Improvements**

- Director Hammer was named Chairman of the National Association of Insurance Commissioners Property and Casualty Insurance Committee in 2018, bringing Illinois the highest level of leadership it has had in decades on national property and casualty property issues.
- Streamlined the Department's reporting structure by moving the Producer Regulatory Department under the Enforcement and Investigations Division.
- Partnered with Industry leaders to develop a new tool to assist the Compliance staff with policy reviews.
- Improved service to our internal Division partners by assigning attorneys to each Division within the Department.

#### **Additional Agency Innovation**

- Became the first and only state in the nation to revise the Essential Health Benefits Benchmark (EHB-benchmark) Plan. The revised EHB-benchmark Plan, approved by federal CMS, included five new requirements expanding access and coverage for mental health and substance use disorder services to help treat substance use disorders and fight the opioid crisis in Illinois. DOI

2015-2019

also received federal grant funds to research and potentially revise future EHB-benchmark plans to assist Illinois consumers.

- Received national recognition as the only state in the country to receive an ‘A’ grade for mental health parity on the Kennedy-Satcher Center for Mental Health Equity report card.
- Began conducting targeted market conduct exams focused on mental health parity.
- Worked to provide innovative solutions to increasing health care costs. As a result, Illinois consumers received some average rate decreases on premiums purchased on the Exchange for the 2019 plan year for the first time since the inception of the Affordable Care Act.
- Created the Division of Innovation to work with insurance companies on emerging innovative products to serve Illinois consumers.
- Recovered roughly \$11 million for Illinois policyholders through the Life & Annuity Unit’s traditional complaint process and with the implementation of the Life Policy Finder.
- Streamlined Get Covered Illinois ACA Call Center and IT infrastructure leading to roughly \$2 million in cost savings.
- Reduced regulation by 20% through repeal of outdated or duplicative rules and company bulletins.
- Revamped the market conduct examination process to improve efficiency, save costs, and decrease burden on industry.
- Enhanced consumer protection and identification of potential consumer harm by implementing monthly communication meetings between the Complaints, Market Conduct and Innovation Divisions.
- Informed consumers by holding and attending over 108 events throughout Illinois for consumers to answer questions face-to-face about Open Enrollment, health care and mental health parity in a location that was convenient for them in 2017 and 2018.
- Mapped the processes of the Worker’s Compensation Fraud Unit, the Human Resources Unit, the Market Conduct Exam Unit, the Pension Unit, and Record Retention Unit to streamline processes and increase efficiencies.

## **Department of Juvenile Justice**

### **Education**

Increased the rate of high school graduation for students enrolled in the IDJJ School District from .10 in FY14 to .32 through FY17.

- This is more than a 200% improvement.
- The average rate of graduation for enrolled students for the State of Illinois overall in 2017 was .19.

School District 428 achieved 100% valid Individualized Education Plan compliance in 2017 and has maintained substantial compliance with this component of the *RJ v Mueller* consent decree since July 2017.

- In January 2016, less than half of IDJJ youth entitled to special education services had a valid IEP, as required by state and federal law.
- From January 2016 to July 2017, the IEP (Individualized Education Plan) compliance rate at IDJJ improved by more than 100%.
- Since July 2017, IDJJ has maintained an average IEP compliance rate across the Department of 96%.

2015-2019

Recognized that education is a critical component of both reducing future risk of offending and helping youth achieve positive outcomes, filled long-vacant educator positions, and got kids back in the classroom. The Department is now in compliance with required general education staffing ratios and has qualified, credentialed teachers teaching in every IDJJ school.

Began offering post-secondary programming.

- Post-secondary/college courses were first offered in two facilities in Spring 2017, and included horticulture, commercial custodial, culinary arts and construction trades courses.
- By September 2018, IDJJ provided post-secondary vocational certificate and collegiate programs for youth in all 5 facilities.
- As of December 2018, 12.7% of the IDJJ population is currently enrolled in post-secondary education while being housed in IDJJ facilities.
- Course offerings have expanded to nursing/healthcare track; general collegiate education; entrepreneurship and solar technology. Barbering and Cosmetology will begin in Spring 2018.

Partnered with private donors to create a college scholarship program for youth housed at IYC St. Charles.

- Thus far, six youth from IYC St. Charles have won full scholarships and are currently attending Illinois colleges.
- To win scholarships, youth must be high school graduates in good standing who participated in post-secondary programming and demonstrated a commitment to furthering their education.
- Youth must apply and write an essay explaining their educational and career goals. Winners are selected by a panel of administrators from Lake Land College and the University of Illinois, along with student advisors.

### **Criminal Justice Reform**

During this administration, Illinois focused on ensuring only those youth who pose the highest risk were incarcerated in IDJJ facilities, excluding status offenders, misdemeanants and low-risk youth from IDJJ custody.

- This resulted in a 65% decrease in daily population from 761 in January 2015 to 266 on December 31, 2018, in IDJJ secure facilities.

Closed IYC Kewanee. This closure and the reduced youth population allowed IDJJ to reduce its budget footprint during this administration from over \$130 million in GRF in FY15 to \$107 million in GRF in FY19.

- Repurposed struggling IYC Kewanee youth center into a successful Life Skills Transition Center for IDOC.

Decreased percentage of youth admitted on juvenile parole violations or offenses from 51.1% in FY14 to 32% in November of 2016, to 17.9% in October of 2018.

Decreased overall rate of recidivism (youth who return to IDJJ within 3 years of release) by 11.7% - from 59% in FY15 to 52.1% in FY18.

In October 2017, the IYC Warrenville Reception and Classification Center achieved the highest possible rating according to the national Performance Based Standards system.

- The Performance Based Standards system measures the performance of 200 different juvenile correctional facilities across the country on standards of care ranging from safety to mental health and family engagement.

2015-2019

- This is the first time any Illinois correctional facility has achieved PbS Level IV status.
- As of April 2018, the Warrenville Reception and Classification Center maintained its 100% rating on critical outcome measures, while two additional sites (Pere Marquette and Harrisburg General Population) improved from Level 2 to Level 3 status by reaching an 85% or higher rating on critical outcome measures. Harrisburg General Population reached the highest critical outcome rating it has ever received in April 2018.

Launched an evidence-based assessment tool to identify risks of reoffending and youth treatment needs in 2015.

- The Youth Assessment and Screening Instrument (YASI) is in line with the *RJ v. Jones* consent decree and national best practice standards. The Department did not have a validated risk assessment tool in place prior to 2015.
- Launched a case management system tied to the YASI assessment to drive youth progress toward building the skills they need to be productive citizens.
- All youth entering IDJJ now receive a YASI assessment and goal-driven case plan and review their progress at a monthly staffing.
- By December 2017, progress on YASI case plan goals was being measured and youth were earning sentence credit for completing relevant goals. In October 2018 alone, youth at IDJJ completed 240 individual case plan goals.

In January 2017, IDJJ became the last state in the country to shift release decision-making away from an adult prisoner review board, and IDJJ launched a new release decision making process.

- Adopted an evidence-based practice for setting target release dates including both offense type and previous violent criminal history in the calculation (previous calculation was based solely on offense).
- Youth now able to earn sentence credit for completing goals and finishing programs demonstrated to reduce risk of reoffending (such as substance abuse treatment, earning a high school diploma, or completing a cognitive-behavioral anger management program). This increased youth engagement in school and treatment.
- The *RJ v. Mueller* monitor has identified IDJJ's process as a leader in the field for tying release decision making to objective criteria and evidence-based program progress.
- IDJJ also shifted the process from paper-based files to an online process that is tracked and measured monthly.

The rate of moderately severe youth self-harm attempts resulting in injury requiring minor medical attention in IDJJ facilities dropped 91% from 2015 to April 2018.

- The attempts dropped from an average rate of 1.78 attempts per 100 youth in 2015 to an average rate of 0.23 attempts per 100 youth in 2017. Attempts remained stable through 2018, with 0 reported as of October 2018.

Reduced the time youth spend in solitary confinement.

- Reduced from an average of 39.84 hours per confinement event in FY14 to 4.94 hours per confinement event by the end of FY17.
- Through 2018, the number of confinement events continued to decrease from 30 in January 2018 to 9 in October 2018, while the rate per 100 youth decreased from 7 to 3.
- This is in line with *RJ v. Mueller* Consent Decree requirements and national standards.

Achieved substantial compliance with the *MH v. Findley and Mueller* Consent Decree in December 2016, and federal monitoring was terminated by court order in October 2018. Substantial compliance and the order to end monitoring occurred all within the span of this Administration.

IDJJ was found in compliance with federal Prison Rape Elimination Act standards by an independent monitor in both 2016 (all facilities) and 2017 (IYC-Chicago and IYC-Warrenville—the two facilities that were audited).

By the fall of 2017, the *RJ v. Mueller* federal education and conditions of care monitors reported to the federal court that IDJJ had moved into partial or substantial compliance along all requirements in their areas and was not in non-compliance in any area.

- When the consent decree was executed in the Spring of 2014, IDJJ was reported as non-compliant in all areas.
- By fall 2018, the monitors reported that IDJJ had moved into substantial compliance in several additional areas, and that two IDJJ facilities (IYC Pere Marquette and IYC Warrenville) were near full substantial compliance.

### **Laws Driven by the Administration and Signed by the Governor**

SB1560 – helped “right size” IDJJ by preventing misdemeanants from being committed to IDJJ by retaining pending criminal case individuals at the county until resolved. Adjusting the length of time on Aftercare. Clarifying court documents.

- Passed in the 2015 legislative session.

SB2777 – aligned IDJJ with national best practices by redirecting Class 4 (nonviolent) youth away from IDJJ commitments. Clarified commitment of 17-year-olds to IDJJ when convicted as an adult. Granted IDJJ release authority for committed youth.

- Passed in the 2016 legislative session.

SB1519 – Expanded the hiring pool for IDJJ to help increase staff diversity, improve staffing ratios and modernize notification requirements, eliminating wasteful spending.

- Passed in the 2017 legislative session.

SB3004 - provides free birth certificates to youth in secure care custody to reduce the barriers to youth obtaining Identification Cards upon their release back into the community.

- Passed in the 2018 legislative session.

### **Department of Labor**

Launched an online wage claim application in October 2018 to modernize the wage claim process.

- The online complaint process guides claimants through the steps to submit a complete and accurate claim for unpaid wages, vacation pay, bonuses, commissions, minimum wage and/or overtime.
- It also allows claimants to log-in and check the status of their wage claim at their convenience.
- Prior to going digital, up to 40 percent of the paper-based claims submitted to IDOL consumed staff time due to issues with missing information or invalid claims.
- The new system allows the entire process to go paperless with a robust back-end document management and automated letter generating system.

2015-2019

- The web-based smart form's ease of use for the public resulted in an increase in claims filed compared to the three-year average for the month of November. (34 percent increase in minimum wage/overtime complaints and 21 percent increase in wage claims.)

Implemented a case-sharing solution between DOL, DPH and IDOR to resolve a hearings backlog at DOL.

- From October 3, 2016, to June 30, 2017, nearly 550 Wage Payment and Collection Act cases were heard that would not have otherwise been heard expeditiously.

Moved the registration and payment process for Day and Temporary Labor Agencies online, saving 250 staff hours annually, reduced paper consumption and reduced processing time for applicants for a total estimated savings of \$4,000 annually.

Moved One Day Rest in Seven (ODRISA) permit applications online and made policy changes to the procedure which reduced the complexity and frequency of permits.

- The procedural changes more closely adhere to existing statutes and regulations, reducing burdens on businesses and employees. This change saved 244 staff hours and reduced the number of permits by more than 1,000 annually.

Launched an expedited "Rocket Docket" in September 2018 for certain wage payment and collection act cases set for hearing. The Rocket Docket program increases efficiency for wage claim parties by allowing simpler cases to be resolved more quickly and allowing DOL's Hearings Division greater flexibility in managing its overall docket of cases.

## **Law Enforcement Training and Standards Board**

### **Updated Basic Law Enforcement Training Curriculum**

- Officers now required to complete 560 hours of training instead of 400 hours.
- New curriculum was implemented at all full-time academies statewide on June 1, 2017, and part time academies on January 1, 2018.
- Projects currently underway to update both the basic correctional officer and basic court security officer curriculums.

### **Police & Community Relations Improvement Act**

Staff attended four Commission on Police Professionalism meetings in 2016 and implemented mandated trainings on:

- Procedural Justice
- Cultural Competency
- Civil Rights
- Human Rights
- Legal Updates
- Use of Force

Assembled a group of law enforcement, labor and staff to conduct a survey to gather information which would better allow for the establishment of sensible guidelines for the utilization of body cameras.

- Worked with the Illinois Procurement Board to develop camera grant guidelines.
- FY18 was the first year in many that the camera grant funds were not swept, which allowed the Board to accept camera grant applications for funding requests related to in-dash and body-worn cameras.

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- Disbursed approximately \$3.4 million local law enforcement agencies, the maximum allowable under the FY18 budget appropriation.

#### **Other Law Enforcement Training & Guideline Mandates**

Worked as a part of the Joint Sexual Assault Working Group with representatives from the Attorney General, State Police, Illinois Coalition Against Sexual Assault, State's Attorneys and law enforcement agencies, to establish evidence-based, trauma-informed, victim-centered in-service training for both responding officers and sexual assault and abuse investigators (PA 99-0801).

Collaborated with a focus group consisting of Police Chiefs, Sheriffs, and State Police personnel to create Conor's Law (PA 100-0537), which passed in 2018. It allows police departments across the state to adopt policies regarding the handling young adults who may still be under the influence at the time of release.

#### **Crisis Intervention Team Training**

Increased the number of Crisis Intervention Team Training (CIT) classes being conducted and funded by nearly 25%. Developments in CIT include:

- Development and certification of a 3-day CIT for Corrections course.
- Development and certification of a 1-day Juvenile CIT course.
- Development and certification of a 1-day CIT Refresher course.
- Training 250 Parole Officers in CIT at IDOC Academy.
- Training 40 ISP Troopers at ISP Academy.
- Adding portions of the Basic CIT curriculum to the Basic Law Enforcement Training Academy.

Hosted the Illinois Statewide CIT Conference with more than 180 in attendance in July 2018.

#### **Howard G. Buffett Foundation Training Facility Donation**

In September 2017, the Board received an official donation of a 46,000 sq. ft. training facility in Decatur, Illinois.

- Partnered with Richland Community College, in Decatur Illinois, to operate this academy and oversee the facility management.
- Utilized this facility for Basic Law Enforcement, Basic Corrections, Court Security and specialized training.
- Additional 30,000 square foot building near facility allows for more training room spaces, an indoor obstacle course, fully functional professional kitchen, shooting and driving simulator, large matt room and an impressive two-story indoor mock training village.

Passage of the Executive Reorganization Implementation Act (PA 100-0995) authorizes the Board to independently own and lease property and exempts the Board from being reorganized or absorbed by another agency by future administrations.

#### **State Lottery**

##### **Record Lottery Sales**

Sales for October 2018 were the highest monthly sales in the Department's history at \$345,128,919, up 9.9 percent from the previous record set in January 2016.

Online sales were \$11,688,623 million in October, surpassing the former record by \$5,562,759.

Sales were driven by a \$1.5 billion Mega Millions jackpot which was the second-highest jackpot in lottery history.

### **Record Lottery Contributions to the Education**

The Illinois Lottery eclipsed \$20 billion in contributions to the state's Common School Fund in January 2018 and is on target to hit \$21 billion in 2019.

- Lottery profits have been earmarked for the common school fund since legislation was passed in 1985 and helps fund K-12 education in Illinois.

### **Cost Savings and Operational Efficiency**

Transitioned away from televised drawings of its in-state draw games - which relied on old, manual mechanical lottery ball machines, to a digital drawing system in September 2015.

- Saved \$750,000 in yearly contract fees and \$475,000 in auditor payments and increased the efficiency of drawing operations.

Terminated relationship with the Northstar Lottery Group LLC, which will lead to increased productivity and efficiency, as well as heightened employee and retailer satisfaction.

- Termination resulted in an instant savings of \$22 million **to taxpayers**.
- Completed the bid process and awarded the contract for a new private management agreement to Camelot Illinois in September 2017. Contract executed in October 2017.
  - The agreement was awarded based on full alignment with the state's interests such as eliminating conflicts of interests, using new technology and innovation and increasing transparency.
  - Agreement promises to increase yearly sales to over \$4 billion by the end of the 10-year contract in 2027. This will result in an increase of yearly net income to the state upwards of \$1 billion.

### **Illinois National Guard**

- The Illinois National Guard leads all states and territories in financial accountability exceeding the national passing rate by 23 percent in the Department of Defense Audit Readiness Initiative.
- For the first time ever, Illinois is on the shortlist of five states in the running for recognition by the Army Communities of Excellence program for applying the management methods in the Malcolm Baldrige Criteria.
- A long list of both Army and Air National Guard units received "most ready" and other top classifications, including highest mission readiness status in the entire U.S. Air Force for two units, one at Scott Air Force Base in southern Illinois and one in Peoria and the Army Guard was cited for having the highest medical readiness in the nation and had the best Cavalry unit and marksmanship team.
- The Illinois Guard has received two national level diversity awards from the NAACP and the Federal Asian Pacific American Council and was ranked among the top ten state agencies in achieving the Small Business Set Aside requirement.
- The Illinois Army National Guard completed construction of a state-of-the-art Army Aviation Support Facility and Readiness Center in Kankakee in 2017 with \$52.7 million in federal funds and \$11.9 million in state funds.

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- The Illinois National Guard hosted a visit by the President of Poland in 2018, highlighting the importance of its 25-year State Partnership Program with Polish military forces. Illinois Army National Guard forces and Polish military forces have co-deployed first to Iraq and now to Afghanistan since 2003 and have been partnership program partners since 1993.
- The Illinois National Guard and the Illinois Department of Military Affairs completed the construction of a \$42.1 million complex for Lincoln's ChalleNGe Academy, among the most successful and cost-effective ChalleNGe programs for at-risk youth in the nation with a GED pass rate of over 70 percent and more than 15,000 graduates. The new complex is the only one in the nation designed specifically for a ChalleNGe program.
- In 2017, the Illinois National Guard supported national level response efforts to Hurricanes Harvey, Irma and Maria both in State Active Duty status in Puerto Rico and in a federal status in Puerto Rico, Florida, Virgin Islands and Texas.
- In 2018, the Illinois National Guard supported the State of North Carolina with response to Hurricane Florence in a State Active Duty status.
- The Illinois National Guard won top National Guard awards for Community Engagement Program, Community Engagement Event and Community Engagement Individual Achievement and top Army award for Community Engagement Individual Achievement.
- The Illinois National Guard excelled in providing military funerals and honors, doing so 4,327 times in 2018, or about 98 percent of the veterans' funeral services requesting Illinois National Guard support.

### **Department of Natural Resources**

#### **Lone Star Property Acquisition – LaSalle County**

Completed a three-year acquisition process of 2,629 acres of property in LaSalle County, adjacent to IDNR's hugely popular Starved Rock and Matthiessen State Parks.

- IDNR purchased the property for \$11,050,000 through the state's Open Land Trust.
- IDNR will manage the property, which includes reclaimed lands formerly mined for coal and limestone, as part of the Starved Rock/Matthiessen State Park complex.
- Planning is underway to restore forest, prairie and wildlife habitat, develop trails, a campground, picnic areas, and boat, canoe and kayak access, as well as foster horseback riding, cross country skiing, fishing and hunting opportunities.

#### **Asian Carp Invasive Species Control**

Took leading role in effort to prevent bighead and silver fin carp, commonly known as Asian carp, from reaching Lake Michigan.

- IDNR's Division of Fisheries has utilized \$4-6 million in funds annually from the Federal Great Lakes Restoration Initiative for management and control efforts which include contracted commercial fishing for removal of Asian carp from the Upper Illinois Waterway. These efforts have resulted in removal of one million pounds of this invasive species each year and have reduced the relative abundance of Asian carp in the Dresden Island Pool (population front) by 93% from 2012 to 2017.

**Brandon Road Tentatively Selected Plan**

- Led a group of Illinois state agencies that submitted comments to the U.S. Army Corps of Engineers, outlining concerns about the Army Corps' proposed project design for Brandon Road. These concerns included:
  - Disruption to Illinois' transportation system.
  - Negative impact on Illinois' economy.
  - Harm to the Des Plaines River ecosystem.
- Due to Army Corps regulations, this then-\$300-million project would have required Illinois taxpayers to pay \$100 million in construction costs and an additional \$10 million annually toward operation and maintenance expenses.
- Rather than let the Brandon Road project die due to no nonfederal sponsor, Gov. Rauner subsequently sent a second Nonbinding Letter of Intent to the Army Corps indicating a willingness to serve as nonfederal sponsor.
  - Letter included mention of a willingness to seek financial partnership from Great Lake states and the Metropolitan Water Reclamation District. IDNR has been working with the Corps as nonfederal sponsor.

**Sahara Woods Off-Highway Vehicle Trails – Harrisburg, IL**

- Over 26 miles of OHV trails have been planned and are in the process of being constructed.
- Phase 1 scheduled to open in summer 2019 of the first Off-Highway Vehicle (OHV) trail facility on state-managed lands, at the Sahara Woods Fish and Wildlife Area in Saline County west of Harrisburg.
- This project was underwritten in part using a \$1.2 million federal Recreational Trails Program (RTP) grant that IDNR applied for in 2016 and received in 2017.
- The trails are configured and spaced to minimize views of adjoining OHV riders to provide a wilderness type experience.
- Planning also is underway for a 60-unit camping facility at Sahara Woods.

**Subsidence Response at Wolf Branch Middle School – Swansea, IL**

- The ground beneath Wolf Branch Middle School dropped nearly 25 inches when the old underground mine workings collapsed, resulting in extensive structural damage to the school building.
- Through the efforts of IDNR's Office of Mines and Minerals, the U.S. Office of Surface Mining Reclamation and Enforcement (OSMRE) approved and funded a nearly \$2.5 million emergency Abandoned Mine Land (AML) project to aid Wolf Branch Middle School.
- The building was temporarily shut down and the 400 children were moved to a nearby school so that the situation could be mitigated through demolition of the damaged portion of the school and grouting mine voids beneath the school building to stop further mine subsidence.
- The demolition and grouting work were completed in December 2018, with test coring for the grouting to be completed in January 2019.

**Illinois Historic Preservation Agency Merger and Integration**

- On March 31, 2017, Governor Rauner issued Executive Order 2017-01 that abolished the Illinois Historic Preservation Agency (IHPA), along with the IHPA Board of Trustees, and transferred certain functions, employees, property and funds from IHPA to IDNR.
- IDNR oversaw a successful transition through the merger and integration process:
  - IHPA's Historic Sites function were transferred to IDNR's Office of Land Management
  - IHPA's Historic Preservation function and State Historic Preservation Office were transferred to IDNR's Office of Realty and Capital Planning.

## **Prisoner Review Board**

### **Elimination of Executive Clemency Backlog**

Assisted Governor Rauner in eliminating a backlog of undecided petitions for executive clemency, which had grown to over 3,300 cases, with some cases pending a decision for approximately 10 years.

- Provided answers to petitioners who had been diligently awaiting decisions upon their requests for clemency.
- Granted clemency to numerous recipients in the forms of Pardons, Orders Permitting Expungement, and Commutations of Sentence.
  - Clemency decisions have had a profound effect, ranging from the elimination of barriers to employment to actual release from incarceration.
  - For those receiving denials, this allows a chance to re-petition, in some cases for the first time in nearly a decade, and to otherwise receive closure as to the status of the unanswered request.

### **Implementation of *M.H. v. Monreal* Consent Decree**

In conjunction with, the Department of Juvenile Justice, the Board implemented a statewide system of public defense for juveniles who are facing revocation of aftercare release due to alleged violations of their release conditions.

- Brought the State of Illinois into compliance with the United States Supreme Court's holding in *Gagnon v. Scarpelli*, as it relates to the provision of appointed counsel and due process throughout the aftercare release violation hearing system.
- Implementation has resulted in every juvenile on aftercare release being provided with appointed attorneys in aftercare release violation hearings, at no cost to the juveniles or their families.
  - This has ensured that all juveniles facing revocation of aftercare release have their due process rights protected, and that the evidence and arguments in their cases are zealously presented to the Board.
  - The terms of the *M.H.* consent decree have applied to hundreds of juvenile releasees since its implementation began in 2015.

### **Implementation of *Morales v. Findley* Settlement Agreement**

In conjunction with, the Department of Corrections, the Board implemented a statewide system of public defense for adult releasees who are facing revocation of parole and mandatory supervised release due to alleged violations of their release conditions.

- This implementation brings the State of Illinois into compliance with the United States Supreme Court's holding in *Gagnon v. Scarpelli*, as it relates to the provision of appointed counsel and due process throughout the release violation hearing system.
  - Implementation has resulted in every adult releasee being provided with the opportunity to be screened for, and possibly appointed, with state-paid attorneys in parole and mandatory supervised release violation hearings.
  - The agreement has also called for provision of hearings to individuals being held in county jails, rather than solely at Department of Corrections facilities, as had previously been the case. This has ensured that all individuals facing possible revocation of release have their due process rights protected, and that the evidence and arguments in their cases are zealously presented to the Board by an attorney when appropriate.
  - The terms of the *Morales* agreement have applied to approximately 7,000 individuals per year since its implementation began in 2017, with hundreds of those individuals having been provided legal representation by the state.

### **Digitalization of Prisoner Review Board Records and Processes**

Made numerous strides towards digitalization

- Moved all new filings to digital mediums, which applies to approximately 38,000 individual case files each year.
- Scanned and archived hundreds of thousands of individual files, comprising millions of individual documents, from past cases.
- Updated paper processes from the usage of quadruplicate-form carbon copies to fillable digital forms.
- These digitalization efforts have greatly streamlined information transfer and significantly reduced the costs associated with physical record storage, in ways that will continue to pay dividends for years and decades to come.
- The digitalization projects have resulted in numerous benefits to the Board and the State as a whole:
  - Increased processing speed for case filings, decisions, and related processes.
  - Reduction, and in some instances complete elimination, of the need for physical transfer of files between facilities
  - Access to digital files from locations throughout the State in real time, rather than only where the records are physically held.
  - The knock-on effect of increased job satisfaction amongst staff members whose workload has been directly affected by the impacts described previously.

### **Creation of a Data-trackable System for Release Condition and Revocation Cases**

Initiated and led in the creation of new computerized systems for proposing, setting, amending, and evaluating compliance with the conditions of parole and mandatory supervised release.

This has been done in conjunction with the Department of Corrections, to create a seamlessly integrated system between our agencies.

- The Board and the Department of Corrections will now be able to handle the processes relating to conditions of parole and mandatory supervised release in a fully digital, data-trackable fashion.
- This system's implementation will also allow the state to be able to clearly track decisions as they are made throughout the process, as well as add new layers of clarity to the reasons behind the actions being taken.
- This will enable the Board and the Department of Corrections to analyze the effectiveness of the conditions being imposed over time.
  - Such analyzation efforts were previously too labor-intensive or required additional clarity in the data to reasonably be achieved, and the analyses enabled by the new system will therefore provide new insights into how conditions should be applied to releasees.
  - The expectation is that these insights will lead to better-tailored conditions for each releasee, thereby ultimately resulting in reductions in recidivism, while maintaining a high standard of overall public safety.
- This system is in its final stages of beta testing prior to full implementation.
- Will greatly reduce the amount of time and effort required to process cases of this type for both the Board and Department of Corrections.
- The ability to analyze the conditions will provide the Board and the Department of Corrections with additional tools to determine the most-effective conditions for each releasee, with the intertwined goals of achieving a high level of public safety and an ever-lower level of recidivism.

## **Department of Public Health**

### **Technology Transformation**

Launched the modernized Healthy Homes and Lead Poisoning Surveillance System (HHLPSS) to consolidate childhood lead screening data to help identify clusters of elevated lead levels in a timelier manner.

Modernizing with tablet-based system

- Transitioned many inspectors to tablet-based systems reducing the need for administrative staff and create a more efficient process by allowing for real-time data entry, standardization, and analysis of results.

### **Additional Agency Accomplishments**

During the reporting period, IDPH handled more than 500 outbreaks including novel diseases such as Seoul virus, Leuconostoc, Synthetic Cannabinoids.

Released a groundbreaking report that analyzed the reasons for every maternal death that occurred in 2015 and contained proposed policy solutions to prevent such deaths in the future.

### **Human Services Transformation**

- Created Task Force of state agency directors to address opioid crisis in Illinois.
- Implemented a Standing Order, which allows Illinois citizens to get access to the opioid reversing drug, naloxone, without a direct prescription. With this standing order, insurers, such as Medicaid and Medicare, can be billed.
- Received a \$2 million federal grant to expand use of naloxone in rural areas.
- Released State Opioid Action Plan and Illinois Opioid Data Report and launched the IDPH Opioid Data Dashboard.

## **Department of Revenue**

Completed the transition of all (70) taxes administered by the Illinois Department of Revenue and IDOR's general ledger to an integrated tax system: "GenTax" by Fast Enterprises. Added Illinois Department of Employment Security's (IDES) unemployment insurance tax to the GenTax system in September 2017. Completion of the integrated tax system allowed IDOR to:

- Eliminate the cost and maintenance of outdated and standalone legacy systems;
- Increase the electronic filing of all returns, reducing costs associated with processing paper;
- Enhance communications with taxpayers with added functionality for the self-service web portal: MyTaxIllinois.gov;
- Improve the accuracy and speed of local tax distributions, and
- Eliminate the need for IDES to purchase a standalone tax administration program by adding unemployment insurance tax to IDOR's integrated system, saving the state approximately \$12 million to \$14 million.
- Enable business taxpayers to use one self-service portal to handle all their general business tax needs.

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Prevented over \$120 million in fraudulent refunds from being paid with the implementation of data analytics processes in the IDOR Fraud Unit.

- Since the inception of the Fraud Unit in 2015, IDOR has continued to enhance its operations, increasing taxpayer savings from \$6 million in 2015 to \$28.8 million in 2017. Final numbers for 2018 are over \$68 million.

Streamlined taxpayer services, eliminated outdated practices and reduced backlogs that caused overtime by Implementing Lean Management practices department-wide, saving more than \$1 million in operating expenses and 66,600 annualized hours.

Trained over 1/3 of all IDOR employees in lean management practices.

Created the State Tax Lien Registry effective January 1, 2018.

- The Lien Registry saves the state over \$600,000 annually by eliminating county filing fees and enhances collection of IDOR debt by making lien information on real property easily accessible to title companies and other practitioners during real estate transactions. Enables real time release of liens upon payment of tax due. As designed, the lien registry can now be expanded to debt owed to other state agencies, thereby further enhancing state debt collection.

Implemented quarterly filing of withholding tax returns and mandated electronic filing. As a result, withholding payments increased by more than \$150 million in the first year and the error/penalty rate decreased from approximately 7% to less than 1%.

### **State Fire Marshal**

Trained local firefighters to complete statutorily required public school safety inspections.

- Increased inspections.
- Saved the agency over \$100,000 a year.
- Allowed local first responders to become more familiar with school buildings and emergency procedures.

Established electronic firefighter certification testing, giving firefighters the ability to schedule a test at the location, date and time of their choice and making it easier for them to achieve voluntary certifications.

Completed 96% transition to digital electronic document management. Transitioning the agency from primarily paper records to almost all digital records and applications.

- It is important because it increases agency efficiency and ease of access for our constituents.
- The impact is that since 2015 OSFM has added 6 new applications online, bringing the total online applications available to 20. Currently applications for 11 different licenses may be submitted and paid online. An additional four applications for certificates, registrations and permits may also be submitted and paid online.

Provided \$7.9 million in no interest and low interest loans to 27 fire departments and fire protection districts for the purchase of fire trucks and \$1.5 million for the purchase of 15 ambulances.

Re-established the Youth Fire Setter Intervention program allowing local firefighters to identify and refer at risk youth to the help they need. 170 firefighters have been certified as Youth Fire Setter Interventionists and are actively working with youths in their areas.

## **State Police**

Saw a reduction in the number of fatal crashes and fatalities.

- At its highest point in the past four years, Illinois had 1,000 fatality crashes resulting in 1,090 fatalities. In 2018, the Illinois State Police (ISP) saw a 9% reduction in these numbers resulting in 926 fatal crashes and 1,008 fatalities.

Collaborated with the Chicago Police Department and other state, local and federal agencies to increase visibility on expressways and combat gun violence, resulting in an approximate 20% reduction in expressway shootings in 2018.

On December 3, 2018, Division of Forensic Services deployed a new Laboratory Information Management System (LIMS) in all of its case working laboratories across the state, as mandated by Illinois statute (730 ILCS 5/5-4-3-b) to efficiently and effectively track all evidence submitted for forensic testing.

- The LIMS system permits paperless operations for Crime Scene Investigation, Forensic Biology/DNA, Drug Chemistry, Trace Chemistry, Firearms and Toolmarks, and Latent Fingerprints and captures additional information pertaining to forensic casework. This information will enable laboratory management to more closely monitor operations and identify practices which will decrease turn-around-times for forensic analysis.
- The LIMS system also improves the ability for the ISP forensic laboratories to share information with law enforcement agencies and State's Attorney's Office. Implementation will continue into early 2019 to include laboratory quality assurance protocols and management of laboratory commodities.

## **Tetrahydrocannabinol (THC) Quantitative Initiative**

There are many challenges in Driving Under the Influence of Drugs (DUID) casework. With the legalization of medicinal marijuana in Illinois, the existing DUI law needed to be amended. In 2016 the law was amended so that an individual would be driving under the influence if they had a Tetrahydrocannabinol (THC) concentration of 5 or more nanograms per milliliter (ng/mL) of blood. This law change presented challenges for the ISP Division of Forensic Services (DFS) for which new methods needed to be developed and validated. This also required extensive training of personnel on new instrumentation to allow the ISP to provide THC quantitation service in blood.

- In early 2018, a method to quantitate THC in blood was developed and validated utilizing a LC/MS/MS, better known as a Triple Quad. This instrumentation afforded the Springfield Toxicology section the ability to quantify THC down to the necessary levels to meet the per se element of the law. In May 2018, the Springfield Toxicology section began a pilot project that offered limited THC quantitation service to the Springfield Laboratory service area. It is anticipated that ISP will be able to expand this service statewide in the fourth quarter of 2019 once more instrumentation is procured, validated, and training occurs.
- Since May of 2018, cases that preliminary tested positive for cannabinoids were quantitated for THC concentration at the Springfield Laboratory. Of those positive cases, 53 cases out of 163 were above the 5 ng/mL concentration per se limit. This is about a 33% positivity rate which is comparable to what other states are observing with a 5 ng/mL per se limit.

## **Combatting the Opioid Crisis**

Developed a training program for all frontline ISP personnel regarding the proper use of Naloxone (Narcan), a life-saving drug used to reverse the effect of opiate overdoses.

- Purchased more than 1,300 additional doses of Narcan and distributed it to field personnel and the ISP laboratory system.

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- Worked with the Department of Public Health to receive donated Narcan in 2018, which was used to replace expiring Narcan doses in the field.
- Since the deployment of Narcan, the ISP has saved the lives of 35 people who were experiencing symptoms of overdose.

Developed and delivered a train-the-trainer program for field instructors, and in 2015, was able to provide 600 front line staff with nasal Narcan to be carried in their vehicles.

### **9-1-1 Implementation**

Created the statewide 9-1-1 Bureau On January 1, 2016, after 9-1-1 responsibilities were transferred from the Illinois Commerce Commission to the ISP.

- Processed approximately 130 consolidation and wavier applications.
- Approved consolidation or start up applications from 9 of 14 unserved counties.
- Awarded over \$8.6 million in grants to 9-1-1 systems, distributed over \$355 million in grant surcharge to local Public Safety Answering Points (PSAPs), paid approximately \$32.5 million in 9-1-1 system network costs, and acquired a consultant to assist it in meeting its legislative mandate to establish a Next Generation 9-1-1 statewide network by 2020.
- Over the past four years, the state has seen a reduction of 72 PSAPs and 63 Emergency Telephone System Boards (ETSBs) through consolidation.

### **Illinois State Police Merit Board**

- ISP Merit Board partnered with Illinois State Police to produce a recruitment video that displays the virtues of public service.

### **Student Assistance Commission**

#### **Received federal GEAR UP Grant**

- At the end of 2016, ISAC was awarded an \$18.6 million seven-year federal GEAR UP grant.
  - The federal GEAR UP program provides competitive matching grants to states and partnerships working with high-need middle and high schools to provide early intervention that will improve college attendance and success and raise the expectations of low income students.
  - ISAC was among the state applicants in the 2014 grant competition and proposed a package of interventions and supports focused on non-cognitive skill development for students.
- Within six months, ISAC ramped up the Illinois GEAR UP (ILGU) program. The program uses a cohort model to provide direct services to students in 19 middle schools and 19 high schools across Illinois.
  - All 7th graders at participating middle schools receive services, and the program then follows the first cohort of 7th grade students through their first year of college.
  - As soon as the first cohort of 7th graders transitions to high school, the high school begins to receive services under the ILGU program. In addition, each year, the next class of 7th graders is added to the program and receives services for the duration of the grant period.
- While there are numerous college readiness programs available in the Chicago area (including a Chicago GEAR UP program), there has been a dearth of similar services in other areas of the state, particularly in rural areas. Significantly, ILGU is helping to even the playing field by focusing its work outside the Chicago area and bringing these much-needed services to rural

middle and high school students in Illinois. For more information, see <http://www.isac.org/gear-up/index.html>.

### Illinois PaCE Program

- The Illinois Postsecondary and Career Expectations (PaCE) framework was developed with extensive input gathered from stakeholders and subject matter experts to provide guidance to students, families, and educators on what types of experiences and information a student should have in order to make the most informed decision about college and career planning beginning in 8th grade and through high school.
- ISAC was among the key stakeholders involved in the development of the framework, which has now been adopted by the Illinois State Board of Education, Illinois Board of Higher Education, Illinois Community College Board, and ISAC for benchmarking college and readiness for students.
- The framework is organized around four key areas:
  - Career Exploration and Development
  - Postsecondary Education Exploration
  - Preparation, and Selection
  - Financial Aid and Literacy.
- The PaCE Framework is intended to be used as an organizing tool to help schools, districts and communities work together to better prepare students for life after high school.
- ISAC is leading the training for Illinois PaCE, providing materials and leadership workshops for schools and school districts, who have demonstrated their interest in the framework by filling ISAC's first PaCE Implementation Leader Training workshops this winter to capacity. For more information on Illinois PaCE, see <http://www.isac.org/pace/>.

### College Changes Everything Month

Serves Students Statewide; Illinois ranks highest for FAFSA completions.

- The Department of Education's changed to "early FAFSA<sup>®</sup>" in October 2016 and students for the first time were able to file their FAFSAs in October of the calendar year preceding the year they intend to start school.
  - Early FAFSA provides some benefits to students, it also put them in the position of filing their financial aid and college applications during the same time period in the fall.
- To assist students and families in managing both processes at the same time, ISAC launched College Changes Everything<sup>®</sup> (CCE) Month in October of 2016.
  - Governor has proclaimed each October "College Changes Everything Month" since the inception of the campaign.
  - During CCE Month, ISAC and partners statewide provide free college application workshops, financial aid presentations and FAFSA completion workshops to students and families across the state.
  - ISAC provides partners with a variety of supports, including a CCE Month toolkit, materials and staff to assist and/or lead college application and financial aid workshops.
  - While ISAC and its ISACorps provide workshops year-round, in October 2018 alone ISAC and its partners statewide conducted more than 1,200 college and financial aid events, reaching over 34,000 people in more than 200 locations. (See the infographic, below). Find out more about CCE Month at: <http://www.collegechangeseverything.org/ccemonth/>.
  - Since CCE Month inception, Illinois has consistently had the highest FAFSA completion rate in the region and has been among the top ten states for highest FAFSA completions, and this year **the National College Access Network's FAFSA Tracker has Illinois as**

2015-2019

**#1 for the highest percentage of FAFSAs completed by high school seniors in the country!** See <https://formyourfuture.org/fafsa-tracker/>.

### **New Features in the ISAC Student Portal Connect Students Directly to Programs and Free Resources**

- The ISAC Student Portal allows students to create individual profiles and access information about ISAC-administered scholarship and grant programs, and it also provides free resources to help students with college and scholarship searches, financial aid planning, money management, and career and job searches.
  - Pre-college students can find local outreach events and contact information for a nearby member of the Illinois Student Assistance Corps of near-peer mentors, and they can use the MAP (Monetary Award Program) Estimator to learn about the financial assistance they can expect to receive.
  - The Portal also provides ISAC-developed tools such as an online game to learn about financial aid, a financial aid award letter comparison tool, a handy online college checklist, and access to the recently launched ILCareer2College tool, and developed by Illinois agencies and partners and built by ISAC staff.
- Veterans and members of the Illinois National Guard can use the Portal to complete, submit and check on the status of their applications for the Illinois Veteran Grant and Illinois National Guard Grant, keep track of the eligibility units they have received, and print copies of their Notices of Eligibility.
- Students who have received MAP grants can use the Portal to track the number of MAP Paid Credit Hours (MPCH) they have used.
- For its work developing the Student Portal, ISAC was recognized by the Center for Digital Government with a 2016 Digital Government Achievement Award in the “government-to-citizen, state and federal government” category. In FY18 alone, there were a total of 27,156 visitors to the student portal.

### **Enhanced Online Platforms Provide Partner-Friendly, Secure, Flexible Program Administration**

- Decreasing reliance on paper processes, ISAC has continued to add programs and functions to its Gift Assistance Programs Access, or GAP Access, system, developed by ISAC’s IT division.
- GAP Access provides a portal through which ISAC and postsecondary institutions conduct online interactions for the purpose of data inquiries and submissions, eligibility announcements and payment requests for ISAC-administered programs.
  - The system is simplifying program administration for the agency and postsecondary institutions, allowing financial aid administrators to spend less time on paperwork and corrections and more time helping students.
  - The system has made administration of programs including the Monetary Award Program (MAP) more efficient and flexible.
    - For instance, after federal changes shifted the application dates for the Free Application for Federal Student Aid (FAFSA), GAP Access allowed the agency, for the first time, to simultaneously administer three years of MAP grants, at three different stages of the application, award, and claims processes.
  - The system also allowed accelerated payments to be made rapidly to schools once an appropriation for MAP was approved at the conclusion of the budget delay, speeding up long-awaited and much-needed payments on behalf of low-income students.

## **Tollway**

### **Economic Empowerment**

Took significant steps in the process of resolving issues related to Western Access and the I-490 connection to I-294.

Western Access to and from O'Hare International Airport is now closer to reality with the Memorandum of Understanding reached in 2018 between the Illinois Tollway and Union Pacific Railroad and the Illinois Tollway's 2018 Letter of Intent with Canadian Pacific.

- The new I-490 Tollway, coupled with the Illinois Route 390 Tollway which was completed in 2017, will connect businesses and communities with one of the nation's busiest airports, transit facilities, major freight transportation hubs, distribution centers and multiple interstate highways including the Jane Addams Memorial Tollway (I-90) and the Central Tri-State Tollway (I-294).

Began construction on the \$4 billion Central Tri-State Tollway (I-294) Project to increase capacity, reduce congestion and improve travel reliability on the 22-mile segment between Balmoral Avenue and 95<sup>th</sup> Street. This is the largest construction project this agency has undertaken.

Continues to advance infrastructure projects that support local access and economic development and approved Intergovernmental Agreements with three communities in 2018.

- In partnership with the Village of Sugar Grove, the \$25 million Illinois Route 47 Interchange Project on the Reagan Memorial Tollway (I-88) in Sugar Grove will realign existing ramps and build new ramps to create a new, full-access \$25 million interchange in 2019. The project will also include rehabilitation of the existing Illinois Route 47 Bridge over I-88. Existing ramps constructed in the 1970's only provide for travel to and from the west on I-88. IDOT and Kane County are also participating in the project.
- In partnership with the City of Marengo, the \$33.4 million Illinois Route 23 Interchange Project on the Jane Addams Memorial Tollway (I-90) will create a new, full-access interchange with local road improvements including construction of a roundabout intersection at Illinois Route 23 and Harmony Road and new roadway lighting in 2019. This will be the first direct interstate connection to I-90 constructed in McHenry County. IDOT and McHenry County are also participating in the project.
- In partnership with the Village of Justice, the \$30 million 88<sup>th</sup> Avenue/Cork Avenue Interchange Project will provide for the addition of a northbound exit ramp from the Central Tri-State Tollway (I-294) and a southbound entrance ramp to I-294. This work also would be compatible with a future northbound I-294 entrance ramp from Archer Road. Along with the new ramps, the project includes intersection improvements along 88th/Cork Avenue at 79th Street and Archer Road. IDOT and Cook County are also participating in the project.

### **Fiscal Responsibility**

The recommendations identified by the Illinois Tollway Ad Hoc Operations Committee were accepted by the Tollway Board in 2018. The goal of this committee was to take a hard look at Tollway policies and procedures and to advance any recommendations that have the potential to improve the way it does business.

- Committee meetings gave an in-depth look into several complex topics including the Qualifications-Based Selection (QBS) process, the Rutan and exempt hiring processes and the Tollway's conflict of interest policies. Throughout, the Tollway was commended for a demonstrated commitment to transparency, efficiency and thoughtful approach to operating a toll highway system.

Replaced its automatic coin machines with more technologically advanced automatic toll payment machines (ATPM) in 2018, creating 89 Self Service Lanes systemwide.

- The ATPMs provide more payment options – credit cards and currency, as well as better customer service through touch screens.

The Illinois Tollway's Small Business Initiative helps put small businesses in a position to succeed and grow as prime contractors by identifying select small business set-aside construction contracts, generally with values of approximately \$1 million, that can be offered specifically to small businesses as well as promoting the use of small business goals on a project basis.

- Awarded 32 small business set-aside contracts in 2018, exceeding a goal of 19.
- Since the start of the *Move Illinois* Program in 2012, the Tollway has approved 80 small business set-aside contracts to certified small firms, including 30 first-time prime contractors.

### **Technology Transformation**

The Illinois Tollway and Pace opened the region's first in-line transit station at the new I-90/Barrington Road Station.

- For the first time in Tollway history, transit options are accommodated within the roadway. The Tollway invested \$240 million to integrate transit in the I-90 corridor as part of the \$2.5 billion I-90 Rebuilding and Widening Project. Since Pace expanded bus service on the I-90 corridor in 2016, ridership has skyrocketed — 11 routes provide nearly 3,700 trips per day! Weekday ridership in spring 2018 was 22 percent higher than last spring, and Saturday ridership was up 25 percent.

Began using Twitter in 2018 to provide customers with real-time updates describing pavement conditions on all five of its roadways during winter storms and other weather events to enhance safety for drivers using its 294-mile system.

### **Additional Agency Accomplishments**

Named 2018 Agency of the Year by the Interagency Committee on Employees with Disabilities (ICED).

- Over the past three years, more than 10 percent of the Tollway's budgeted headcount of nearly 1,500 employees has been comprised of people with disabilities – more than double the current state average. The Agency of the Year Award also recognizes the Tollway's efforts to provide detailed information to employees and managers about procedures to handle disability-related issues in a timely and appropriate manner.

In 2018, the Illinois Tollway and The Morton Arboretum entered into a partnership to support the Tollway's goal to plant 58,000 trees and shrubs along highways and develop new knowledge through scientific research about tree planting and care in roadside conditions.

- The Tollway added more than 13,000 trees and shrubs along its roadways in 2018 while continuing its pollinator program adding native plants to restore and create habitat for various species.

The Illinois Tollway created a new partnership with the Illinois High School & College Driver Education Association (IHSCDEA) and developed a new curriculum aimed at Illinois driver's education classrooms highlighting the Illinois Tollway's Give Them Distance campaign.

## **Department of Transportation**

Continued work on the High-Speed Rail project from Chicago to St. Louis.

- Program is more than 90 percent complete.
- Most of the work remaining is related to the procurement of new passenger cars.
- Most field construction work is complete, and the balance will be completed by the end of the 2018, with a small portion remaining near the Midewin National Tallgrass Prairie.
- The ARRA funds have been expended and the remaining work will utilize other funding sources.
  - Completed infrastructure improvements include track, sidings, structures, crossings and signals, which have significantly improved reliability and on-time performance.
  - Completed renovations and new stations at: Dwight, Pontiac, Normal, Lincoln, Alton, Springfield, Carlinville and Joliet.

The CREATE partners, led by the Department, received \$132m in federal funds in June 2018 to leverage public and private funding for the 75th Street CIP a total of \$474 million. Construction started in fall of 2018.

- The goal of the 75th Street Corridor Improvement Project (75th Street CIP) and the Argo Connections project (referred to as B9) is to fix the most complex and congested segment of North American railroad.
- The 75th Street CIP has five connected projects central to streamlining and expanding the throughput capacity of the Chicago Terminal, where six Class I railroads converge and share track with Metra commuter lines and Amtrak routes.

Developed a performance-based project selection tool to help provide greatest return on investment.

- Provides a framework for comparing and evaluating expansion projects and provides multiple data points to determine which project (or projects) provide the greatest return on investment for the limited dollars available. This selection tool also identifies less costly safety improvements that can improve the system when resources are limited.
- In addition, the department developed its first risk-based Transportation Asset Management Plan. This plan sets targets for the condition of the state's pavements and bridges over the next 10 years. The plan represents a shift in the department's infrastructure investment strategy, implementing a proactive approach to investing in the state's infrastructure assets. As the plan continues to be implemented IDOT will be able to utilize existing data points to make better decisions on allocating resources and strategically selecting projects that provide the best return on investment.

Established the *Autonomous Illinois Initiative* through Executive Order 18-13 in October of 2018 to promote the development, testing and deployment of connected and automated vehicle (CAV) technologies in Illinois.

- The Executive Order instructed the Department to coordinate with other state agencies to:
  - Review available information to identify best practices related to vehicle testing, deployment, law enforcement collaboration, insurance coverage, data sharing, infrastructure needs and other pertinent to areas of interest.
  - Evaluate current laws and regulations that may impede safe CAV testing, deployment and operation of CAVs.
  - Pursue opportunities to make Illinois a leader in the safe and efficient movement of people and goods and to work with a variety of stakeholders to identify.
  - Collaborate with industry experts on the latest CAV related technological developments.

2015-2019

- Develop and implement a plan to address changing workforce training and education needs.
- The Executive Order also created the *Autonomous Illinois Testing Program*. This public road testing program with the goal of encouraging testing and partnerships between the State and entities developing CAV technology and related infrastructure.
- As part of this Initiative, a web portal was created to provide general information regarding the State's CAV efforts as well information specific to the testing program.
- Executive Order puts Illinois in position to establish itself as one of the leading states in the rapidly evolving CAV industry.
- This accomplishment was recognized by the ChicagoInno publication as one of the biggest Chicago technology stories of 2018.

Pursued initiatives to leverage private sector funding for capital and operational improvements to our transportation system.

- I-55 Managed Lanes.
  - In response to feedback received from the industry, IDOT has undertaken the effort to revised scope and expand capacity to include the addition of two lanes in each direction for the northern section of the project. Also, IDOT continued the due diligence activities to assess the technical and financial feasibility of the project. The due diligence study affirmed that P3 is the most advantageous delivery method of the project. Currently, IDOT is working on developing the commercial and financial terms that will provide the baselines for the P3 procurement.
- Construction on the Houbolt Road Bridge is expected to begin in 2019.
- LED Lighting: IDOT issued an RFI in August **2018** for which it received 30 responses and overwhelming interest from industry.
  - IDOT is currently evaluating all responses including those gleaned during the eight one-on-one meetings. The next step for IDOT is to assess the financial feasibility and determine the best value delivery option including P3. If determined P3 delivery to be most advantageous, IDOT could be ready to seek the General Assembly's Joint Resolution the Spring of 2019.
- Bridge Bundling
  - In the summer of 2018, IDOT initiated a study aimed at assessing the opportunity to bundle hundreds of bridges that are in need of rehabilitation or reconstruction throughout the State. IDOT is currently reviewing the list of candidate bridges and structures in order to finalize the list. Next steps would be to assess the financial feasibility and best value delivery option including P3 procurement. If determined P3 delivery to be most advantageous, IDOT could be ready to seek the General Assembly's Joint Resolution the Spring of 2019.
- Innovative Project Delivery (IPD) Guidelines and manual.
  - To accomplish the mission of the Department of delivering alternative project delivery program, IPD initiated the effort of developing guidelines and manual for identifying, screening, developing and procuring P3 projects. These documents will serve as the framework guided by the principles of transparency and accountability in delivering P3 program. IDOT is currently finalizing the draft documents and intends to seek internal approval for adoption into IDOT set of processes and procedures early next year.

## **Department of Veterans' Affairs**

### **Construction of Chicago Veteran's Home Underway**

- This home will house 200 Veterans with a variety of health concerns.
- The additional 200 beds will reduce the wait list at both Manteno and LaSalle homes.
- Anticipated opening in Spring 2020

### **Launched "Tiny Boots" Program in 2017**

- Assist Illinois veterans with free child care for medical appointments, counseling, or job interviews.
- Supports multiple employment areas including Veteran employment, Women Veteran employment, and spouse employment.

### **Illinois Hiring Heroes Consortium**

- Partnered with the Illinois Department of Employment Security, U.S. Chamber of Commerce Foundation, and other agencies and organizations to offer hiring fairs, employment workshops, and networking events that provide opportunities for veterans, military, and their spouses to find good-paying jobs.
  - From FY15 to FY19, IDVA offered and participated in 37 hiring fairs, employment workshops and networking events. This does not include those attended by VSO's. The number of veterans served is approximately 3,700.

### **Renovation and Expansion of the Illinois Veterans Home in Quincy**

- Purchased the former Sycamore nursing facility in June 2018 and converted it into Lester Hammond Hall.
- Lester Hammond Hall will serve as an expansion property for the main campus during renovation and will house roughly 100 Veterans.

### **Honor 200 Veterans**

- In conjunction with Illinois Bicentennial birthday celebration, IDVA recognized the outstanding community service and contributions of 200 Illinois veterans.

## **Workers Compensation Commission**

### **Embarked on a multi-year IT Transformation Project to replace 40-year old mainframe**

- Created more modernized and user-friendly website.
- Began using e-notices, reducing paper usage and resulting in monetary savings. Given the thousands of notices sent monthly, IWCC estimates yearly postage savings of approximately \$50,000 - \$60,000 and paper supply savings of approximately \$10,000.

### **Revised the Rules Governing Practice before the IWCC**

- Formed a committee consisting of bi-partisan members and multiple stakeholders to revise our Rules Governing Practice. Rules approved through the JCAR process within four months from the submission date.
- The Rules had not been updated since the 1990's. Some of the updates were necessary to proceed with our electronic filing and notices.
- Modernized Rules to assist the petitioners and respondents who are litigants in the WCC system.

**Reduced the backlog of pending Workers' Compensation cases**

- Reduced costs for labor and business, employers and employees by having a more efficient Workers' Compensation system, improving WCC reputation for fair and even-handed resolution has been enhanced in the past 4 years.
- Reevaluated Arbitrator assignments to contain travel costs for Arbitrator and Court Reporters.
- Increased training for Arbitrators and Commissioners in not only statutorily mandated subjects such as medical evidence, case law and fraud detection but also increased ethics and judicial code of conduct training.
- Our evaluation matrix involves more criteria and input from the practicing bar to pinpoint case resolution issues.
- Improved case resolution timeline where possible.
- Commission's e-filing records reduces paper involved in the Circuit Court process saving paper costs.

**Budget**

- Requested \$76,000 less in its FY19 Budget over the FY18 Budget.
- Maintained the same headcount over the past four years.
  - Through attrition, the IWCC has lost headcount in operation areas such as IT, insurance compliance, filing, data entry, and administrative assistance.
  - Restructured operations to account for the non-replacement of jobs, without the use of overtime.
- The Commission is funded entirely by Other State Funds with no General Revenue Fund support. Operations revenue come from a transfer by the Department of Insurance in the fall of each year. A 1.10% assessment is paid by employers based on insurance premiums written (approximately \$28.5 million). For self-insured employers, the assessment is based on .0075% of payroll (approximately \$2.9 million).
- The reduction in budget and lack of increase in headcount resulted in savings for the business community and the ability to service the labor community in a more efficient manner.
- Streamlined the paper handling process as it awaits implementation of a true e-filing system. Increases in efficiency have allowed filing, data entry and docketing to be performed faster, by fewer employees, without the use of overtime.
- Enhanced the Commission's website information, reducing the number of calls to the Information Department and allowing the employees to perform other operations.
- With a full complement of Arbitrators, the Commission can assign additional Arbitrators to heavy dockets and provide backup Arbitrators to handle docket emergencies. Previously, an Arbitrator illness or conflict would result in a cancelled docket which wastes litigants' time and money.



## Attachments

- **Executive Summary: Task Force on Local Government Consolidation and Unfunded Mandates**
  - **Rauner Administration Four-Year Reform Plan**
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## **EXECUTIVE SUMMARY**

This final report is a product of collaboration between the Task Force on Local Government Consolidation and Unfunded Mandates, the Office of the Lieutenant Governor, and Northern Illinois University's Center for Governmental Studies.

On February 13, 2015, Governor Bruce Rauner issued Executive Order 15-15 creating a Task Force comprised of bipartisan members appointed by the Governor representing public and private organizations with an interest in strengthening the efficiency and accountability of government and education services throughout the State of Illinois. Chaired by Illinois Lieutenant Governor Evelyn Sanguinetti, the Task Force's purpose and responsibilities as outlined in Executive Order 15-15 include:

"The purpose of the Task Force shall be to study issues of local government and school district consolidation and redundancy, and to make recommendations that will ensure accountable and efficient government and education in the State of Illinois. The Task Force shall:

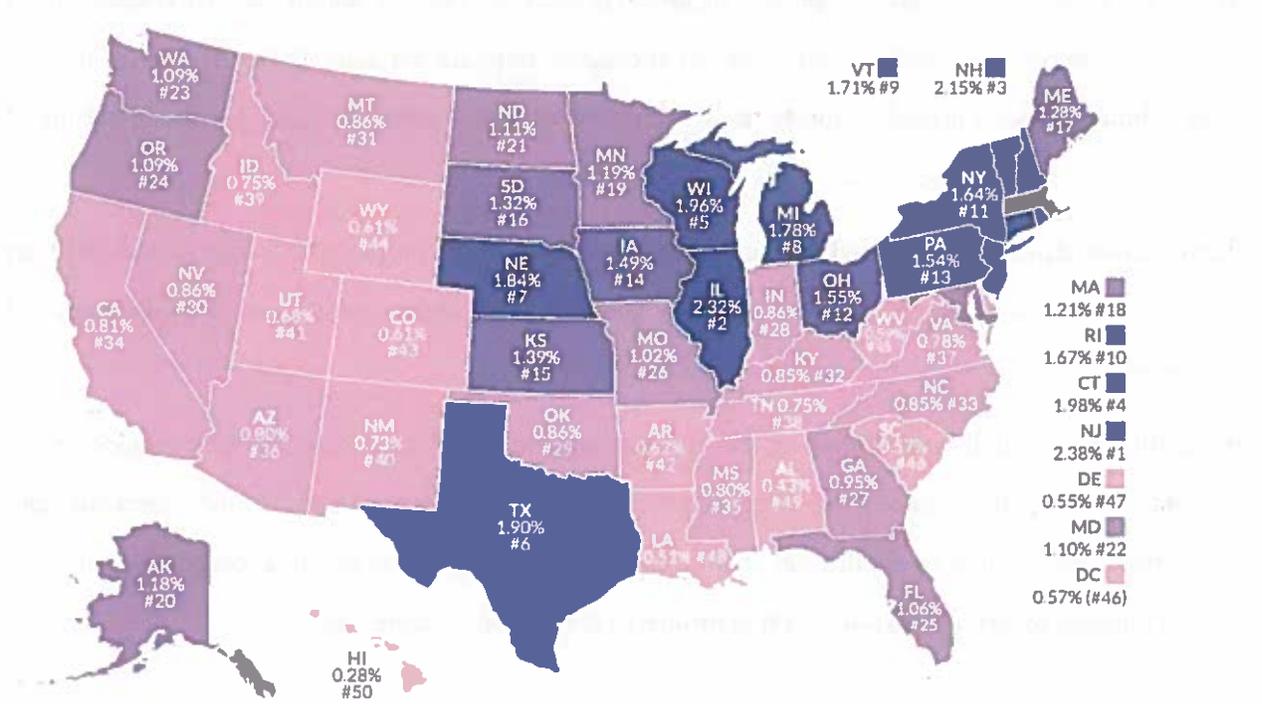
- Conduct a comprehensive review of State laws relating to local government and school district consolidation;
- Conduct a comprehensive review of State laws relating to unfunded mandates on local government bodies and school districts;
- Identify opportunities to consolidate, streamline, or eliminate duplicative governmental bodies, school districts, and taxing authorities;
- Identify opportunities to replace, revise, or repeal unfunded mandates placed on local governments and school districts;
- Discuss solutions and impediments to consolidation of local governments and school districts;
- Analyze the success of programs and legislation with similar goals implemented in Illinois and other states; and
- Prepare a final report to the Governor and the General Assembly making specific recommendations to consolidate local governments and school districts with the goal of improving the delivery of government and education services at a lower cost to State taxpayers."

The Task Force held 16 meetings across the state and has heard testimony from 33 experts representing government associations, nonprofit think tanks, researchers and state agencies. In addition, the Task Force received more than 85 proposals and has endorsed 27 recommendations on topics relating to local government consolidation and unfunded mandates.

## BACKGROUND

With the highest count of local governments in the state - 6,963 units - Illinois citizens pay some of the top local tax rates in the country. This is especially true when it comes to the primary source of revenue for most local governments in Illinois – property tax (Figure 1).

**Figure 1. How High Are Property Taxes in Illinois?**



Notes: The figures in this table are mean effective property tax rates on owner-occupied housing (total real taxes paid divided by total home value). As a result, the data exclude property taxes paid by businesses, renters, and others. D.C.'s rank does not affect other states' rankings, but the figure in parentheses indicates where it would rank if included.  
Source: U.S. Census Bureau; Tax Foundation



According to the U.S. Census of Governments, property taxes represented 28.4% of all state and local tax revenue in Illinois, or approximately \$25.5 billion in 2013. Property taxes are the largest own source revenue in the state and exceed even intergovernmental revenue received from the federal government, which amounted to \$20.1 billion in 2013.<sup>1</sup> Property taxes account for 61.3% of all local government revenue in the State of Illinois.

In 2005, the Tax Foundation ranked Illinois as seventh highest in effective property tax rates in the nation. Today, at 2.32% of market home value per year, Illinois residents pay the 2nd highest median effective property tax rate in the country.<sup>2</sup>

## PROPERTY TAXES

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By far, the largest amount and percentage of property taxes are used by school districts (Figure 2). As recent fiscal pressure on state government has increased, state aid for schools has decreased, thereby placing more burden on local property taxes to finance services - especially those involving groups of students requiring special services.

Illinois school districts represented 64%, or nearly two-thirds, of the property tax collections in 2012, an increase in the past decade from 62.2%. Without question, unfunded mandates contributed to some of this growth.

In addition to the high rates, Illinois is also the only state in the United States where a majority of its residents pay property taxes to three layers of general purpose local government: county, township, and municipal.<sup>3</sup> This can lead to duplication of services and unnecessary layers of bureaucracy. Overall, these general purpose governments collect 25% of property tax collections in the state.

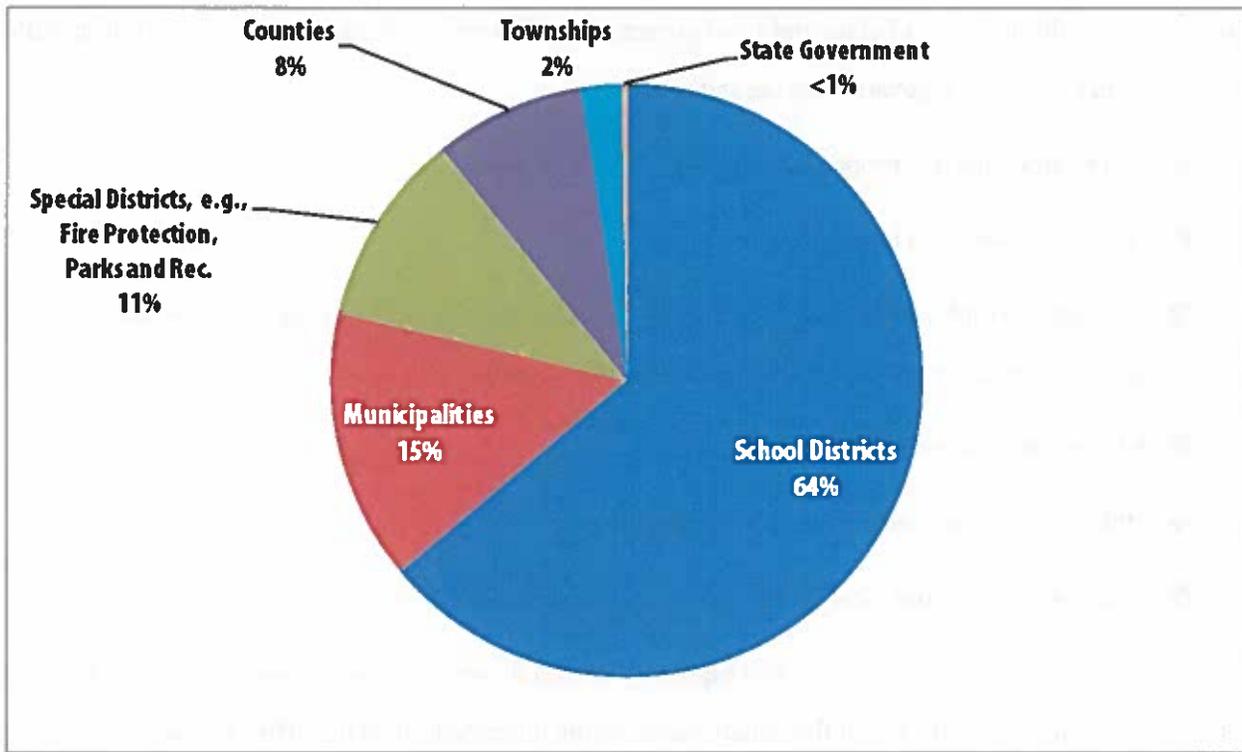
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1 2013 State & Local Government, State & Local Summary Tables by Level of Government, U.S. Census of Governments, February 3, 2015. Retrieved from <http://www.census.gov/govs/local/>.

2 Illinois Now Has the Second Highest Property Taxes in the Nation, Chicago Magazine, January 2, 2014. Retrieved from <http://www.chicagomag.com/real-estate/January-2014/Illinois-Now-Has-the-Second-Highest-Property-Taxes-in-the-Nation/>.

3 Boyd, Donald, Layering of Local Government & City-County Mergers, Nelson A. Rockefeller Institute for Government, March 21, 2008, Pg. 5. Retrieved from [http://www.rockinst.org/pdf/nys\\_government/2008-03-21-layering\\_of\\_local\\_governments\\_and\\_city-county\\_mergers.pdf](http://www.rockinst.org/pdf/nys_government/2008-03-21-layering_of_local_governments_and_city-county_mergers.pdf).

**Figure 2. Distribution of Property Tax Revenue in Illinois, By Type of Government**



Source: U.S. Bureau of the Census, 2012 Census of Governments.

In comparing tax collections by type of government, it is important to recognize the number and size of governments included. For instance, the City of Chicago is a major player in municipal comparisons. Reliance on property taxes in a specific government depends on other revenue-raising powers. Municipalities have a broader assortment of revenue options than do counties and townships. In addition, home rule municipalities have more powers to adjust their revenue structure and use a variety of other local sources than non-home rule municipalities.

In some states, services such as parks and recreation, fire protection, and libraries, are often provided as municipal or county functions. However, in Illinois, the Comptroller's Office lists 38 separate types of special service districts which represent 11% of property tax collections. Many of these special districts provide services to a small group of residents for specific purposes and usually have few other revenue sources. Thus they rely more on charges for services (e.g., park districts charge fees for sport teams) than on a general property tax. However, in other cases, the special districts must rely on property tax collection.

In addition to high property taxes, several metrics indicate that Illinois residents routinely pay high taxes to fund the multiple layers of state and local government. Illinois consistently ranks in the top quartile when it comes to key local government tax statistics:<sup>4</sup>

- 2nd highest effective property tax rate<sup>5</sup>
- 4th highest state and local wireless tax rate<sup>6</sup>
- 5th highest combined state and local gasoline excise tax rate, and 1 of only 7 states that charge a general sales tax in addition to the gasoline excise tax rate.<sup>7</sup>
- 8th highest local tax collections per capita.
- 10th highest combined state and local sales tax rate.<sup>8</sup>
- 13th highest state and local tax as a percentage of personal income.

A large part of the reason why taxes are so high in Illinois is the result of an extraordinarily high number of local governments coupled with financially burdensome unfunded mandates. The recommendations in this report are designed to help reduce property taxes as well as modernize the delivery of local public services.

## LOCAL GOVERNMENT CONSOLIDATION

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While individual local governments may take only a small percentage of the overall taxes, when considered altogether the total is significant. Shortly after Governor Rauner issued the Executive Order creating the Task Force, its Chair Lt. Governor Sanguinetti discussed with Task Force members the number of local governments representing residents in her neighborhood in Wheaton, Illinois. The list that developed accounts for those receiving a portion of property tax as well as other revenue sources like sales tax and user fees, including:

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4 Source: Tax Foundation, Facts and Figures, 2015; U.S. Census Bureau, Census of Government Finances, 2012.

5 Source: Tax Foundation, Facts and Figures, 2015; U.S. Census Bureau, Census of Government Finances, 2012.

6 State Gasoline Tax Rates as of January 1, 2013, Tax Foundation. Retrieved from <http://taxfoundation.org/article/record-high-taxes-and-fees-wireless-consumers-2015>.

7 Tax Foundation, 2013. Retrieved from <http://taxfoundation.org/article/state-gasoline-tax-rates-2009-2013>.

8 Tax Foundation <http://taxfoundation.org/article/state-and-local-sales-tax-rates-midyear-2015>.

1. DuPage County
2. DuPage County Forest Preserve District
3. DuPage County Airport Authority
4. Milton Township
5. Milton Township Road District
6. City of Wheaton
7. Wheaton Park District
8. Wheaton Mosquito Abatement District
9. Wheaton Sanitary District
10. Wheaton-Warrenville Unit School District 200
11. College of DuPage
12. DuPage Housing Authority
13. DuPage Water Commission
14. Regional Transportation Authority
15. Metra
16. Pace

Besides increasing costs for residents, when living in an area with too many layers of government, one's ability to participate in the democratic process is increasingly difficult. It is next to impossible for residents to remember all of their officials' names, let alone engage in meaningful dialog about what services the agencies representing them perform.

In summary, a large part of the reason that Illinois is a high tax state is due to the high number and many layers of local government. This is best exemplified by the primary source of revenue for local governments in Illinois - the property tax. Thus, any efforts to address Illinois' high tax problems must include an examination of the numerous layers of local government.

## UNFUNDED MANDATES

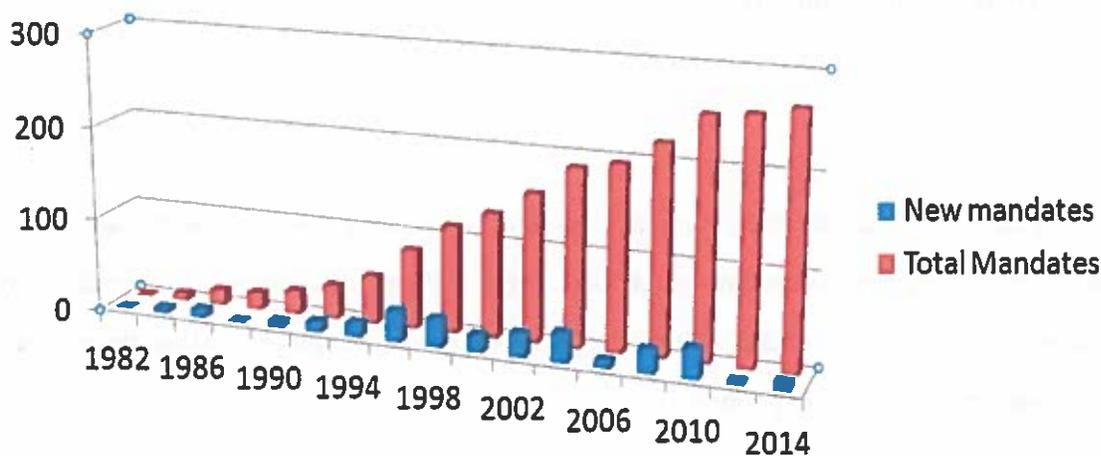
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The other main driver of high property taxes and other local taxes in Illinois is unfunded mandates, primarily imposed by the state. Local governments must determine how to pay for these unfunded mandates, leaving fewer resources available for local governments to perform their core missions. Unfunded mandates often force local governments to engage in more costly activities and consequently they pass those costs to residents in the form of higher taxes or fees.

The number of new unfunded mandates has skyrocketed over the last few decades. Local government associations, including the Illinois Municipal League and the Illinois Association of School Boards, have documented substantial growth in the number of unfunded state mandates restricting local control of local government activities.

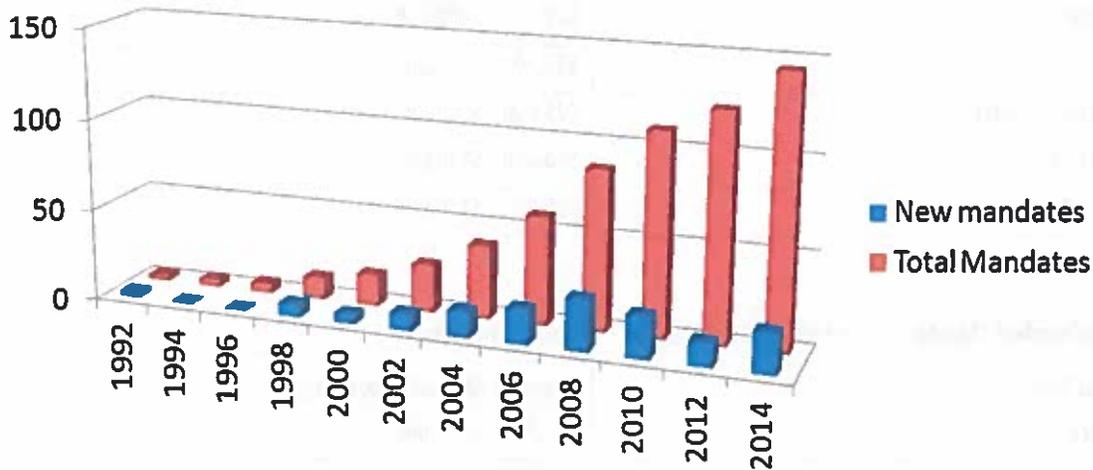
The Illinois Municipal League identified 266 new unfunded state mandates imposed on their members since 1982, an average of rate of 8 new unfunded mandates per year (Figure 3). And the Illinois Association of School Boards documented the enactment of 145 state mandates imposed on schools since 1992, more than 6 new unfunded mandates per year (Figure 4).

**Figure 3. Municipal Unfunded Mandates, 1982-Present**



Source: Illinois Municipal League, Report to the Local Government Consolidation and Unfunded Mandates Task Force.

**Figure 4. School District Unfunded Mandates, 1992 - present**



Source: Illinois Association of School Board Officials, Mandates Enacted since 1992.

These unfunded mandates often come with large price tags (Tables 1A through 1E). Local governments report some of the most burdensome, costly unfunded mandates to be:

**Table 1A. Unfunded Mandates Cost Range Estimates – Public Pension**

Government Type	Average Annual Cost Range
Municipality	\$100,000 - \$250,000
County	\$250,000 - \$500,000
Township	\$25,000 - \$50,000
Fire Protection District	\$50,000 - \$100,000

**Table 1B. Unfunded Mandates Cost Range Estimates – Collective Bargaining & Interest Arbitration**

Government Type	Average Annual Cost Range
Municipality	\$50,000 - \$250,000
County	\$250,000 - \$1,000,000
Fire Protection District	\$250,000 - \$500,000

**Table 1C. Unfunded Mandates Cost Range Estimates – Worker’s Compensation**

<b>Government Type</b>	<b>Average Annual Cost Range</b>
<b>Municipality</b>	\$50,000 - \$100,000
<b>Township</b>	\$25,000 - \$50,000
<b>Fire Protection District</b>	\$25,000 - \$50,000
<b>School District</b>	\$50,000 - \$150,000
<b>Community College</b>	\$50,000 - \$150,000

**Table 1D. Unfunded Mandates Cost Range Estimates – Health Insurance**

<b>Government Type</b>	<b>Average Annual Cost Range</b>
<b>Municipality</b>	\$50,000 - \$250,000
<b>County</b>	\$500,000 - \$1,000,000
<b>Township</b>	\$25,000 - \$50,000
<b>Fire Protection District</b>	\$50,000 - \$250,000

**Table 1E. Unfunded Mandates Cost Range Estimates – Prevailing Wage**

<b>Government Type</b>	<b>Average Annual Cost Range</b>
<b>Municipality</b>	\$50,000 - \$100,000
<b>County</b>	\$50,000 - \$100,000
<b>Township</b>	\$10,000 - \$25,000
<b>Fire Protection District</b>	\$10,000 - \$25,000
<b>School District</b>	\$250,000 - \$500,000
<b>Community College</b>	\$150,000 - \$250,000

Note: All cost ranges are based on Northern Illinois University-Center for Governmental Studies’ Survey Results and confirmed by the relevant government association. For more information, see the Unfunded Mandates section of this report.

As the number of unfunded mandates on Illinois local governments increased, so did the cost of government, measured as total expenditures per resident. After adjusting for inflation using the Consumer Price Index, expenditures per capita increased 23.8% during the past 20 years (Table 2). In constant dollars, Illinois local governments spent \$1,119 more per resident in 2012 than in 1992 on average.

**Table 2. Figure Local Expenditures Per Capita in Illinois, 1992-2012**

Year	Operating Expenditures Per Capita	
	Nominal	Constant*
1992	\$2,191	\$3,594
1997	\$2,638	\$3,773
2002	\$3,452	\$4,418
2007	\$4,290	\$4,762
2012	\$4,713	\$4,713
<b>% Change (1992-2012)</b>	<b>53.5%</b>	<b>23.8%</b>

\* 2012 dollar terms—adjusted for Consumer Price Index.

Source: U.S. Census Bureau, Census of Government Finances, 1992-2012.

Expenditures per capita decreased slightly since 2007 because of the Great Recession and the slow recovery. Other revenue sources such as sales tax receipts also were relatively stagnant in this period which reinforces the concern about the impact of unfunded mandates. Unfunded mandates added to the burden on local governments and the cost of government in Illinois increased since 1992, at a rate that clearly outpaced inflation.

The extensive testimony heard by the Task Force in conjunction with the results of the survey on unfunded mandates indicated that taken together, Illinois' many layers of local government and the soaring number of costly unfunded mandates imposed on local governments by the state are two major drivers of the high cost of local government in the state. Developing a plan to alleviate some of the major tax burdens on Illinois residents and businesses must focus on these two problems. Addressing local government consolidation in conjunction with costly unfunded mandates will alleviate the strain placed on taxpayers and help improve service delivery of essential public services.

## RECOMMENDATIONS

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The Task Force was created not only to document problems relating to consolidation and unfunded mandates, but also to propose government reform recommendations to the Governor and the Illinois General Assembly. In the 16 meetings since its creation, the Task Force voted to endorse 27 recommendations. A short summary of each recommendation is provided below. The entire text of each recommendation, as approved by the Task Force, is in the Proposals and Recommendations section at the end of this report.

### Consolidation-Related Recommendations:

1. Enact a 4-year moratorium on creating new local governments. (Considered on June 24, 2015; Proposal Passed: 21-1-0)
  - Enact a four-year moratorium on creating new local governments, unless this new government is a result of the consolidation of two or more existing local governments.<sup>9</sup>
2. Empower Illinois citizens to consolidate or dissolve local governments via referendum. (Considered on June 24, 2015; Proposal Passed: 21-1-0)
  - Set a maximum petition signature requirement of 5 percent of votes cast in the last general election to bring forward a referendum relating to the consolidation or dissolution of a local unit of government.
3. Expand DuPage County's pilot consolidation program to all 102 counties. (Considered on June 24, 2015; Proposal Passed: 21-0-1)
  - Extend to all 102 counties in Illinois the authority to dissolve or consolidate government units whose boards are appointed by the county. (Public Act 098-0126)
4. Allow all townships in the state to consolidate with coterminous municipalities via referendum. (Considered on October 19, 2015; Proposal Passed: 14-0-1)

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<sup>9</sup> This recommendation was enacted in law as PA 99-0353 and will be made effective January 1, 2016.

- Extend to the 19 other coterminous municipalities/townships in Illinois the same authority that was granted to voters in Evanston Township to hold a referendum to consolidate the township into the city of Evanston. (Public Act 98-0127)
5. Remove the limitation capping a township size of 126 square miles. (Considered on October 19, 2015; Proposal Passed: 14-0-1)
    - Remove the 126-square mile cap on townships to allow larger consolidation of two or more townships into one.
  6. Allow counties to retain their existing form of government following a successful referendum to dissolve townships into the county. (Considered on October 19, 2015; Proposal Passed: 14-0-1)
    - Current law requires any county that dissolves its townships into the county to change its structure to commission form of government and cap the number of county board members to five. This proposal allows counties to retain their current form of government.
  7. Hold taxpayers harmless from township consolidation. (Considered on October 19, 2015; Proposal Passed: 14-0-1)
    - Allow a county board or citizen-initiated township consolidation referendum to peg the year one local tax rate to the lowest rate among consolidating townships.
  8. Allow counties with fewer than 15,000 parcels and \$1 billion in Equalized Assessed Value (EAV) to dissolve all of the elected township assessors and multi-township assessment districts into one, newly-elected county assessor position and office - by majority vote of the county board or via citizen-led referendum. (Considered on October 19, 2015; Proposal Passed: 14-0-1)
    - Consolidation of the township assessor position in the aforementioned circumstances would provide standardized services and a reduced occurrence of unequal assessment practices.
  9. Protect the Intergovernmental Cooperation Act. (Considered on November 19, 2015; Proposal Passed: 15-0-1)
    - Encourages local governments to continue to coordinate service offerings through intergovernmental agreements.

10. **School District Consolidation: Provide the Illinois State Board of Education (ISBE) flexibility to incentivize outcomes of school district consolidation. (Considered on November 19, 2015; Proposal Passed: 14-0-2)**

- School district consolidation can lead to enhanced academic offerings, K-12 curriculum alignment, and improved administrative efficiencies. Incentivizing these outcomes through ISBE could lead to school district consolidation without the application of a one-size-fits-all consolidation model.

11. **Encourage state agencies – when allocating discretionary state and federal funds to local governments – to encourage regional sharing of public equipment, facilities, training, resources, and administrative functions. (Considered on November 19, 2015; Proposal Passed: 16-0-0)**

- Local units of government can achieve significant savings through the consolidation and sharing of services, assets, personnel and function. State agencies should be empowered to incentivize good government, intergovernmental cooperation.

12. **Allow merger of general township road and bridge districts that maintain less than 25 miles of road. (Considered on November 19, 2015; Proposal Passed: 12-0-4)**

- Current law requires township road and bridge districts with less than 5 miles of road to consolidate into the general township. This proposal would allow consolidation at fewer than 25 miles.

### **Unfunded Mandate-Related Recommendations:**

1. **Modernize newspaper public notice mandates. (Considered on June 24, 2015; Proposal Passed: 20-0-0)**

- Expand public notice mandate requirements to allow local units of government the option to post online public notices and other public information.
- Expand public document retention requirements to allow local units of government the option to store public documents digitally.

2. **Repeal or reform Prevailing Wage. (Considered on June 24, 2015; Proposal Passed: 14-5-2)**
  - **The repeal or reform of prevailing wages would provide units of government and school districts more local control over contracting.**
3. **Provide third-party contracting mandate relief for school districts. (Considered on June 24, 2015; Proposal Passed: 18-1-1)**
  - **Allow schools to contract out non-instructional services like those relating to building maintenance, transportation and food preparation, among others, in a more competitive manner.**
4. **Implement physical education mandate relief for school districts. (Considered on June 24, 2015; Proposal Passed: 19-1-0)**
  - **Provide local school districts the flexibility to allow physical education exemptions to children for certain academic reasons or to children who are involved in other qualified physical activities.**
5. **Provide driver education mandate relief for school districts. (Considered on June 24, 2015; Proposal Passed: 17-2-1)**
  - **Provide local school districts the authority to contract with a qualified commercial driver training school to provide driver education to students.**
6. **Make collective bargaining permissive, instead of mandatory. (Considered on November 19, 2015; Proposal Passed: 15-1-0)**
  - **Allow locally-elected municipal boards and councils, counties and school districts the authority to decide whether employment issues should be mandatory or permissive subjects of collective bargaining.**
7. **Eliminate minimum manning from collective bargaining. (Considered on November 19, 2015; Proposal Passed: 14-1-1)**
  - **Restore the authority of a municipality and fire protection district to determine staffing needs – thus revoking PA 98-1151.**

8. PSEBA: Use the federal definition for catastrophic injury. (Considered on November 19, 2015; Proposal Passed: 13-0-2)
  - Modernize the Public Safety Employee Benefit Act, by adding the federal definition of 'catastrophic injury' to ensure personnel, their spouses, and children receive support when the individual is injured on the job and is unable to secure gainful employment.
9. Allow arbitrators to use existing financial parameters of local government as a primary consideration during interest arbitration. (Considered on November 19, 2015; Proposal Passed: 13-0-2).
  - Currently only provided to Chicago Public Schools, this proposal requires arbitrators to make existing revenues the primary consideration during interest arbitration.
10. Require an annual state review of unfunded mandates on local government. (Considered on November 19, 2015; Proposal Passed: 15-0-0)
  - In 1987, the Department of Commerce and Economic Opportunity was required (PA 84-1438) to conduct a one-time review of unfunded mandates. This proposal requires an annual review of unfunded mandates on local governments.
11. Merge downstate and suburban public safety pension funds into a single pension investment authority, as amended. (Considered on November 19, 2015; Proposal Passed: 15-0-1)
  - With 656 funds, Illinois has more than 16 percent of the nation's 3,992 public pension funds, but only 4 percent of the nation's population. The proposal would merge downstate and suburban public safety pension funds into a single pension investment authority.
12. Pass a constitutional amendment on unfunded state mandates. (Considered on December 1, 2015; Proposal Passed: 13-2-0)
  - The amendment should require the state to reimburse local governments school districts for increased expenses relating to future state mandates.
  - Future unfunded mandates need to be characterized as "not reimbursable" and must pass each chamber by a three-fourths majority.

13. Requests the Governor use his amendatory veto power to insert “if economically feasible” language into any legislation authorizing new unfunded mandates on local governments and school districts.  
(Considered on December 1, 2015; Proposal Passed: 14-1-0)
  - By tying economic feasibility to compliance with unfunded mandates the Governor can end future costly unfunded mandates.
14. Economic Feasibility Exemption for local units of government, school districts, community colleges and institutions of higher education. (Considered on December 8, 2015; Proposal Passed: 14-0-1)
  - Provides a process for certain government bodies to exempt themselves from compliance with unfunded mandates when they determine it is not economically feasible to do so.
15. Give control of employee retirement benefit packages back to local governments for new employees.  
(Considered on December 8, 2015; Proposal Passed: 13-1-1)
  - Provide local governments the authority to provide blended Social Security and 401k plans to new non-public safety employees and blended defined contribution / defined benefit plans for new public safety employees.

## NEXT STEPS

Following the submission of this report, the Task Force will be dissolved per statute. Members will be invited to join Lt. Governor Sanguinetti to promote the aforementioned recommendations as legislation in the next session of the Illinois General Assembly.

While legislation is important in driving most of unfunded mandates changes, significant progress can be made on the topic of consolidation through the promotion of shared services and intergovernmental agreements. Local units of government around the state are identifying opportunities to streamline service offerings. Northern Illinois University's Center for Governmental Studies and the Office of the Lt. Governor plan to collaborate on an annual Illinois Journal of Shared Service Best Practices to promote good government partnerships in Illinois and encourage replication.



## Economic Competitiveness and Job Growth Package

Illinois needs to become more competitive to increase jobs and grow the economy:

- Chief Executive Magazine ranked Illinois 48<sup>th</sup> among top states for business;
- We have the 7th highest workers' compensation costs in the country;
- We have the 9th highest unemployment insurance taxes in the country;
- We have one of the worst lawsuit climates in the country, ranking 46th out of 50;
- We're last in job growth among our neighboring states; and
- More than 94,000 Illinoisans moved out of state last year.

We need to make Illinois a growth state again. That means structural reforms to major cost drivers for businesses. This legislative package:

- Transforms our workers' compensation system to bring costs in line with other states;
- Reforms our judicial climate to rein in frivolous lawsuits;
- Adopts commonsense changes to our unemployment insurance program;
- Empowers voters to choose if workers should be forced to join a union or pay fair share fees as a condition of an employment and allow local communities to compete by enacting local empowerment zones; and
- Phases in a minimum wage increase to \$10 an hour.



## Workers Compensation/Minimum Wage Reform

### **Background**

According to the 2014 Oregon Workers' Compensation Premium Rate Ranking Summary, Illinois has the 7<sup>th</sup> highest workers' compensation costs in the country. These high structural costs drive jobs to other states, including Indiana, where workers' compensations costs are more than 50 percent less.

### **Causation**

Workers' compensation is a no-fault system. To recover on a workers' compensation claim, the employee bears the burden of showing s/he has sustained accidental injuries arising out of and in the course of employment.

Currently, if the employment is related at all to the injury, no matter how indirectly, the employee's injury is compensable. If a work injury aggravates a pre-existing condition even slightly, the employer is 100% liable for the workers' compensation claim.

Twenty-nine states have a higher causation standard than Illinois. Missouri, Kansas, Oklahoma and Tennessee recently passed laws requiring the workplace to be the primary cause for workers' compensation to be compensable. Florida's major contributing cause standard is identical to the one we are proposing.

### *Proposal*

The causation standard should be raised from an "any cause" standard to a "major contributing cause" standard. The accident at work must be more than 50% responsible for the injury compared to all other causes.

### **AMA Guidelines**

The 2011 reforms added the use of AMA Guidelines as one of five factors in determining permanent partial disability (PPD) awards. The AMA Guidelines are more conservative in determining the awards and thus it was hoped that allowing Commissioners to use these guidelines would reduce awards. While complete data on the use of AMA guidelines since 2011 is not yet available, a study of 20 cases from the IWCC shows a 12.24% reduction in awards when using the AMA guidelines. Indiana requires mandatory use of the AMA guidelines when determining permanent partial impairment which results in lower permanency awards.

### *Proposal*

- The language that limits the Commission from using only one of the five factors to determine PPD should be eliminated. This will allow (though not mandate) a Commissioner to solely base an award on the AMA guidelines.
- The language that limits a Commissioner to only considering a treating physician's medical records should also be eliminated. Instead, the Commission should be able to review both a treating physician's and an independent medical examiner's records to provide a more balanced view of the medical condition.



### **Traveling Employee**

The Illinois Appellate Court has greatly expanded the scope of what constitutes a “traveling employee” for purposes for workers’ compensation. For example, an employee’s injuries were found to be compensable when that employee slipped and fell on the way to work.

#### *Proposal*

- What constitutes travel for the purposes of workers’ compensation should be narrowed.
- An employee would only be able to recover workers’ compensation while traveling if the travel was necessary for the performance of job duties. The employee must receive reimbursement for the travel or use a company car, and the travel must be required by the employer.
- This change, in addition to the heightened causation standard, will greatly limit the situations in which an employee “traveling for work” is able to recover.

### **Fee Schedule Reduction**

Even with the 2011 reforms, workers’ compensation medical fees in Illinois are significantly larger than the median of other states. Surgery costs are the most egregious fee schedule abuses, with rates 300%-400% above Medicare rates and 100%-200% above group health. Illinois costs are 40%-60% higher than other states for radiology and emergency services and 90%-100% for pain management injections and surgery. Research has shown that a 30% fee schedule reduction would result in a 15%-20% reduction in medical claim costs.

#### *Proposal*

- Reduce the fee schedule by 30% for all services except evaluation and management (office visits), and physical medicine (physical therapy, chiropractic visits and occupational therapy).

### **Minimum Wage**

A minimum wage increase should only come in conjunction with workers’ compensation, lawsuit, unemployment insurance and employee empowerment zone reforms to reduce costs on employers.

#### *Proposal*

- If the aforementioned reforms are enacted, amend the Minimum Wage Law to increase the minimum wage by an increment of \$0.25 per hour each year beginning in 2016 and ending in 2022.
- Increase the minimum wage from \$8.25 to:
  - o \$8.50 on January 1, 2016
  - o \$8.75 on January 1, 2017
  - o \$9.00 on January 1, 2018
  - o \$9.25 on January 1, 2019
  - o \$9.50 on January 1, 2020
  - o \$9.75 on January 1, 2021
  - o \$10.00 on January 1, 2022



## Unemployment Insurance Reform

### **Background**

Illinois unemployment insurance should be fair for beneficiaries and employers. Right now, Illinois ranks 9<sup>th</sup> in the nation in unemployment insurance taxes. We need reforms that will protect the integrity of the unemployment insurance program and reduce needless pressures on job creators.

### *Proposal*

- Amend Unemployment Insurance Act to provide stronger fraud provisions and penalties.
- Update financial eligibility trigger. It has not been changed for nearly 30 years.
- Strengthen the requalification for regular benefits and benefits for seasonal and temporary workers provisions.
- Redefine disqualifications for misconduct and voluntary quit provisions.



## Lawsuit Reform

### **Background**

Illinois has one of the worst lawsuit climates in the nation, ranking 46<sup>th</sup> out of all 50 states. Illinois has two of the top five counties in America named as “judicial hellholes” by the American Tort Reform Association based on lawsuits filed and size of awards. Ninety percent of plaintiffs who file in Madison County come from outside Illinois. If we are to grow our economy again, we need commonsense reforms to restore sanity to our courts.

### **Venue Reform**

Currently, lawsuits can be filed in a county even if the plaintiff or defendant doesn’t reside in that county. Legislation is needed to make it more difficult for plaintiffs to “venue shop.”

#### *Proposal*

- Can only sue corporations, associations and partnerships where the entity has an office, as opposed to where the entity has an office or does business.
- A lawsuit must be dismissed for lack of venue if there is not a defendant who is an Illinois resident and the transaction or cause of action did not occur in Illinois.
- Deletes the provision that an action against an insurance company may be brought in the county in which a plaintiff resides.

### **Restore Jury Composition**

Senate Bill 3075 was a Trial Lawyers’ initiative passed during the 98<sup>th</sup> General Assembly’s veto session and signed into law as PA 98-1132. It reduced the number of jurors in all civil cases to 6 from 12. It also increased the pay to all jurors to \$25 for the first day and \$50 per day thereafter. Previous fees ranged from \$4-10 a day. Funding was not proposed for this bill. This represents up to a 425% increase for some counties. McHenry estimates that it will have to pay an additional \$368,000 for jury service. Similarly, Lake County estimates that its costs would increase by \$500,000.

#### *Proposal*

This legislation should be repealed before its June 1, 2015 effective date to save taxpayer dollars.

### **Joint and Several Liability Reform**

Current law allows for trial lawyers to target deep-pocketed defendants, even if other defendants bear responsibility. One defendant could be liable for all damages caused by numerous defendants.

#### *Proposal*

- For both joint and several liability cases, adds that any third-party defendants who could have been sued can be jointly or severally liable for the purposes of determining other defendant’s liability. This will allow defendants to point to other potentially liable defendants, even if they are not named in the lawsuit to reduce their own liability.
- For those defendants that are more than 25% liable and thus jointly and severally liable, we would allow them to reduce their liability if there were other potential defendants.



### **Truth in Medical Expense Awards**

Currently, Illinois law allows for the introduction of any medical expense billed when determining damages. In actuality, while doctors and hospitals may bill large amounts, only a small percentage of those bills are actually paid by the patient or health insurance. This results in inflated medical expense verdicts.

#### *Proposal*

The introduction of medical expenses should be limited to only those expenses actually paid by the patient.

## **Local Employee Empowerment Zones**

### **Background**

Joining a union should be a choice - workers should be free to join or not join a union as they see fit. States that have embraced employee empowerment and moved away from forced unionization have seen significant economic development. A study by the Fraser Institute examined findings from an econometric model of state gross product and total employment for 49 states from 1977-2010. The study found that employee empowerment laws increase economic output by 1.8 percent and increased employment by 1 percent for the average state.

#### *Proposal*

This legislation would authorize “employee empowerment zones” to be established in any county, municipality, school district, or other unit of local government. Within an employee empowerment zone, state law would give workers the right to voluntarily join, or refrain from joining, a union. It would be unlawful to condition employment on the obligation to join a union or pay union-related dues within a zone.

An employee empowerment zone could be established either (i) by ordinance or resolution adopted by the governing board or council of the local government or (ii) by referendum proposed by petitions signed by at least 5 percent of registered voters in the jurisdiction. The proponents would decide whether the employee empowerment zone would apply to public sector employees, private sector employees, or both.

- A county-wide employee empowerment zone would apply to all public- and/or private-sector (as applicable) employees within that county. If the zone applies to public-sector employees, it would apply to public employees of the county and of any other unit of local government, including home rule units, or school district located within that county.
- A municipality-wide employee empowerment zone would apply to all public- and/or private-sector (as applicable) employees within that municipality. If the zone applies to public-sector employees, it would apply to public employees of the municipality and of any other unit of local government, including home-rule units, or school district located entirely within that municipality.
- An employee empowerment zone adopted in any other unit of local government or school district would apply only to public employees of that local government or school district.



- An employee empowerment zone could also be adopted in a Chicago city ward. That zone would apply only to private-sector employees. While the zone’s boundaries would initially be the same as the ward’s boundaries, the zone’s boundaries would not be changed by any redistricting of the ward.

## Taxpayer Protection and Property Tax Freeze Package

Illinois homeowners pay the second-highest property taxes in the nation. If we want more homeowners in Illinois, we need to address the root causes of high property taxes – too much bureaucracy and mandates that add costs to our communities:

- Pension payments cost local communities more than \$2 billion in 2013, and local governments don’t control benefit or contribution levels;
- In the last decade, Illinois lost \$1.6 billion on school construction projects alone due to costly prevailing wage requirements;
- Project-labor agreements can increase costs on a public works project by nearly 20 percent;
- Nearly half of all states allow for some form of bankruptcy protection for municipalities to help turn around their communities – but Illinois lacks that authorization.

Empowering our communities will allow for better outcomes at the local level that will protect taxpayers. This legislative package:

- Freezes property taxes and lets voters decide via referendum if taxes should be raised;
- Reforms the state’s costly prevailing wage requirements and eliminates project-labor agreements that force workers to join a union;
- Gives voters or local government boards the ability to determine if certain topics should be excluded from collective bargaining;
- Allows a municipality to restructure itself through the federal bankruptcy process; and
- Provides more opportunity for minorities to participate in union apprenticeship programs and on public works construction projects.

## Property Tax Freeze

### **Background**

Illinois has the second-highest property taxes in the nation. Instead of government deciding when property taxes should increase, we should empower voters to decide for themselves.

State law created property tax caps for certain counties under PTELL (Property Tax Extension Limitation Law). Under PTELL, a taxing district receives a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction. Thirty-nine counties, including Cook and the Collar Counties, are subject to PTELL. PTELL limits the growth in extensions to the lesser of 5% or the increase in the Consumer Price Index.

### *Proposal*

- Starting in property tax year 2016, payable in 2017, all property tax extensions from local taxing districts will be equal to the extension from 2015.



- This will impact home rule and non-home rule units of government and both PTELL and non-PTELL counties.
- It will still be possible for a property owner to see fluctuations in property tax bills due to an increase/decrease in value, new construction or the expiration of a tax increment financing district.
- Through a referendum, voters may decide to break through the property tax freeze.

## Prevailing Wage / Project Labor Agreements

### **Background**

Illinois sets minimum “prevailing wages” for workers on state and local construction projects. These prevailing wages are significantly more than minimum wages. Over the years, prevailing wages have generally been set to match the union scale, even though a majority of construction workers in Illinois are not part of a union.

In addition, Illinois law permits, but does not require, the use of Project Labor Agreements (PLAs) for construction projects. A PLA is negotiated by the state and unions before the project is awarded to a private contractor. The private contractor is then forced to comply with the terms negotiated by the state and the unions, which increases cost. While not mandatory, the state has been increasingly prone to attach union-only PLAs to construction projects.

Estimates show that mandatory Project Labor Agreements can drive up the cost of a project by roughly 18 percent, with prevailing wage requirements having a similar effect.

### *Proposal*

This legislation would repeal the Illinois Prevailing Wage Law. Projects funded by the federal government would still be subject to federal requirements, including the Davis-Bacon Act. Wages would also still be subject to generally-applicable state laws, such as the Illinois minimum wage. While home-rule local governments would be able to determine local prevailing wages, a local prevailing wage would not apply to a state-funded project (but a federal prevailing wage would continue to apply, if the project is federally funded).

This legislation would also prohibit the use of PLAs for state-funded projects, except when required by federal law.



## Local Collective Bargaining

### **Background**

Local units of government are constrained by state law with regard to collective bargaining agreements. This removes taxpayers' ability to control the costs of their local governments, which regularly leads to pressure on local budgets and property taxes. Empowering communities to make local collective bargaining determinations will provide more flexibility to leaders and reduce demands on taxpayers.

### *Proposal*

This legislation would authorize local governments, acting through their governing bodies or by voter-initiated referenda, to exclude certain topics from collective bargaining. These include:

- Use of third-party contractors;
- Wages in excess of aggregate limits established by the local government;
- Health insurance benefits;
- Use of employee time for the business of the labor organization;
- Required levels of staffing;
- Procedures and criteria for personnel evaluations and use of seniority; and
- In the case of schools, curriculum or standards of student academic performance, conduct, and discipline in school.

The exclusion of these topics could be adopted for the county, municipality, school district or other unit of local government.

- If adopted county-wide, the exclusion would apply to public employees of the county and of any other unit of local government, including home-rule units, or school district located within that county.
- If adopted municipality-wide, the exclusion would apply to public employees of the municipality and of any other unit of local government, including home-rule units, or school district located entirely within that municipality.
- If adopted in any other unit of local government or school district, the exclusion would apply only to public employees of that local government or school district.

## Municipal Bankruptcy

### **Background**

Under federal law, before a municipality can seek relief under Chapter 9 of the Bankruptcy Code, it must be "specifically authorized" under state law to file bankruptcy – 24 states currently provide this authorization. Illinois lacks that authorization, providing no ability to help turn around struggling communities.

### *Proposal*



This legislation explicitly authorizes municipal bankruptcy. There are no requirements, pre-conditions or other limitations to a municipality's access to Chapter 9 in the proposed legislation. The decision whether to file is left entirely up to a municipality.

## **Apprenticeship Programs / Minority Participation in Construction Projects**

### **Background**

There is a significant imbalance regarding minority participation in union apprenticeship programs. According to the Illinois Department of Labor, 12 percent of apprenticeship participants are Hispanic and 9 percent are African American. However, according to the U.S. Census, 16.5 percent of the state's population is Hispanic or Latino and approximately 15 percent of the population is African American. It's time to restore balance to state-funded construction projects and apprenticeship programs.

### *Proposal*

- This legislation requires agencies letting a state-funded construction contract to provide bidders with county-specific minority participation goals for all personnel on the project as established by the Illinois Department of Labor.
- It also modifies responsible bidder requirements, which require participation in apprenticeship and training programs, to include a good faith effort component for reaching county-specific minority participation goals as established by the Illinois Department of Labor.



## Transforming Government Package

The structure of our government has contributed to years of mismanagement of the state's finances. Previous governors negotiated sweetheart deals with those who make money from the government, and then accepted millions in campaign contributions funded by taxpayers. It's a corrupt bargain that rewards insiders at the expense of taxpayers.

It's time we break the cycle of corruption and restore integrity to the process. Structural reforms to our state will ensure that we have a government that earns the respect of the public. This legislative package:

- Enacts 10-year term limits on members of the Illinois General Assembly
- Extends to Illinois state workers the same protections provided to federal workers by prohibiting the collection of fair share dues for those who choose to not join a union
- Closes a loophole that allows unions with state collective bargaining agreements to contribute to those who negotiate their contracts – just like the contribution ban on businesses with state contracts
- Reforms the state's revolving door provisions for senior members of the Administration, and strengthens gift and traveling restrictions
- Merges the offices of the Illinois Comptroller and Treasurer

### Term Limits Amendment

#### **Background**

Fifteen other states impose term limits on state legislators. Most states impose a limit of eight to 12 years in each chamber. It's time for Illinois to adopt legislative term limits.

#### *Proposal*

The Illinois Constitution should be amended to limit a Representative or Senator from holding that office or combination of those offices for more than 10 years.

### "Fair Share"

#### **Background**

Ninety-three percent of the state's workforce is unionized. Even if an employee chooses to leave the union, he or she must still continue to pay "fair share" fees to the union. Government union bargaining and government union political activity are inextricably linked. The federal government and many state governments ban the collection of fair share fees from federal workers. Illinois should do the same.

#### *Proposal*

This legislation would ban union agency/fair share fees for state government workers.



## Removing Conflicts of Interest in Campaign Contributions

### **Background**

State law already prohibits contractors with more than \$50,000 in state contracts from contributing to the campaign of an officeholder that awards such contracts. However, labor unions with collective bargaining agreements are exempt from this prohibition. This creates a situation where a statewide official can dole out salary and benefit enhancements and be rewarded with campaign contributions.

### *Proposal*

Prohibit labor organizations from making contributions to the campaigns of officeholders they collectively bargain with throughout the state, including mayors and school boards.

## Ethics Executive Order Codification

### **Background**

This legislation would codify Executive Order 15-09 issued by Governor Rauner to tighten ethics requirements and close loopholes for Executive Branch officials.

### *Proposal*

- Expands the types of disclosures required on the Statement of Economic Interest in order to ensure full disclosure of potential conflicts of interest.
- Prohibits any official or employee who files a Statement of Economic Interest (e.g., directors, supervisors, and procurement officers) from (i) negotiating for outside employment with a lobbyist while employed by the state and (ii) receiving compensation for lobbying the state for one year after leaving state employment.
- Closes lobbyist gift ban loopholes pertaining to food, beverage, and travel for Executive Branch employees and officials.

## Comptroller/Treasurer Constitutional Amendment

### **Background**

The offices of the Illinois Comptroller and Treasurer should be combined to better streamline both offices. It is estimated that this will save the state \$12 million annually. Wisconsin, Minnesota and Michigan already have combined offices.

### *Proposal*

- Eliminates the office of the Comptroller and Treasurer and provides for a single Comptroller of the Treasury.
- A Comptroller of the Treasury would be elected at the General Election in 2018.
- Duties of the Comptroller of the Treasury are to maintain the state's central fiscal accounts; order



payments into and out of the funds held by that office; and be responsible for the safekeeping, investment and disbursement of monies and securities deposited with the office.



## **Pension Reform Package**

Our top priority for financial reform must be our pension system. That is true regardless of the Supreme Court's decision on SB 1. Even if our pension systems were fully funded, taxpayers would still be on the hook for \$2 billion.

But our pension systems are not fully funded. They are \$111 billion in the hole—the worst pension crisis in America. As it stands right now, one out of every four dollars taken from taxpayers by the state goes into a system that is giving more than 11,000 government retirees tax-free, six-figure pensions worth as much as, in one case, \$450,000 per year.

Without the reforms, nearly 25 cents of every tax dollar will continue going into a broken pension system instead of into our social services safety net, our schools or back into the pockets of taxpayers and small businesses.

That is unfair and unsustainable – it's time for lasting pension reform.

Government employees deserve fair and competitive benefits, but we cannot continue to raise taxes on all Illinoisans in order to fund the retirement benefits of a small fraction of our residents.

This legislative package:

- Preserves and protects all currently earned benefits to date;
- Moves all future work into the Tier 2 pension plan;
- Provides an optional buyout option to reform cost-of-living adjustments in return for a 401(k)-style defined contribution plan; and
- Proposes a Constitutional Amendment to remove ambiguity in future reforms.



## Pension Reform

### Systems Impacted by Pension Reform Plan

- State Employees' Retirement System (SERS)
- State Universities' Retirement System (SURS)
- Teachers' Retirement System (TRS)
- General Assembly Retirement System (GARS)

### Benefit Changes

- Tier 1 members will have their Tier 1 service frozen as of July 1, 2015. Going forward, all service will be in Tier 2.
- Tier 2 Benefits:
  - Normal Retirement: 67 years old with 10 years of service;
  - Annuity based on highest 8 out of last 10 years of service;
  - Annual Final Average Salary may not exceed \$111,600 as automatically increased by the lesser of 3% or one-half of the annual increase in the CPI during the preceding year;
  - COLAs equal to the lesser of 3% or one-half the annual increase in the CPI, not compounded.
- Overtime will not count towards pensionable salary.
- For TRS and SURS, the 6% cap on final average salary spiking will instead be tied to the annual increase in the CPI.

### Buyout

- Employees in the state pension systems will be offered the option of a pension “buyout,” similar to buyouts offered in the private sector, with a new defined-contribution plan. Under the Governor’s proposal, an optional partial pension buyout will be offered to Tier 1 members.
- In exchange for a reduction to the Tier 1 benefit COLA, members would receive a lump sum payment and be enrolled in a defined contribution pension plan (similar to a private 401(k) plan). The lump sum payment will be the starting account balance for the defined contribution plan. Employees and their employers will make contributions to the plan. The defined contribution plan will be on top of the new defined benefit plan.

### Funding

- The funding goal will be moved to 100% funded by FY2045 from the current goal of 90% funded by FY2045.
- Contribution increases caused by investment return assumption changes will be smoothed over a 5 year period.

### Savings, if all 4 systems are reformed as proposed in the budget:

- FY16 reduction of \$2.2 billion in contribution, lowering the GRF contribution from \$6.6 billion to \$4.4 billion.
- Over \$100 billion in total state contribution savings from FY16 – FY45.
- Immediate unfunded liability reduction of \$25 billion.



## Pension Constitutional Amendment

### **Background**

Our state will not be on sound economic footing until Illinois adopts lasting pension reform. Until that occurs, critically important services like education, healthcare and human services will be crowded out by skyrocketing pension payments.

### *Proposal*

The Illinois Constitution details that pension system membership is a contractual right. While it is the position of the Governor's Office that such protection only applies to currently earned benefits, the Illinois Constitution should be amended to explicitly apply only to historically-earned benefits, not to benefits that may be accrued through future work.



## Four Year Agenda

### Empowering Voters & More Local Control

- Conflicts of interest have spread throughout Illinois government. Special interest groups have come to control Springfield, running it for their own benefit and pushing many local governments to near bankruptcy.
- Government union leaders are funding politicians who negotiate their pay and benefits; healthcare agencies are funding politicians who structure Medicaid; trial lawyers are funding judges who hear their cases.
- Special interests have taken away power from the voters, forcing unfunded mandates, unaffordable pension regulations and too many layers of government onto taxpayers, and filling the workers compensation system with fraud and abuse.
- Taxes are rising, businesses are leaving and schools are deteriorating.
- We must empower local voters to turn our state around.
- Local voters should be able to vote on and control property tax increases.
- Local voters should decide what issues can be collectively bargained in their county and municipal governments.
- Local voters should decide pension and health benefits for their local governments.
- Local voters should decide what issues should be subject to collective bargaining in their schools and whether teachers should be forced to pay partial or full union dues as a condition of being allowed to teach.
- Local voters should decide whether their businesses should be subject to forced unionism or employee choice.
- Decisions of voters in one county or municipality should not be forced upon voters in other parts of the state. The voters of Illinois should be empowered to control their own destiny on taxes, schools and jobs.
- The state shouldn't impose costly mandates on local governments that drive up costs. Prevailing wage requirements and project labor agreements block true competitive bidding in government construction projects and drive up taxpayer costs 20% or more.
- Voters should be empowered to decide term limits on their elected officials.
- With voter empowerment, Illinois can become a great state, a competitive, compassionate state again.
- These reforms are reasonable, common-sense, and bi-partisan. Many states have implemented variations of them. Twenty-nine states and the federal government do not allow government union collection of "fair share" dues and have put some restrictions on collective bargaining. Even President Franklin Roosevelt supported this.
- The states with dominant government unions (IL, NJ, CT, CA etc.) have the largest chronically unfunded pensions, debt and deficits. Most have installed high income taxes to try to deal with their recurring budget problems; but that has failed to fix their chronic deficits because the structure, the underlying conflict-of-interest in government union power, has not been addressed.



## The Four-Year Agenda

### 1. Economic and Jobs Growth Package

- Pass a phased-in minimum wage increase of 25 cents every year for seven years.
- Implement true workers' compensation reform legislation that updates how injuries are apportioned to ensure employers pay for injuries that occur on the job; clarifies the definition of "traveling employees" to ensure a reasonable standard that excludes risks that would impact the general public; and implements American Medical Association guidelines when determining impairment.
- Enact lawsuit reforms to prevent unreasonable trial lawyer venue shopping, address unfair joint and several liability requirements and provide a balanced approach to medical malpractice cases to keep doctors in Illinois.
- Pass a constitutional amendment to cap unreasonable judgments (2018 ballot).
- Make Illinois unemployment insurance fair for beneficiaries and employers, including legislation that cracks down on benefit fraud for those who voluntarily leave employment but receive benefits and provides a more fair definition of misconduct in the workplace.
- Implement true competitive bidding in public works projects, limit prevailing wage requirements and eliminate project-labor agreements.
- Restructure the motor fuel tax to appropriately invest in infrastructure.
- Create local employee empowerment zones. Let voters in a county, municipality or other local unit of government decide via referendum whether or not business employees should be forced to join a union or pay dues as a condition of employment.
- Create a Minority Enterprise Small Business Investment Program to assist minority entrepreneurs in startups throughout Illinois.
- Require unions that contract with the state to have their apprenticeship programs reflect the demographics of Illinois communities, and to have their membership on public construction projects reflect the diversity in the surrounding area.

### 2. Student and Career Success Package

- Increase state support for pre-K-12 education, especially for low-income families.
- Expand access to high-quality early childhood education and make programs easier to navigate for families.
- Consolidate and refocus all state boards, agencies and programs to manage an integrated comprehensive cradle- to-career statewide system of education and vocational training.
- Launch an effort to increase parent participation in the classroom.
- Initiate statewide task force to analyze the challenges of teenage pregnancy and loss of two-parent families.
- Give local school boards the ability to modify overly burdensome unfunded mandates.
- Lift the arbitrary cap on public charter schools, reduce funding disparities for public charters and provide more high-quality educational options to students through tax credit scholarships.



- Reform teacher tenure and incentivize local school districts to reward high-performing administrators and educators.
- Improve teacher recruitment, ensure a diverse educator base and streamline licensure requirements to bring the best and brightest teachers to Illinois.
- Eliminate unnecessary testing and institute a rigorous K-12 student growth measure, using ACT and other national metrics.
- Expand vocational and technical program resources and grow partnerships among employers, high schools and community colleges.

### 3. Taxpayer Empowerment and Government Reform Package

- Make income taxes low and competitive with other states.
- Freeze property taxes by amending Illinois' Property Tax Extension Limitation Law. The total property tax extension could not increase above the 2015 levy year, except for new construction or property in a TIF district. Voters would still be allowed to override the freeze via referendum.
- Modernize the sales tax to include service taxes that keep us competitive with neighboring states.
- Preserve a fair and flat income tax by protecting low-income families with an increase in the Earned Income Tax Credit, and provide additional exemption relief to working families.
- Launch a government consolidation and unfunded mandate taskforce chaired by Lt. Governor Sanguinetti to reduce the number of Illinois' 7,000 units of government and provide more flexibility to local communities.
- Extend to municipalities bankruptcy protections to help turn around struggling communities.
- Pass a constitutional amendment implementing 8-year term limits for statewide elected officials and members of the General Assembly.
- Protect historically accrued state pension benefits for retirees and current workers, while moving all current workers into the Tier 2 pension plan and/or a 401(k) for their future work. Police and firefighters should receive separate special consideration.
- Pursue permanent pension relief through a constitutional amendment.
- Codify Executive Order 15-09 prohibiting the revolving door from state government to lobbying and extend revolving door restrictions to the General Assembly.
- Empower government employees to decide for themselves whether or not to join a union.
- Empower local voters to control collective bargaining issues in their local governments and take more direct responsibility for their employees' benefits.
- Extend the prohibition on political contributions for businesses with state contracts to all organizations with a state collective bargaining agreement and organizations funded by entities receiving state Medicaid funds.
- Prohibit trial lawyer donations to elected judges to address conflicts of interest in the courts.
- Pass a constitutional amendment to create merit-based judicial selection as supported by the American Bar Association (2018 ballot).
- Reward state workers with performance pay and incentivize employee-inspired cost-saving measures.



- Pass a constitutional amendment merging the offices of Comptroller and Treasurer and return \$12 million in annual savings to taxpayers.
- Require more vigorous enforcement of minority contracting guidelines and hiring in state government.
- Pass a binding Balanced Budget Amendment to the Illinois Constitution that prohibits the carry-over of past-due bills (2018 ballot).
- Reform the criminal code to ensure sentences are commensurate with the severity of the crime, and reduce penalties for non-violent offenses.
- Launch a bipartisan Criminal Justice Reform Commission with a goal to improve public safety and reduce prison population by 25 percent in 10 years.
- Provide additional investment in community-based reentry and diversion programs for persons reentering the community.



WSJ:

## **The 'Labor Electoral Complex'**

*Bloomberg coins a phrase that deserves national currency*

New York Mayor Mike Bloomberg is on a valedictory tour as he prepares to leave office at the end of the month, and it's too bad he saved his best speech for last. The mayor isn't known as a phrase-maker, but after 12 years in the job he coined a term this week that deserves national currency—the "labor-electoral complex."

That's how he described the public union political machine that has ruined so many American cities. "We cannot afford for our elected officials to put their own futures ahead of the next generation's, and to continue perpetuating a labor-electoral complex that is undermining our collective future," the mayor told the New York Economic Club. Cities are dynamic and attractive places to live, but their future is jeopardized by "the explosion in the cost of pension and health-care benefits for municipal workers."

He knows this from hard experience. When he took office in 2001, New York City spent \$1.5 billion a year on pensions. Now it spends \$8.2 billion, nearly a 500% increase when inflation rose by only 35%. Add health-care costs, and benefit payments are swallowing an ever larger share of the city budget. That means there is less money for current services like education or public works.

Everybody knows this has to change, but Mr. Bloomberg nailed the main obstacle to reform with his reference to the "labor-electoral complex." This is the cozy relationship between public unions and politicians that dominates modern urban government. It is the new Tammany Hall.

Union cash helps elect politicians who then reward the unions with higher pay and benefits. The cycle repeats until taxes become destructive and spending is unaffordable. Exhibit A is Detroit. But some 38 local governments have filed for bankruptcy since 2010, "largely because of out-of-control pension costs," Mr. Bloomberg said.

New York City has escaped this political fate for 20 years, thanks to unusual circumstances. First Rudy Giuliani won amid a crisis of public order, and Mr. Bloomberg is rich enough to have won without needing union cash.

But the unions are getting revenge now having backed superliberal mayor-elect Bill de Blasio. He has endorsed the entire public union wish list, including backpay and undermining charter schools. He's struggling to find a schools chancellor because everyone knows Randi Weingarten of the American Federation of Teachers will really run the show.

Many in Mr. Bloomberg's audience this week wondered why the mayor didn't challenge this labor complex while he had the chance. His response is that he offered raises in return for pension reform three years ago, but the unions refused and figured they could wait him out. But that doesn't mean Mr. Bloomberg couldn't have done more in his early years in office, especially amid the recession and fiscal crisis after 9/11.

Mr. Bloomberg nonetheless claims that the many expired union contracts mean that he is leaving behind "political leverage. The next administration will have a once in a generation opportunity for comprehensive benefit reform." That's a direct challenge to Mr. de Blasio. We will see if he is a larger public figure than the labor-electoral complex that made him mayor.



## **Federal Government Labor Policy**

*Supported and Enacted by  
Democrats*

Excerpt from letter by President Franklin Delano Roosevelt:

“All Government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of Government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with Government employee organizations. The employer is the whole people, who speak by means of laws enacted by their representatives in Congress.”

### **Federal Service Labor – Management Relations**

- The federal government prohibited the forced collection of union dues (“Fair Share”) in 1978 as part of the Civil Service Reform Act signed by President Jimmy Carter. That law passed the Democratic-controlled U.S. Senate 87-1 and the Democrat-controlled U.S. House of Representatives 365-8
- Employees have the right to organize and collectively bargain over work conditions including work hours, grievance procedures, work assignments
- Prohibited from strikes, work stoppages, slowdowns, picketing, etc.
- Cannot bargain over wages, benefits, pensions, personnel decisions and managerial rights (prohibits bargaining on mission, budget, organization, number of employees or internal security)
- No automatic mandatory arbitration provision or injunctions in aid of arbitration for collective bargaining impasse
- Prior to 1983, pension was defined benefit plan with no Social Security. Since then, a hybrid system including a defined benefit annuity, Social Security and a 401(k).



## OFFICE OF THE GOVERNOR

**From:** Jason Barclay, General Counsel to the Governor  
**Re:** Permissibility of Employee Empowerment Zones Under Federal Law  
**Date:** March 23, 2015

Governor Bruce Rauner has proposed giving voters the ability to declare their county, city, school district, or other unit of local government to be an “employee empowerment zone,” where workers would have the right under state law to choose whether or not to join a union.

Admittedly, *current* Illinois law does not allow voters to create employee empowerment zones. That is why Governor Rauner supports a *legislative* solution. Consistent with what federal law permits the States to do in this area, the proposal would authorize local governments to decide whether to give workers in a given locale the right to choose whether to join a union. Federal law authorizes Governor Rauner’s proposed legislative solution.

In response to a question from two members of the General Assembly about *current* Illinois law, Attorney General Lisa Madigan recently opined that in the absence of enabling legislation, local governments are powerless to enact employee empowerment zones by local ordinance (the “AG Opinion.”)(1) Governor Rauner does not dispute this portion of the AG Opinion. That is because he does not seek to enact empowerment zones only by local ordinance. Rather, he proposes to *change* current Illinois state law.

Where the Governor respectfully disagrees with the Attorney General is that portion of the AG Opinion that suggests that federal law might somehow prohibit voters from approving employee empowerment zones even if state law allows such zones. No court in the country, that we can find, has issued such a ruling. The Attorney General reads the relevant federal law as an all-or- nothing proposition. Either the entire State must allow workers to decline to join a union or no part of the State can so allow.

<sup>1</sup> Ill. Att’y Gen. Op. 15-001 (Mar. 20, 2015).

### **Permissibility of Employee Empowerment Zones Under Federal Law**

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On that point, there is wide support for the Governor’s position that the National Labor Relations Act (the “Labor Act”) cannot and should not be read too expansively. Under federal law, States may enact laws, like the one the Governor proposes, to protect employees’ rights and to allow local voters to create employee empowerment zones. No law says empowerment zones must either be coextensive with state



boundaries or exist not at all. We respect the right of the Attorney General to issue an advisory opinion on this topic, but the General Assembly should be aware that this issue has never been resolved by federal courts and there is considerable support for the Governor’s legal position. The AG Opinion should, therefore, not be a basis for wholly rejecting the Governor’s proposal.

Federal law requires workers’ rights to be grounded in state law, as the Governor has proposed, but federal law does not require those rights to be implemented statewide. Consistent with the wisdom behind our federal design, States are within their authority to determine—by state legislation—how best to draw employee empowerment zones.

### **The National Labor Relations Act**

The Labor Act permits, but does not require, the use of union security agreements.<sup>2</sup> Those are the agreements between an employer and a union that require employees to become members of the union and pay union dues as a condition of employment.

Congress amended the Act in 1947 to permit States to prohibit the use of union security agreements. Specifically, federal law now provides, “Nothing in [the Labor Act] shall be construed as authorizing . . . application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.”

<sup>3</sup> That amendment gave States the power to ensure that union membership was not a condition to employment. So, for the past 67 years, States have been free to enact laws to ban union security agreements.

To date, 25 States and one territory, commonly referred to as “right-to-work States,” have enacted laws to prohibit “union security agreements.” The outright ban on union security agreements, which goes much farther than Governor’s Rauner’s proposal, comports with federal law.

### **The Governor’s Proposal**

Governor Rauner’s proposal would prohibit the practice of conditioning employment on union membership in employee empowerment zones. To emphasize, the Governor’s proposal calls for *state legislation*. Under the proposal, the state would authorize voters of any unit of local government or school district to decide by referendum whether that prohibition should apply in their respective unit of local government or school district. Voters could also decide whether the state law would apply to private sector employees, public sector employees, or both.

<sup>2</sup> 29 U.S.C. § 158(a)(3). <sup>3</sup> 29 U.S.C. § 164(b).

### **Permissibility of Employee Empowerment Zones Under Federal Law**

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If the voters of a particular jurisdiction elected to apply these employee protections—thus establishing an “employee empowerment zone”—the protections would be grounded in state law, not local law. The proposed state law itself would apply uniformly in every unit of local government in Illinois. Differences,



if any, would result only because some jurisdictions would apply, and some would decline to apply, the protections available under state law.

### **The Governor’s Proposal Is Permitted by Federal Law**

Governor Rauner’s proposal is entirely consistent with the federal Labor Act.

First, as the Labor Act requires, the Governor has proposed “State . . . law” prohibiting union security agreements in Illinois. All agree that the meaning of any federal law begins with the text of that law, and ends there if the text is unambiguous. Here, there is no ambiguity in the Labor Act. It applies to *all* “State . . . law[s]” prohibiting union security agreements. It does not differentiate between state law that prohibits union security agreements in every part of the State and state law that prohibits such agreements in only some parts of the State. It does not differentiate between state law that applies to all employees in all industries and state law that applies only to some. To interpret the Labor Act as permitting only those state laws that prohibit union security agreements throughout an entire State—applied to all industries, all employees, no exception—would require reading additional words and limitations into the Labor Act. That is not allowed, especially when, as here, the Labor Act’s text is plainly unambiguous.

Therefore, the Governor’s proposal would be permitted by the Labor Act’s unambiguous language, just like the laws of 25 other States that prohibit union security agreements.

Second, even if the Labor Act’s phrase “State law” were ambiguous on the types of state laws within its scope (and it is not), the ambiguity would be resolved in favor of Governor Rauner’s proposal, because the proposal is consistent with Congress’s intent. In amending the Labor Act to permit states to prohibit union security agreements, Congress sought to enable States to craft State-specific laws, which necessarily would vary by State. “[That amendment to the Labor Act] can best be described as an exemption to the general rule that the federal government has preempted the field of labor relations regulation. It makes clear and unambiguous the purpose of Congress *not* to preempt the field in this regard so as to deprive the states of their powers to prevent compulsory unionism.”<sup>4</sup>

Not surprisingly, other States have successfully enacted laws under the Labor Act that are not uniform in their application to different employees through any given State. For example, the Michigan right-to-work law passed in 2012 exempts police officers and firefighters from its provisions.<sup>5</sup> The Mississippi law exempts railroad employees.<sup>6</sup> Georgia, which prohibits most public sector employees from collectively bargaining but permits collective bargaining by

<sup>4</sup> *Laborers’ Intern. Union of N. America, Local No. 107 v. Kunco, Inc.*, 472 F.2d 456, 458 (8th Cir. 1973) (citing *Retail Clerks Int’l v. Schermerhorn*, 375 U.S. 96, 99-102 (1963)) (emphasis added, internal citations omitted). <sup>5</sup> Mich. Public Act No. 349 (2012). <sup>6</sup> MISS. CODE § 71-1-47.



## Permissibility of Employee Empowerment Zones Under Federal Law

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firefighters, exempts firefighters and railroad employees from its right-to-work law.<sup>7</sup> These variances in state laws enacted pursuant to the Labor Act are just as Congress intended.

Lastly, the Labor Act could hardly be construed to rule out the Governor’s proposal. Specifically, to construe the Labor Act as applying only to state laws that are sweeping in nature—permitting no variation by geography, industry, or type of employee—would raise serious constitutional questions. After all, in our constitutional design, the States and the people are sovereign, as the Tenth Amendment to the United States Constitution makes explicit. “While Congress has substantial powers to govern the Nation directly, including in areas of intimate concern to the States, the Constitution has never been understood to confer upon Congress the ability to require the States to govern according to Congress’ instructions.”<sup>8</sup> Thus, in many other contexts—municipal bankruptcy, for example—Congress authorizes state legislation but does not dictate how the States are to structure that legislation. Serious constitutional issues would have to be resolved if the Labor Act demanded that States legislate sweepingly, foreclosing the kind of novel approach to local control that the Governor has proposed: voters in each unit of local government could decide for themselves whether to opt in to the proposed state law, and whether the law should apply to public sector employees, private sector employees, or both. Under a well-accepted principle of statutory interpretation,<sup>9</sup> even if it were ambiguous, the Labor Act would be construed in favor of Governor Rauner’s proposal. Otherwise, the Labor Act may itself be unconstitutional—a result we should not and cannot presume.

Simply put, nothing in the plain language of the Labor Act requires a State to apply its right-to-work law “statewide.” And even if the Labor Act were ambiguous on that score (it is not), legislative intent and constitutional principles of state sovereignty would require that any ambiguity be resolved in favor of Governor Rauner’s proposal.

### Attorney General Madigan’s Opinion

Placed against the above backdrop, the AG Opinion addresses a wholly unrelated question— whether local employee empowerment zones can be established in the absence of any enabling state legislation. That was the question posed to the Attorney General by two members of the General Assembly. That is the question she answers in the negative. She argues that the Labor Act—which authorizes States to prohibit the use of union security agreements—applies only pursuant to “State or Territory law,” which does not include a local ordinance or referendum.

Contrary to Attorney General’s thorough analysis of why local governments cannot create local empowerment zones by ordinance without enabling state legislation, the Attorney General does not grapple with the text or legislative intent of the Labor Act when she suggests that it requires sweeping legislation, permitting no local variation. Nor does she address serious constitutional problems that her suggested interpretation of the Labor Act would create. Instead, she relies on language from cases that dealt with local, not state, laws.



<sup>7</sup> O.G.C. § 34-6-20(2). <sup>8</sup> *New York v. United States*, 505 U.S. 144, 162 (1992). <sup>9</sup> See, e.g., The Attorney General's Brief for Appellants in *In Re Pension Reform Litigation*, at 42 (Jan. 12, 2015).

### **Permissibility of Employee Empowerment Zones Under Federal Law**

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Therefore, the AG Opinion addresses a question unrelated to the Governor's proposal. The AG Opinion's scope should be so limited. In other words, the AG Opinion should not be permitted to foreclose all discussion about the Governor's proposal.

### **Conclusion**

In sum, Governor Rauner's proposal to enact a state law that prohibits conditioning employment on union membership, and to empower voters to decide whether to apply those protections to their respective units of local government and school districts, is specifically permitted by federal law. The AG Opinion does not address that question. To the extent that the Attorney General asserts that any protections proposed by the Governor must apply statewide, we believe that interpretation is not supported by the text of the Labor Act, its legislative history, or those federal courts that have addressed the limitations imposed by the Tenth Amendment on Congress when enacting federal laws that limit the parameters of state legislation on areas governed predominantly by state law, such as labor relations.



## **The Turnaround Agenda – Local Government Empowerment and Reform**

WHEREAS, Illinois state law creates a "one size fits all" approach to collective bargaining for local units of governments. This approach creates added costs which are ultimately passed on to taxpayers.

WHEREAS, Voters and local officials should determine what is a subject of bargaining - not the State.

WHEREAS, Local control of bargaining would allow voters or local governments to determine if certain topics should be excluded from collective bargaining, including contracting, wages, provisions of health insurance, use of employee time, required levels of staffing, procedures and criteria for personnel evaluations, academic performance, conduct, and discipline in school.

WHEREAS, State law sets thresholds for workers on state and local construction projects increasing costs significantly.

WHEREAS, State law has increased utilization of Project Labor Agreements for construction projects.

WHEREAS, Repealing the Illinois Prevailing Wage Law and the requirements for Project Labor Agreements would allow local governments more control over construction and project costs.

WHEREAS, More than 280 unfunded mandates have been imposed in recent years on communities across Illinois, costing those communities billions. Rolling back mandates will create more flexibility in local government budgets.

WHEREAS, Illinois' workers' compensation costs are the seventh highest in the nation – and more than double the costs in Indiana.

WHEREAS, Updating how injuries are apportioned to ensure employers pay for injuries that occur on the job, a clarification regarding the definition of "traveling employees" to ensure a reasonable standard that excludes risks that would impact the general public, and implementation of American Medical Association guidelines when determining impairment would result in major cost savings for local governments.

WHEREAS, Voters in our community should be allowed to decide via referendum whether or not employees should be forced to join a union or pay dues as a condition of employment.

WHEREAS, Local empowerment zones will help attract jobs and make our community more attractive for businesses.

WHEREAS, Local governments face unfunded liabilities that threaten core services and functions of government; state action on pension reform for future work should provide local governments the ability to address pension reform for future work as well.



THEREFORE, BE IT RESOLVED, \_\_\_\_\_ endorses major reforms in state government that will encourage local control, reduce costs on local governments, empower local voters, and increase competitiveness in our community.