First Reading
ILLINOIS GENERAL ASSEMBLY LEGISLATIVE RESEARCH UNIT
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Local Governments in Illinois

The U.S. has a complex and overlapping system of local governments, with structures varying considerably by state. As the third level of American government (behind the national government and states), local governments are the ones most directly promoting the health, safety, and general welfare of their residents. As described in a 1969 report for Illinois' Commission on Urban Area Government, their main functions are to maintain order, provide services, organize the people as part of the state, and support the common legal system.

Historical Balance of Power

The relative powers of local, state, and national governments have shifted over time. Cities largely governed themselves in the late 1700s and early 1800s. After that, states began assuming powers that had been local, seeking to solve problems that even large cities could not. But it became apparent that state control did not always solve the problems; so in the early 20th century there was a resurgence of municipal power and decline in state control.

The 1930s saw another shift. Both local and state governments were strained by the Great Depression. Local governments reached to the national government for assistance; reliance on states waned. This bypassing of states continued through the early 1960s, as the national government addressed many of the nation's problems.

In the early to mid-1960s, states' importance began to re-emerge. Several factors—including federal grants to states; U.S. Supreme Court cases protecting states' rights; and legislative reapportionment—caused formerly local issues (such as education or land-use planning) to be handled at state levels.

Types of Local Governments

Local governments can be divided into two broad categories:

- General-purpose governments perform a variety of public functions.
- Special-purpose governments each perform a single service, or a group of related services.

General-Purpose Governments

Illinois has three types of general-purpose local governments: counties, municipalities, and townships. The importance of each type varies somewhat among areas of the state, based in part on historical patterns of migration into the state.

New England's major local governments were towns; the South had counties or parishes. Most Western states had county governments; few had

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townships. The Midwest developed a hybrid system of strong counties, supplemented in most places by townships; the exact mix varied by state and locality.

Most general-purpose local governments have powers to tax and spend; acquire property; regulate, plan, and zone within their boundaries; and provide services. Not all of them have the same powers. A major way in which they vary is in ways they are authorized to collect revenues.

Home-Rule Units

The most important innovation in the 1970 Illinois Constitution was home rule, granted to municipalities of over 25,000 and any county that elects a chief executive officer (so far only Cook County). Any municipality or county may become, or cease to be, a home-rule unit by referendum. Home rule reversed the long-established "Dillon's Rule" regarding the powers of local governments, which stated that they have only powers given by statute. The scope of home-rule powers was intentionally made broad and imprecise, to give local governments freedom to try to solve their own problems without statutory authorization. Over 200 Illinois municipalities, along with Cook County, have home rule.

Special-Purpose Governments

Illinois has over 40 types of special-purpose governments—including school districts, community college districts, and various other kinds of districts.

Special-purpose local governments provide services that people want and cannot get from existing governments (or businesses). Such services can range from fire protection, water supply, and wastewater treatment to things like historic preservation.

A combination of constitutional restrictions and statutes encouraged Illinois' proliferation of special districts in the past. The 1870 Illinois Constitution limited the powers of general-purpose governments—specifically as to taxing and borrowing. Some statutes authorized single-purpose districts with powers to raise funds and perform services.

There are various possible reasons for creating special districts. A general-purpose government may be unable or unwilling, for financial or other reasons, to offer a requested service. Sometimes an area needing a service is not within the boundaries of a single general-purpose government. Or existing local governments may be unable to provide a service individually, so they join together and create a new government to do so.

A special-purpose district might be created to deal with a problem transcending local boundaries, in a way that also leaves local politics behind. Finally, voters may be more willing to support taxes if they believe the proceeds will be used for specific stated purposes instead of going into the general fund of a general-purpose government unit.

Number of Local Governments

Federal law requires the Census Bureau to take a census of governments every 5 years; the most recent was in 2012. The Census Bureau's count is useful because it allows comparisons with all other states. At least two Illinois agencies (the Department of Revenue and the Comptroller's Office) also each count special districts in Illinois, using different methodologies.

The Comptroller's Office collects information on special districts that file annual reports with it—generally including all taxing bodies. In 2014 the Comptroller's list had 7,059 local governments.

The Department of Revenue counts the number of districts that are authorized to collect taxes. In 2012 that total was 6,086. That list did not include drainage districts. (The Comptroller reported 845 such districts. If added to the Department of Revenue number, they would make the total 6,931.)

The 2012 Census of Governments count showed Illinois with nearly 7,000 local governments—some 1,800 more than Texas, the state with the next highest number. Table 1 shows total numbers of units of local government in the 10 states with the most such governments in 2012, as reported by the Census Bureau.

Table 1: Numbers of Local Governments by Type in Selected States (2012)

State	*General-purpose governments*	*Special-purpose governments*	*Total local governments*
Illinois	**2,831**	**4,132**	**6,963**
Texas	1,468	3,679	5,147
Pennsylvania	2,627	2,270	4,897
California	539	3,886	4,425
Ohio	2,333	1,509	3,842
Kansas	1,997	1,829	3,826
Missouri	1,380	2,388	3,768
Minnesota	2,724	948	3,672
New York	1,600	1,853	3,453
Wisconsin	1,923	1,205	3,128

Source: U.S. Department of Commerce, Bureau of the Census, 2012 Census of Governments: Organization Component Estimates, "ORG002-Geography-United States: Local Governments by Type and State: 2012" (spreadsheet, Sept. 26, 2013), downloaded from Census Bureau Internet site.

Several reasons might explain Illinois' large number of local governments:

- Illinois is the fifth most populous state. Comparing the number of local governments to state populations, Illinois had the 15th most governments per 100,000 people—above the midpoint, but far from the highest.

- Although Illinois has over 1,800 more units of local government than the state with the next highest number (Texas), it has only 107 more general-purpose governments than the state with the next highest number (Minnesota) and only 246 more special-purpose governments than the state with the next most (California).

- The Illinois Constitution of 1870 imposed a tax limit on counties, and debt limits on counties, municipalities, townships, school districts, and any other "municipal corporation." Those limits encouraged the creation of special-purpose governments, since such governments effectively expanded or circumvented the constitutional limits. The 1970 Constitution eased or eliminated those limits. However, the number of local governments in Illinois has grown about 9% since 1972. This may be due to rising populations in previously rural areas around major cities, and to the ease with which local governments can be incorporated and the relative difficulty of dissolving them.

The LRU recently compiled lists of all known local governments in Illinois by type, which are available to legislators and their staffs. ❑

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Federal and State Earned Income Tax Credits

Federal and state earned income tax credits (EITCs) reduce income taxes paid by low-income workers. The federal EITC, like those of many states, can even reduce an eligible worker's income tax liability below zero, resulting in a "refund" to the worker. The IRS reportedly paid $66 billion in EITCs to over 28 million people in 2013.

Half of the states, including Illinois, offer EITCs. Most are calculated using the federal credit—they reduce the state income tax liabilities of persons getting the federal credit by percentages of the federal credit, ranging from 3.5% in Louisiana to 50% in Maryland. Illinois' EITC reduces a taxpayer's state tax liability by 10% of the taxpayer's federal EITC.

Federal EITC Requirements

A taxpayer must meet four requirements to qualify for the federal EITC:

(1) Have a Social Security number.

(2) Be a citizen or resident alien.

(3) Have earned income (but not over the maximum adjusted gross income allowance).

(4) Have $3,350 or less of investment income.

The taxpayer cannot use "married filing separately" status; file a Form 2555 or 2555-EZ (for foreign earned income); or be a qualifying child of another person.

Table 1 shows the adjusted gross income (AGI) limits for federal EITC eligibility.

Table 1: Maximum AGIs for Federal EITC

Filing status	*Children*	*AGI limit*
Single, Head of household, or Qualifying widow(er)	0	$14,590
	1	38,511
	2	43,756
	3 +	46,997
Married filing jointly	0	20,020
	1	43,941
	2	49,186
	3 +	52,427

Source: "EITC Income Limits, Maximum Credit Amounts and Tax Law Updates" (rev. March 31, 2015), downloaded from IRS Internet site.

As Table 1 shows, a worker with no children can qualify for the federal EITC if the worker's income is low enough; but qualifying children greatly increase the AGI limit. To be a "qualifying child," a person must meet relationship, age, and residency requirements. The child must be the taxpayer's child or other close relative (including an adopted or foster child). The child must be younger than the taxpayer or the taxpayer's spouse, and must be one of the following: under age 19; under age 24 and a full-time student; or permanently and totally disabled. The child must also have lived with the taxpayer for more than 6 months of the tax year for which the credit is claimed.

Federal EITC Amounts

The amount of a taxpayer's EITC is based on amount of earned income and number of qualifying children. The maximum federal tax credits are as follows:

Children	*Maximum credit*
0	$ 496
1	3,305
2	5,460
3 +	6,143

Many taxpayers using the EITC are eligible for less than its maximum amount. The earned income of a taxpayer filing as single, head of household, or qualifying widow(er) with one qualifying child must be between $9,700 and $17,850 to qualify for the maximum EITC. For a married couple filing jointly with one qualifying child, earned income must be between $9,700 and $23,300 to qualify for the maximum credit. Those with earned income either above or below these ranges get smaller EITCs.

Illinois EITC

The General Assembly first authorized a state EITC in 2000. A taxpayer must be eligible for the federal EITC to qualify for it. The EITC law originally allowed reduction of an eligible taxpayer's state tax liability by 5% of the taxpayer's federal EITC—but not below zero.

In 2003 the General Assembly made the EITC a "refundable" credit for taxpayers getting Temporary Assistance for Needy Families (TANF) benefits. For example, if such a worker had Illinois income tax liability before the credit of $100, but was eligible for a $400 credit, the worker would pay no tax and would get a "refund" of $300—the excess of the credit over the $100 tax liability. This change was meant to help the state meet a maintenance-of-effort requirement to get federal TANF block grant funds. In 2007 the General Assembly made the state EITC refundable for all taxpayers.

The Illinois Department of Revenue (IDOR) reports that over 900,000 tax returns claimed the Illinois EITC for tax year 2011 (the last for which numbers are fully analyzed by IDOR). It saved workers (and cost the state) around $106 million that year—including nearly $80 million paid out as refunds.

A 2012 act raised the percentage of the federal EITC offered to 7.5% for tax year 2012, and 10% beginning in tax year 2013. IDOR reports that in tax year 2012, EITC was again claimed on over 900,000 returns, resulting in about $164 million of tax liability reductions and refunds. IDOR is not yet able to determine how much of the $164 million was paid out as refunds.

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Local Government Distributive Fund History

The Local Government Distributive Fund (LGDF) was created in 1969 to use some state revenues to support local governments. Until fiscal year 1995, about 8.3% of net individual and corporate income tax revenues were transferred to it. That rate rose to 10% on July 1, 1995 and stayed there through January 2011. Since then, rates of transfer to the LGDF have varied with changes in income tax rates, to keep the dollar amount of such transfers approximately level. The current rates of transfer to the LGDF are 8% of individual income tax revenues and 9.14% of corporate income tax revenues. The LGDF has also received the local share of use tax revenues since 1990, when the sales (and use) tax rate was raised from 5% to 6.25%.

LGDF History

The LGDF was created in 1969—the same year in which the Illinois Income Tax was enacted. At that time the Fund was to receive 1/12 of monthly individual and corporate income tax revenues. The predecessor of the Department of Revenue was to allocate that money among municipalities and counties based on population. Local governments were to use the money "for the general welfare of the people of the State of Illinois." A 1970 law changed the portion transferred to 1/12 of *net* revenue from the income tax. Net revenue was defined as income tax revenue minus refunds paid out.

Since then there have been several changes in the rates of the taxes that support the LGDF, and in the percentages of the proceeds of those taxes that are transferred to the LGDF (see "History of Rates" box).

Changes in the LGDF transfer rates since 1995 have preserved the same *ratio* between taxpayer incomes and amounts going to local governments even though income tax rates changed. As shown in Table 1, the portion of each $100 of personal income going to the LGDF remains 30¢, despite changes in tax rates. (The same is true for the corporate income tax.)

Table 1: Percentages of Personal Income Tax Going to LGDF

Year	*Taxable income*	*x*	*Tax rate*	*=*	*Tax proceeds*	*x*	*LGDF tfr. rate*	*=*	*Amount to LGDF*
1995-2010	$100		3 %		$3.00		10 %		30 ¢
2011	100		5		5.00		6		30
2015	100		3.75		3.75		8		30
2025	100		3.25		3.25		9.23		29.9975

The goal evidently has been to provide local governments about the same *amount* of money (but not the same share of income tax revenues) as tax rates have changed.

LGDF Distributions

Table 2 on the next page shows income tax and local use tax distributions from the LGDF to local governments in the last 9 fiscal years as posted by the Illinois Department of Revenue (IDOR).

Table 2: LGDF Distributions to Local Governments, FYs 2006 to 2014

Fiscal year	*Distributions (billions)*	*Fiscal year*	*Distributions (billions)*
2006	$1.119	2011	$1.157
2007	1.235	2012	1.243
2008	1.347	2013	1.364
2009	1.261	2014	1.401
2010	1.106		

Source: Illinois Department of Revenue, "Income Tax and Local Use Tax Fiscal Year Total Disbursements (July-June)" (FYs 2006 to 2014), downloaded from IDOR Internet site.

IDOR's website offers detailed data on income tax and local use tax distributions from the LGDF to each local government: http://www.revenue.state.il.us/LocalGovernment/Disbursements/IncomeUse/income.htm. ❑

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History of Rates

A 1988 law raised the sales and use tax rate (effective January 1, 1990) from 5% to 6.25%, with the added 1.25% going to local governments, and imposed a 1% sales and use tax on formerly exempt food and drugs, also for local governments. Use tax collections from the increase in rates went to the State and Local Sales Tax Reform Fund. After several other transfers out (including 20% to Chicago), any remaining money in that Fund goes to the LGDF, to be distributed the same way as income tax proceeds in the LGDF are distributed to local governments other than Chicago.

That 1988 law also said that until 1990, 0.4% of the proceeds of the 5% rate (equal to 0.02% of amounts purchased) were to go to the LGDF; starting in 1990, it was to be 0.4% of the proceeds of the new 6.25% rate (0.025% of amounts purchased). But a later law kept the pre-1990 transfer rate (0.4% of 5%, not of 6.25%) after 1990. That transfer continued until a 2002 law ended it.

A 1989 law raised the individual income tax rate from 2.5% to 3%, and the corporate rate from 4% to 4.8%. These rates were to revert to their previous levels on June 30, 1991. That law also changed the distribution of net income tax proceeds, directing 7.3% to the Education Assistance Fund and 5.9% to the new Income Tax Surcharge Local Government Distributive Fund (ITSLGDF). The ITSLGDF was to be distributed in the same way as the LGDF, effectively giving local governments a bigger share of income tax proceeds.

A 1991 law reduced the ITSLGDF transfer rate to 3% from July 1, 1991 through June 30, 1992, and provided for it to rise to 4.4% from July 1, 1992 through June 30, 1993. A 1992 law postponed that increase to February 1, 1993, and would have kept the transfer rate at 4.4% from July 1, 1993 until $40 million had been deposited into the ITSLGDF. But a 1993 law lowered the transfer rate to 1.475% for the period from July 1, 1993 to June 30, 1994; transfers to the ITSLGDF ended after that.

On July 1, 1993, the higher income tax rates became permanent. From July 1, 1994 through June 30, 1995, the rate of transfer to the LGDF rose to 1/11 (9.09%) of net income tax revenues. On July 1, 1995 it rose again to 1/10 (10%).

Effective January 1, 2011, the individual income tax rate rose to 5%, and the corporate income tax rate to 7%. Effective February 1, 2011, the LGDF transfer rates dropped to 6% of net individual income tax proceeds and 6.86% of net corporate income tax proceeds. As scheduled, the income tax rates dropped to 3.75% and 5.25% on January 1, 2015, and the LGDF transfer rates correspondingly rose to 8% and 9.14% on February 1, 2015. The tax rates are scheduled to drop to 3.25% and 4.8% on January 1, 2025, and the LGDF rates are scheduled to rise to 9.23% and 10% on February 1, 2025.

Federal and State Earned Income Tax Credits *(continued from p. 5)*

IDOR was able to provide preliminary data for tax year 2013, which reflects the 10% Illinois EITC rate. It estimates that almost 958,000 tax returns claimed the Illinois EITC for tax year 2013, making filers eligible for over $231 million in tax reductions and refunds. These amounts are preliminary and subject to change.

Other States' EITCs

Half of the states have EITCs. Table 2 shows the percentage of the federal EITC offered by each state except Minnesota (which bases its EITC percentages on taxpayer incomes rather than a percentage of the federal EITC).

Table 2: State EITCs as Percentages of Federal EITC

State	*% of federal amount*	*State*	*% of federal amount*
Colorado	10 (currently suspended)	New York	30
Connecticut	25	Ohio	10
Delaware	20	Oklahoma	5
Illinois	**10**	Oregon	8
Indiana	9	Rhode Island	10
Iowa	14	Vermont	32
Kansas	17	Virginia	20
Louisiana	3.5	Washington	10
Maine	5	Wisconsin	4, 11, or 34 (based on number of children)
Maryland	25.5 or 50		
Massachusetts	15		
Michigan	6		
Nebraska	10		
New Jersey	20		
New Mexico	10		

Source: National Conference of State Legislatures, "Tax Credits for Working Families: Earned Income Tax Credit (EITC)" (Feb. 1, 2015), p. 4.

Twenty states' EITCs are fully refundable. Maryland allows a taxpayer to claim up to 50% of the federal EITC to reduce tax liability, but will refund no more than 25.5%. Rhode Island recently reduced its state EITC percentage from 25% to 10%, but also made it refundable. Delaware, Maine, Ohio, and Virginia do not pay EITC refunds. ❑

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Abstracts of Reports Required to be Filed With General Assembly

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

Aging, Healthcare and Family Services, Human Services, and Public Health Depts.
Annual report on services to minority senior citizens, FY 2012
Profiles Illinois' minority elderly and describes state programs for them in FY 2012. Department on Aging provided services under Older Americans Act to 478,280 persons 60 or over. Department of Human Services provided home services programs to 18,449 persons (45.6% non-Hispanic white, 47.3% African-American, 40.7% Hispanic, and 1.4% Asian). In FY 2011, Department of Healthcare and Family Services provided $10.7 billion of services to seniors under Medicaid, including $1.5 billion (14.2%) to minority seniors. Department of Public Health funded Refugee Health Screening Program and Illinois Breast and Cervical Cancer Program. (20 ILCS 105/4.06; undated, rec'd Sept. 2014, 37 pp.)

Agriculture Dept.
Farmland conversion, FY 2013
State agency purchases or other actions affected 27,035 acres. Environmental Protection Agency converted the most (10,832 acres). Other major conversions were by the Commerce Commission (10,578), Department of Commerce and Economic Opportunity (3,327), and Department of Natural Resources (1,263). Lists conversions by county. (505 ILCS 75/6; March 2014, rec'd July 2014, 10 pp.)

Attorney General
Collection statistics, 2014
State agencies referred to the Attorney General 23,917 collection cases (91.7% of which came from Department of Healthcare and Family Services) involving $110 million. Collections on such cases (including older cases) were $345 million. Reports numbers referred by agency. (30 ILCS 205/2; Jan. 2015, rec'd Feb. 2015, 2 pp.)

Lead poisoning cases, 2012
Attorney General is required to report lead poisoning cases referred by Illinois Department of Public Health. None were referred in 2012. (410 ILCS 45/12.1; Jan. 2013, rec'd Jan. 2015, 1 p.)

Lead poisoning cases, 2013
Attorney General is required to report lead poisoning cases referred by Illinois Department of Public Health. None were referred in 2013. (410 ILCS 45/12.1; Jan. 2014, rec'd Jan. 2015, 1 p.)

Lead poisoning cases, 2014
Attorney General is required to report lead poisoning cases referred by Illinois Department of Public Health. None were referred in 2014. (410 ILCS 45/12.1; issued & rec'd Jan. 2015, 1 p.)

Auditor General
Annual report, 2014
Compliance Audit Division did 100 audits in FY 2013, consisting of compliance exams, financial audits, and federal audits.

Highlights from accountability audits: State's financial reporting process does not allow it to prepare complete, accurate, and timely financial reports; weaknesses found in closing process at 3 decommissioned Dept. of Human Services facilities; 8,232 deceased individuals remained eligible for medical assistance more than 60 days after their deaths, leading to $12.3 million in costs; weaknesses and inaccuracies in reports submitted to the Comptroller by Dept. of Healthcare and Family Services; and the Comptroller did not meet timeframes for transfers from General Revenue Fund due to lack of available cash.

Performance audits at legislative direction examined the Neighborhood Recovery Initiative, the Dept. on Aging's Community Care Program; the use of the Death Certificate Surcharge Fund; the Center for Comprehensive Health Planning, Health Facilities and Services Review Board, and the Certificate of Need process; the long-term care eligibility determination and enrollment system; the "EXPANDED ALL KIDS" portion of the ALL KIDS program; procurement of inmate telephone

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services; 2014 reviews of Chicago Transit Authority employees' retirement plan and Retiree Health Care Trust; and Regional Offices of Education.

Information Systems Audit Division audited computer operations at 21 agencies and state universities, including Central Management Services facilities processing data for 107 entities. It found six agencies did not have adequate recovery plans in case of disaster; nine had not adequately secured their computers; seven did not adequately protect confidential information; five had not implemented an identity protection policy as required by law; two had weaknesses in project management for computer system development; and Central Management Services had weaknesses in its midrange computing environment.

Lists all agencies audited and types of audits; current audits; and performance audits, inquiries, and special reports. (30 ILCS 5/3-15; March 2015, rec'd Feb. 2015, 44 pp.)

Board of Higher Education

Annual report on public university revenues and expenditures, FY 2014

Illinois public universities received $6.94 billion (up 1.2% from FY 2013) and spent $6.91 billion (down 0.1%). Tuition remained largest revenue source, expanding from 26.1% to 26.5% of total revenues; state support contracted a bit from 18% to 17.9%. Converted to 2014 dollars using Consumer Price Index, total spending rose 5.6% over last 5 years. Fastest-growing spending component was student services, rising 15% to some $879 million in 2014 dollars. Tables give extensive data on each institution. (30 ILCS 105/13.5; Oct. 2014, rec'd Nov. 2014, 2 pp., 7 tables, 9 figures, 5 appendices)

Cost of Higher Education Veterans Service Act—2014 report

Analyzes spending on programs and services for military members and veterans. Public colleges and universities spent $7.9 million ($453,700 over budget). Federal and local sources contributed $3.2 million (43%); the state contributed $4.1 million (51%). (110 ILCS 49/20; undated, rec'd Oct. 2014, 4 pp. + 5 appendices)

Public university tuition and fee waivers, FYs 2013 and 2014

Public universities granted 46,471 waivers worth $451.7 million in FY 2014. By value, 24.5% of waivers in FY 2014 went to undergraduate and 75.5% to graduate students; 86.7% of the total were discretionary. (110 ILCS 205/9.29; Dec. 2014, rec'd Jan. 2015, 3 pp. + 3 tables, 2 appendices)

Central Management Services Dept.

Disabled Hiring Initiatives Report, FY 2014

The 498 participants in Successful Disability Opportunities Program are eligible for over 136 position titles in state government. Agencies hired 141 persons with disabilities in FY 2014, including 43 through the program. Employees with disabilities are 7.39% of state workforce vs. 4.95% of state's total labor force. (20 ILCS 405/405-122; Sept. 2014, rec'd Aug. 2014, 13 pp.)

Recycling & recycled paper procurement update, FY 2014

CMS launched Sustainability Training Program to increase employee awareness of recycling programs. Over 60% of paper products CMS bought for state agencies came from recycled products. Lists other accomplishments. (415 ILCS 20/3(j); issued & rec'd Nov. 2014, 4 pp.)

Commerce Commission

Communications Markets in Illinois, 2013

Gives data reported to the Commission, and to FCC, on competition in basic local phone service and high-speed services deployment. Illinois had 5.4 million landline subscribers and 12.7 million wireless accounts; 34% of adults lived in homes with only wireless service. (220 ILCS 5/13-407; July 2013, rec'd Aug. 2014, 42 pp., 1 figure, 2 appendices, 4 tables)

Energy Efficiency Program for small multi-jurisdictional utilities

Commission finds energy efficiency program offered by MidAmerican Energy Co. to be cost-effective and to produce economic benefits for Illinois. In 2008-2013, total spending was $15.6 million for electric program and $9.7 million for gas program. Programs had net benefits of $76 million (electric) and $6.2 million (gas). Excluding load management program, total net benefit was $16.2 million. Spending over next 5 years is forecast at $70 million, with projected net benefit of $60 million to customers. Commission has permitted the programs to continue. (220 ILCS 5/8-408(d); July 2014, rec'd Aug. 2014, 16 pp.)

Office of Retail Market Development 2014 annual report
ICC has certified 88 alternative (not electric utility) suppliers for retail electric customers; 59 were certified to serve residential and small commercial customers. On May 31, 2014 they provided 81% of ComEd customers' electricity, and these percentages for Ameren customers by zone: Zone I, 73%; Zone II, 81%; and Zone III, 81%. Has no legislative or administrative recommendations. (220 ILCS 5/20-110; June 2014, rec'd July 2014, 40 pp.)

Transportation Regulatory Fund, FY 2014 report
Fund had income of $11.4 million ($7.2 million from regulating motor carriers and $4.1 million from railroads) and spent $11.2 million ($5.1 million for motor carriers and $6.1 million for railroads). Fund has 68 employees. (625 ILCS 5/18c-1604; issued & rec'd Sept. 2014, 8 pp.)

Commerce and Economic Opportunity Dept.
Build Illinois revolving funds, FY 2014
At end of FY 2014, Build Illinois Capitol Revolving Loan Fund had $9.7 million; Illinois Equity Fund $1 million; Build Illinois Large Business Attraction Fund $1.5 million. (30 ILCS 750/9-9 and 750/10-9; issued and rec'd Nov. 2014, 7 pp.)

Economic Development for a Growing Economy (EDGE) tax credit report, 2013
Program gives tax credits to eligible firms to expand and retain jobs. Eligibility depends on investment and new jobs, but minimums may be waived. In 2013, 107 projects were approved for $1.19 billion in private investment and a projected 4,257 new and 9,479 retained jobs. Profiles approved projects; updates tax status of past ones. (20 ILCS 620/5(c); June 2014, rec'd July 2014, 57 pp.)

Enterprise Zone, River Edge Redevelopment Zone, and High Impact Business tax incentives annual report, 2013
DCEO has designated 89 enterprise zones; eight others were authorized under other acts. Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone incentives caused $114.4 million in forgone state revenues in 2013. Businesses getting the incentives reported investing $4 billion and creating 4,189 jobs. (20 ILCS 655/6; issued & rec'd Oct. 2014, 12 pp. + charts, tables)

Film Office annual report, 2014
In FY 2014, 9,868 jobs were created (excluding vendors) and an estimated $294 million was spent on film production. Of crew employees, 27% were nonwhite and 20% were white females. (35 ILCS 16/45(c); undated, rec'd Sept. 2014, 2 pp.)

Illinois Film Office quarterly report, April-June 2014
Estimates that 1,797 technical crew and office, 402 talent, and 831 extras jobs were created or retained. Film production brought $23.7 million in spending to Illinois. Overall crew and production office staff racial diversity rose from 14% when program began to 27% in 2013. (35 ILCS 16/45(b); undated, rec'd Aug. 2014, 1 p.)

Live Theater Tax Credit report, April-June 2014
Lists no new jobs or vendor spending for the quarter. Department planned to explore educational opportunities for minorities to promote diversity. (35 ILCS 17/10-50(b); undated, rec'd Sept. 2014, 1 p.)

Commission on Government Forecasting and Accountability
Public Safety Employee Benefits Act report, 2014
The Act grants special health insurance to public safety employees who have suffered severe injuries at work. Responses show at least 419 persons served and at least $5.82 million spent on premiums by 124 municipalities in the 2013 reporting year. (820 ILCS 320/17(d); issued & rec'd June 2014, 18 pp. + 5 appendices)

Community College Board
Biennial report, 2013-2014
Illinois Community College Board oversees 48 community colleges in 39 districts. Over 20,200 baccalaureate or transfer degrees were earned in FY 2013, and over 23,200 in FY 2014. Career and technical degrees numbered over 44,500 in FY 2013 and 46,500 in FY 2014. No numbers are reported for high school students enrolled in dual-credit courses for these years. (110 ILCS 805/2-10; undated, rec'd March 2015, 21 pp.)

Community and Residential Services Authority
Annual Report, FY 2013
To date, CRSA has helped in service planning for over 10,000 children and their families, and

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helped address several thousand service disputes. In FY 2013 it responded to 338 requests for assistance, involving mental illness; Medicaid eligibility; children with behavior disorders, developmental disabilities, or sexual aggression, or needing special education; transition planning for adolescents; and adoption services. FY 2013 spending was $501,362. (105 ILCS 5/14-15.01(d)(3); issued & rec'd July 2014, 16 pp.)

Corrections Dept.
Quarterly report, Oct. 2014
On August 31, 2014, adult facilities had 48,902 residents—52% over rated capacity of 32,079 but 3% below operational capacity of 50,438. Number was projected to rise to 49,185 by September 2015. Adult transition centers held 912 (162 over rated capacity but 46 below bed space). Enrollment (unduplicated) in educational and vocational programs was 8,254. No capital projects were funded. (730 ILCS 5/3-5-3.1; issued & rec'd Oct. 2014, 12 tables)

Employment Security Dept.
Social Security Retirement Pay Task Force, final report
Task Force examined Unemployment Insurance Act's Social Security offset that reduces weekly unemployment benefits by 50% of individual's Social Security retirement benefits. Task Force estimates that offset saves Unemployment Trust Fund Account $25 million per year. Elimination of Social Security offset could impact employers in three ways: (1) it could increase employer's unemployment tax rate; (2) it could increase adjusted state experience factor (This part of formula is used to calculate state unemployment tax rates.); and (3) it could reduce amount of benefits charged to employer. Task Force recommends eliminating Social Security offset stating integrity efforts under SMART Act would compensate for additional costs. Labor and employer groups disagree about whether $25 million per year unemployment tax cut is necessary to counteract likely unemployment insurance tax increases. (820 ILCS 405/611.1(c); March 2014, rec'd June 2014, 17 pp. + 10 attachments)

Human Services Dept.
Autism Progress Report, 2014
Describes progress of DHS Autism Task Force in addressing early intervention for children with autism; improving family support so they can stay at home; transitioning to and from public schools; and feasibility of getting federal help. Actions include creating a subcommittee focusing on autism insurance legislation; being involved in the 1115 waiver implementation process; providing transition services for persons with ASD; advanced initiatives in schools and improved services for early childhood education; and providing support for adults with ASD. The Task Force provided 519 training programs to students, educators, parents, professionals, and caretakers at no charge. (20 ILCS 1705/57; Jan. 2015, rec'd Feb. 2015, 16 pp.)

Social Services Block Grant Fund and Local Initiative Fund receipts and transfers, FY 2014
Social Services Block Grant Fund had $48.7 million in federal transfers in. Transfers out were $27.4 million to General Revenue Fund, $6.1 million to Special Purpose Trust Fund, and $9.8 million to Local Initiative Fund. (305 ILCS 5/12-5; issued June 2014, rec'd July 2014, 1 p.)

Insurance Dept.
Insurance cost containment report, 2014
Illinois policyholders paid $19.9 billion in direct written premiums in 2012. Losses as a ratio of direct earned premiums rose from 66.7% in 2011 to 69.9% in 2012. Total written premiums for homeowners' coverage were $3 billion, up 5.84% from 2011. Medical malpractice losses incurred as a percentage of earned premiums continued a decline that began in 2008, and that market became slightly less concentrated. (215 ILCS 5/1202(d); undated, rec'd Sept. 2014, 36 pp. + appendices)

Juvenile Justice Dept.
Quarterly report, July 2014
On May 31, 2014 there were 787 youth in all juvenile facilities, below rated capacity of 1,250 and beds for 1,509. Number was projected to rise to 826 by June 2015. Ratio of youth to security staff was 1.5. Unduplicated enrollment in educational and vocational programs was 663. No capital projects were funded. (730 ILCS 5/3-5-3.1; July 2014, rec'd Oct. 2014, 10 tables)

Legislative Audit Commission
2013 annual report
Commission reviewed 146 financial audits and compliance examinations and three performance audits. The Commission reviewed reports on 228 affidavits

for emergency purchases totaling $74.1 million; reviewed 12 awards other than to the lowest bidders; recommended 8 new laws that were enacted; and reviewed travel control reports from state agencies (p. 24). (25 ILCS 150/3; Feb. 2015, rec'd March 2015, 26 pp. + appendices)

Legislative Inspector General
Quarterly report, July-Sept. 2013
Five investigations were begun and 3 closed since last report (June 2013); 9 were pending. Five allegations were received since last report. No actions were pending before Legislative Ethics Commission. No complaints were forwarded to Attorney General since last report. (5 ILCS 430/25-85; Oct. 2013, rec'd Sept. 2014, 2 pp.)

Medical District Commission
Biennial report, FY 2013-2014
Accomplishments include completed construction of Great Point Energy offices; establishing Growing Solutions Farm to help autistic adults; and leasing over 30,000 square feet of space. Plans include creating a localized health information exchange with District hospitals; the establishment of a job-training center for at-risk persons; and construction of a hospice care and end-of-life education facility. Operating revenues were $5 million in FY 2013 and $5.1 million in FY 2014. (70 ILCS 915/2; issued & rec'd Jan. 2015, 29 pp.)

Metropolitan Pier and Exposition Authority
Affirmative Action Plan, FY 2015
On July 1, 2014 the Authority had 244 employees; 73 (29.92%) were minority group members and 31 (12.7%) were women (a person could be counted in both categories). Of 17 officials and administrators, 7 were minority and 10 were female. Of 7 professionals, 4 were minority and 5 female. Of 31 protective service workers, 13 (41.94%) were minority and 3 (9.68%) female. Of 6 administrative support and sales workers, 5 were minority and 4 female. Of 33 management-level skilled workers, 7 were minority but none female. Of 109 other skilled workers, 25 were minority and 4 female. Of 40 service workers, 12 (30%) were minority and 4 (10%) female. (70 ILCS 210/23.1(a); undated, rec'd Aug. 2014, 7 pp. + 8 appendices)

Natural Resources Dept.
Alexander Flood Hazard Mitigation Project
Alexander County has flooded repeatedly due to high stages on rivers. Clearing 111 properties is projected to cost $8,877,000 and create $5,263,000 in flood reduction damage benefits. (615 ILCS 15/5; Sept. 2013, rec'd July 2014, 9 pp. + maps, appendices, charts)

Northeastern Illinois Public Transit Task Force
2014 report
Average household transportation costs in northeastern Illinois rose 38% from 2000 and 2009 while median income rose only 22%. Among five U.S. metro areas with large transit systems, only northeastern Illinois had less growth in numbers of households near transit facilities than elsewhere. Describes history of the area's transit planning; makes many recommendations for improving the system and increasing its value to area residents and economy. (Exec. Ord. 13-06 [2013]; March 2014, rec'd July 2014, 81 pp. + appendix)

Procurement Policy Board
Annual report, FY 2014
Chief Procurement Officers must file with Procurement Policy Board (PPB) proposed contract extensions or renewals costing at least $250,000; PPB may object and hold a hearing. No renewals or extensions were filed with the PPB with claims of exemption. Lists agencies, length of extensions, number of renewals, and their costs. (30 ILCS 500/20-60(c); July 2014, rec'd Aug. 2014, 23 pp.)

Public Health Dept.
Diabetes Commission progress report, 2013-2014
Behavioral Risk Factor Surveillance System report of 2012 estimates Illinois' annual cost of diabetes at $8.98 billion ($6.6 billion in medical costs; $2.5 billion in lost productivity and early death). Some 9.4% of adults in Illinois have been diagnosed with diabetes. By age range it was: 25-44, 4.1%; 45-64, 12.4%; 65+, 20.8%. Rates were 10.2% for African-Americans, 5.4% for Asians, 11.6% for other minorities, and 9.4% for whites. (20 ILCS 2310/2310-642(b); June 2014, rec'd Sept. 2014, 16 pp.)

Psychiatry Practice Incentive Program annual report, 2012
Describes eligibility standards for residency program grants, medical student scholarships, and

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loan repayment help. No programs were begun due to lack of FY 2012 and 2013 appropriations. (405 ILCS 100/35; March 2013, rec'd July 2014, 3 pp. + 2 appendices)

Revenue Dept.

Unified Economic Development Budget, FY 2012

Reports tax incentives to promote economic growth (43 tax credits and 16 subtractions from taxable income) for tax years that ended during FY 2012. Tax credits reported as earned (not necessarily used, since some taxpayers likely lacked enough income to use up their credits) totaled about $257 million. Reported subtractions from taxable income totaled about $235 million. However, some amounts were withheld to protect taxpayer confidentiality. (Department of Commerce and Economic Opportunity reported an additional $3.2 million in three kinds of economic development grants.) (20 ILCS 715/10; issued & rec'd Sept. 2014, 3 pp.)

State Board of Education

Annual statistical report, 2012

Gives 2011-2012 data on enrollment at public and private schools; graduates and dropouts by county; bilingual and special education enrollment; teachers and other staff; and financial data including instructional expenditures, tuition, operating expenses, bond and tax referenda, and state aid claims. (105 ILCS 5/2-3.11; Aug. 2014, rec'd Sept. 2014, 283 pp. + 30 tables)

Capital Needs Assessment Survey, 2014

Responding elementary, secondary, and unit districts (total 558) reported $8 billion in capital needs for building construction, additions, and repairs. They are using 846 temporary classrooms due to crowding; 745 more classrooms are needed for pre-K and kindergarten classes. Districts need $6.5 billion for repair and remodeling projects, including $2.6 billion to meet current health-life safety requirements. (105 ILCS 230/5-60; Oct. 2014, rec'd Nov. 2014, 4 pp.)

Comprehensive Strategic Plan for Elementary and Secondary Education: progress report, 2014

Lists three main goals: for every student to (1) show academic achievement and (2) be supported by highly effective teachers, and (3) for schools to have safe, healthy learning environments. Ways to meet goals are improving international benchmark learning standards; establishing new system to collect student data; changing policies to improve teacher effectiveness; and supporting the lowest-performing schools. Accomplishments include: Illinois identified as top state for accessible and understandable school accountability reports; more Latino and low-income students taking Advanced Placement test; rise in Illinois' ACT composite test score to 20.6; and growth in math and reading ISAT test scores. (105 ILCS 5/2-3.47a(b); June 2014, rec'd July 2014, 68 pp.)

Eradicate Domestic Violence Task Force

Reports on Step Back Program which educates students about domestic abuse and sexual assault. It has been at Oak Park River Forest High since 2009, and is mandatory for freshmen. Students are separated by gender; self-defense training is included. Although program meets its objectives, Task Force does not recommend requiring it statewide; reasons include funding concerns and lack of flexibility for school districts. But it does recommend that school districts establish similar programs. (105 ILCS 5/22-75(11); issued & rec'd April 2014, 50 pp.)

Report on radon test results in Illinois public schools, 2014

Reports on initial radon tests at 56 schools in 17 districts, and retests at 30 schools in 9 districts. In initial tests, 8% of rooms had at least 4.0 picocuries per liter (level at which state law recommends mitigation action), and 71.43% of schools had at least one reading that high. Among retested locations, 47.9% of rooms showed at least 4.0 and 50% of schools had at least one such reading. (105 ILCS 5/10-20.48 and 5/34-18.39(c); issued & rec'd Sept. 2014, 3 pp.)

School mandate waiver requests, fall 2014

Classifies 69 waiver requests in categories and lists status: school district conversion or formation (1 approved); driver education (7 approved, 6 sent to General Assembly, 1 withdrawn or returned); legal school holidays (5 withdrawn or returned); limiting administrative costs (3 sent to General Assembly, 1 withdrawn or returned); nonresident tuition (23 sent to General Assembly, 3 withdrawn or returned); physical education (8 sent to General Assembly); and school improvement or in-service training (8 sent to General Assembly). Describes and lists waivers by topic and legislative district. (105 ILCS 5/2-3.25g; issued & rec'd Oct. 2014, 13 pp. + charts)

Special education expenditures and receipts, FY 2013
Lists each school district's special education spending; receipts (mostly for special education) from local, state, and federal sources; and net education spending exceeding such receipts, using districts' FY 2013 financial reports. Chicago district had the highest excess of special education spending over receipts ($53.6 million). Average excess of spending over receipts per special ed student was $4,163. (105 ILCS 5/2-3.145; May 2014, rec'd July 2014, 41 pp. + 1 appendix)

Task Force on Civic Education report, 2014
Gives analysis of civic education and recommendations for improvement. Reports that schools put less importance on civic education, and focus on rote memorization instead of student engagement. Recommends changes in learning standards; professional development for civics teachers; and more student involvement. (105 ILCS 5/2-3.157(g); May 2014, rec'd June 2014, 9 pp. + 3 appendices)

Truancy in Chicago Public Schools Task Force, final report
Task Force was created to study truancy in Chicago schools and make recommendations. Recommendations include reviewing truancy terminology; increasing data collection; evaluating attendance logs quarterly; hiring and training attendance coordinators; and instituting Positive Behavior Interventions and Supports and targeted interventions, among others. Advocates creating permanent commissions on truancy and special education programs. (H.J.R. 1 [2013]; July 2014, rec'd Aug. 2014, 22 pp. + 7 appendices)

State Police Dept.
Juvenile charge report, April-June 2014
Department received 13,189 juvenile charge reports in 2nd quarter of 2014—up 2,080 from 1st quarter. They included 1,084 for ordinance violations; 407 petty offenses; 7,615 misdemeanors; 2,655 Class 1 to 4 felonies; 280 Class X felonies; and 17 murders (1,131 were not identified). By gender, 10,580 were male and 2,605 female; 4 were unidentified. By race, 7,700 were African-American; 5,294 white; 69 Asian; and 6 Indian; 120 were unidentified. (20 ILCS 2605/2605-355; Aug. 2014, rec'd Nov. 2014, 2 pp.)

Missing Children Report, FY 2013
In FY 2013, 23,143 Illinois minors were reported missing; 22,293 were found, but 850 remained missing at end of calendar year 2013. AMBER Alerts were issued five times for five children (one at the request of Texas). Three were safely recovered in Illinois; one (the Texas child) in Indiana; the fifth was later found deceased. Reports on children reported missing, cleared, and pending by county. (325 ILCS 40/8; undated, rec'd July 2014, 14 pp.)

State Universities Retirement System
Economic Opportunity Investments, FY 2014
SURS had $279 million (1.61% of its funds) invested in public equity, $20 million (0.12%) in fixed income, and $76 million (0.44%) in real estate and infrastructure holdings with Illinois firms. It had $104 million (0.60%) in Illinois private equity firms. Fifteen Illinois investment managers handled $4.2 billion of SURS money. (40 ILCS 5/1A-108.5(c); issued & rec'd Aug. 2014, 25 pp.)

Toll Highway Authority
Inspector General activity report, April-Sept. 2014
From April to September 2014, the Tollway Inspector General opened 13 investigations and closed 17; five remained open. Four toll collectors, and two customer service reps, were fired or quit due to thefts from toll receipts or customer accounts. Other issues addressed were questioned certifications of two disadvantaged or women-owned subcontractors. IG received 41 complaints from the public and closed 46. Nearly 90 other cases (mostly subpoenas seeking tollway information) were opened,

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First Reading

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and 83 closed. (605 ILCS 10/18.5(m); issued & rec'd Sept. 2014, 7 pp.)

Transportation Dept.
Diesel emissions report, FY 2014
Department's Diesel Emissions Testing Program is in 9 counties and 3 townships, with 53 public and 29 private testing stations. It inspected 2,681 vehicles, passing 2,511 and failing 21; 149 tests were invalid. (625 ILCS 5/13-102.1; June 2014, rec'd Sept. 2014, 1 p.)

Fiber-optic network annual report, May 2014
IDOT worked with CMS and others to issue permits to bury fiber-optic cables on IDOT rights of way. Over 3,000 miles are in place. Summarizes construction and projected completion through 2015. (605 ILCS 5/9-131; issued May 2014, rec'd Sept. 2014, 3 pp.)

Veterans' Affairs Dept.
Discharged Servicemember Task Force, Annual Report 2014
Task Force identified and described four critical issues affecting veterans: economic vitality, homelessness and housing, women veterans, and behavioral health. Describes a major theme as need for more mutual awareness and collaboration among Illinois' veteran- and military-serving organizations. Recommendations include providing training for service provider organizations; providing resources to improve existing programs; creating service directories and guides; and increasing outreach efforts to connect more veterans with services. Lists progress on past recommendations. (20 ILCS 2805/20; undated, rec'd July 2014, 83 pp. + 4 appendices)