HB 3799 Update:

The Illinois House of Representatives could potentially vote on HB 3799 on Tuesday when they come back into session alongside the Illinois Senate. We are urging members to contact their local representatives to oppose the legislation. I will keep everyone posted next week if this progresses. Additionally, be on the lookout for another call to action.

104TH ILLINOIS GENERAL ASSEMBLY:

The Illinois General Assembly was off this week and will reconvene February 17 – 19. The Governor will present his combined Budget and State of the State Address to a joint session of the Legislature on Wednesday, February 18.

In addition to getting a first look at the Governor's FY 2027 budget proposal, the Legislature will begin considering legislation at the committee level next week.

The Senate Assignments met and assigned another 162 bills to standing committees for further consideration.

Key 2026 Session Dates:
February 18: Governor's Budget and State of the State Address
March 13: Deadline -- Substantive Senate Bills out of Committee
March 27: Deadline -- Substantive House Bills out of Committee
March 17: Primary Election
April 17: Deadline -- 3rd Reading Substantive Bills in First Chamber
May 8: Deadline -- Substantive Bills out of Committee in Second Chamber
May 22: Deadline -- 3rd Reading Substantive Bills in Second Chamber
May 31: Adjournment

GOVERNOR'S HIGHLIGHTS:

GOMB Updates 2025 Economic and Fiscal Policy Report: The Governor's Office of Management and Budget (GOMB) has released an updated report cautioning that recent federal actions are likely to increase costs and create greater uncertainty for Illinois as it plans its FY27 budget. Over the past year, shifts in federal policy have placed more financial responsibility on states while reducing support for vital programs, putting additional strain on Illinois and other states led by Democratic governors.

The report outlines several potential impacts on Illinois' budget, including:

- $100 million over two years needed for administrative changes related to new SNAP and Medicaid regulations.

- An added $80 million per year due to a higher federal share of SNAP administrative expenses.
- Up to $705 million more in annual SNAP costs if Illinois exceeds error rate limits.
- A projected total loss of $6.1 billion in Medicaid revenue by FY 2033, including $3.8 billion less in federal funding, beginning in FY 2028 with increasing amounts each year.
- $1 billion in childcare funding could be jeopardized for FY 2027 if the courts allow the Trump administration’s funding freeze to proceed; currently, a preliminary injunction is preventing immediate changes.

Read more here. The full report is here. Capitol News Illinois covers more here.

More Federal Funding Cuts Announced: The uncertainty over the stability of federal funding continued this week. Just one week before the Governor is slated to present his FY 2027 budget, the Trump administration's budget office instructed the Department of Transportation and the Centers for Disease Control and Prevention to cancel over $1.5 billion from blue states, citing "waste and mismanagement" of taxpayer funds. The DOT is canceling more than $943 million, while the CDC is cutting at least $602 million from California, Colorado, Illinois, and Minnesota.

Illinois will lose significant funding, including $100 million for electric vehicle (EV) charging stations and $3.6 million for a Spanish translation study of the Commercial Driver’s License (CDL) test. Colorado will also forfeit $4.9 million meant for EV chargers in low-income neighborhoods.

In addition, $600 million in public health funds is being rescinded from the same states, impacting health departments and nonprofit organizations. In total, Illinois stands to lose $29 million, including $7.2 million from the American Medical Association in Illinois and $5.2 million from Lurie Children’s Hospital in Chicago. The Governor’s office noted that they had not been formally notified of these cuts before the announcement and vowed to fight for the resources owed to taxpayers, arguing that these actions are politically motivated and potentially illegal.

Attorney General Kwame Raoul, joined by the Attorneys General of Minnesota, California, and Colorado, immediately filed a lawsuit to block the cuts. Read more here, here and here.

FEMA Rejects Disaster Relief Request: The Trump administration has rejected Illinois' request for disaster relief funds for last year's summer storms, which impacted 438,000 people across five counties. On Monday, Pritzker criticized the move, calling it “a politically motivated decision that punishes thousands of Illinois families in a critical moment of need." The White House responded by defending its choice, stating that the president approaches federal aid requests "with great care and consideration," and aims to ensure that American tax dollars are used responsibly to support—not replace—state efforts in dealing with disasters. Read more here.

IDFPR CORE Licensing Platform: Six additional license types are now online with the Illinois Department of Financial and Professional Regulation CORE (Comprehensive Online Regulatory Environment) platform. Those added are clinical social worker, social worker, temporary medical permit, professional counselor, professional land surveyor, and limited temporary medical permit.

PFAS Detected in Elburn Water Supply: The Illinois EPA has notified the Elburn Community Water System that perfluorooctanoic acid (PFOA), a PFAS compound, was found at 7.5 parts per trillion in the December 2, 2025 water sample. This level exceeds both federal and Illinois standards of 4 ppt. Read more here.

OTHER NEWS:

Attorney General Reaches Agreement to Protect Education Funding: Illinois Attorney General Kwame Raoul announced an agreement with the Trump administration to protect $1.4 billion in federal education funding for Illinois. The deal ends a lawsuit filed by states after the U.S. Department of Education threatened to withhold funds from schools not certifying compliance with new DEI (diversity, equity, inclusion) program restrictions. Raoul stated the administration tried to block mandated funds to push an anti-DEI agenda, impacting vulnerable children in Illinois and nationally. Read more here.

Attorney General Secures Preliminary Injunction to Preserve Child Care Funding: Attorney General Kwame Raoul announced a victory after a federal court granted a preliminary injunction preventing the Trump administration from freezing over $10 billion in funding for childcare and support programs for vulnerable families. Raoul stated that the administration's actions were unjust and detrimental to Illinois families and the economy. Along with four other attorneys general, Raoul had filed a lawsuit to protect funding for several critical programs, including the Child Care and Development Fund and Temporary Assistance for Needy Families. The court's ruling allows states to access these essential funds. Read more here.

Federal Judge Issues Ruling in Swipe Fee Litigation: On Tuesday, a federal judge determined that key provisions of Illinois' first-in-the-nation law banning certain credit card fees may proceed as scheduled.

The legislation, enacted in 2024 and slated to take effect in July, prohibits specific swipe fees on the tax and tip portions of customers' bills. This measure is intended to reduce the charges imposed by credit card companies on retailers.

U.S. District Judge Virginia Kendall's ruling blocks enforcement of sections relating to financial institutions' data usage; however, she upheld the state's position against the banks regarding fee prohibitions, denying their request for a permanent injunction.

The plaintiffs in the case -- the American Bankers Association, Illinois Bankers Association, America's Credit Unions, and Illinois Credit Union League -- have announced their intention to appeal the decision. Read more here and here.