



# FIRST READING



ILLINOIS GENERAL ASSEMBLY LEGISLATIVE RESEARCH UNIT

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## States Seek Savings on Public Pensions

New state laws on public pensions in recent years have reflected the tight conditions of most state budgets. Employee contribution rates have been raised; benefits reduced; and amounts of service required to get benefits lengthened in some states. Inflation adjustments for some pensions have been reduced or eliminated. A few states have introduced defined-contribution retirement plans to supplement or replace their defined-benefit pension plans. Most of the changes apply only to new employees, but some also apply to current employees or even retirees.

Illinois enacted a major law in 2010 to reduce future costs of pensions and other benefits to retired public employees. For persons hired after 2010, it will raise the age to retire with regular (unreduced) benefits; calculate final salary on which pensions are based over 8 years rather than 4; put a ceiling on the final salary that can be used in calculating a pension; limit annual inflation adjustments for pensions to the lesser of 3% of the original pension amount (instead of compounding it) or half the annual, unadjusted increase in the Consumer Price Index for All Urban Consumers; and set the formula for calculating pensions of legislators and judges at 3% of final average salary for each year of service (in lieu of higher percentages after some number of years of service). Also, a state retiree cannot continue getting a state pension while working full-time for a public agency that is under any article of the Illinois Pension Code (this restriction formerly applied only to the retiree's article of the Code).

Last year was one of the busiest for public pension changes, with at least 28 states enacting major laws. Many of them are similar to what Illinois did

in 2010. The ones described below take other approaches. They were found by consulting a summary of changes to state pension laws provided by the National Conference of State Legislatures, supplemented by LRU examination of those laws.

Perhaps the most significant change came in Rhode Island, where both current employees and retirees saw reduced benefits. All current and future employees except public safety workers and judges were moved to a hybrid pension plan. The defined benefit was reduced, and a defined-contribution component requires employees to contribute 5% of their annual salary, with a 1% employer match. Annual inflation adjustments for current retirees are

suspended until the state retirement systems are over 80% funded; they are to be paid once every 5 years until then. Any future inflation adjustments are to equal a system's average investment return rate during the preceding 5 years minus 5.5% (but not below zero or over 4%). Such adjustments will apply to only the first \$25,000 of annual

pension (the \$25,000 limit is to be adjusted for inflation in the same way).

### *Higher pension contributions*

At least 16 states raised public employee pension contributions in 2011. The increases applied to all employees in 12 states, and only to new employees in 3 states. Half of the states that raised employee contributions also lowered employer contributions.

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## States Seek Savings on Public Pensions *(continued from p. 1)*

Teachers and general state employees in Alabama now pay 7.25% of salary (up from 5%), and will pay 7.5% starting October 1. The employer contribution rate dropped by about 2.5 percentage points. Colorado's employee contribution rate rose by 2.5 percentage points in FY 2011, to 10.5% for most state employees. The higher rate remains in place for FY 2012, along with a reduced employer contribution rate. Delaware requires new employees to pay 5% of the excess of annual compensation over \$6,000, instead of the 3% paid by current employees.

Hawaii raised contribution rates (for new employees only) by 2 percentage points to 9.8%. Current and new Maryland state employees and teachers now pay 7% instead of 5%; the state is to make higher contributions starting in FY 2014. New Mexico raised employee contribution rates by 1.75 percentage points for FY 2012 (to 10.67% for most state employees), and lowered the employer contribution rate 2.56 percentage points. The employee rate will continue into FY 2013 if general fund revenues do not meet targets; if they do, it will drop to 8.92% in FY 2013 and 7.42% in FY 2014.

North Dakota implemented a 2 percentage point contribution increase to 6% for most state employees, phased in over 2 years. The teachers' contribution rate will rise 4 percentage points over 3 years, ending at 11.75%. Employers' rates rose as well. These increases will be eliminated once the retirement system reaches 90% funding.

Vermont state employees and judges now contribute 6.3% instead of 5%. Law enforcement employees

contribute 8.18%, up from 6.18%. The rates are scheduled to drop to their previous levels on July 1, 2016, or when the retirement system is fully funded, whichever occurs first.

### *Inflation adjustments reduced*

At least 10 states reduced, limited, or eliminated inflation adjustments (often called cost-of-living adjustments or COLAs) for retirees. In 3 of those states, the changes affect current retirees.

In Arizona starting July 1, 2013, retired elected officials and public safety and corrections officials will not get any COLA unless their retirement systems had a total return of at least 10.5% in the preceding year and any excess over 10.5% is enough for full funding of the COLA. COLAs are limited based on a system's return and ratio of assets to liabilities; they cannot exceed 4% per year in any event.

Maine eliminated COLAs in 2011, 2012, and 2013 (one-time payments may be made if funds are available, but would not become a permanent part of a retiree's benefit). After that, COLAs will match inflation up to 3% of the first \$20,000 in benefits (formerly 4% of all benefits).

Future Maryland retirees except judges and legislators have their COLAs for service after June 30, 2011 limited to 2.5% if their retirement system at least meets the assumed rate of return in the preceding year. Otherwise the limit is 1%. (The COLA for most of those employees was limited to 3% before the new law.)

New Jersey ended COLAs for current and future retirees; they may be reinstated if the retirement systems meet specified future funding

ratios. Another law calls for pension committees that are to be formed when the pension systems reach a target funded ratio; those committees may reinstate the COLAs.

### *Defined-contribution plans introduced*

Indiana established a defined-contribution plan as an option for new state employees. In 2010, Michigan started enrolling new school employees in a hybrid of defined-benefit and defined-contribution plans. Utah's defined-benefit plan is not offered to state employees hired after June 2011; they must choose between a defined-contribution plan and a hybrid plan.

### *Retirement income taxed*

On January 1, 2012 Michigan began taxing some retirement income. Until 2012 any income from a public pension, and some private pension income, was exempt from state income tax. (Most retirement income is exempt from Illinois income tax.) Under the new law, persons born before 1946 will continue to have those exemptions. Those born from 1946 through 1952 will remain exempt from Michigan income tax on Social Security income; they will also be exempt from tax on the first \$20,000 of other retirement income (\$40,000 if married filing jointly) until age 67. They will then be exempt on all types of income up to that amount.

Taxpayers born after 1952 get no exemption for retirement income, except Social Security, until age 67. Then they may choose between two options: (1) Take the \$20,000/\$40,000 exemption for all types of income (from employment, pensions, or other sources), with no personal exemptions or Social Security exemption. (2) Keep a Social Security exemption and personal exemptions. However, no

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# Federal Board Calls for Ban on Cell Phones When Driving

In December 2011 the National Transportation Safety Board (NTSB) recommended that all states ban nonemergency use of portable electronic devices while driving. Ten states currently ban use of cell phones (except hands-free use) by all drivers; 19 ban cell phone use by school bus drivers; and 30 prohibit novice drivers from using cell phones when driving. Thirty-five states including Illinois prohibit drivers from reading, composing, or sending text messages while driving; three others prohibit school bus drivers from doing so; and seven prohibit new drivers from texting while driving.

At least 35 states' accident report forms ask for information on whether cell phone use contributed to accidents, but only 5 of them actually require such information to be collected by law.

## NTSB Recommendations

The NTSB is a federal agency that conducts independent transportation investigations and makes recommendations for improving safety. It has no direct regulatory authority. Its December recommendation came from an investigation of a 2010 Missouri accident blamed in part on a driver distracted by reading and sending text messages. The accident had multiple causes and involved multiple collisions, killing two people—including the distracted driver. The NTSB recommended that states ban use of what it called “portable electronic devices” (PEDs), such as cell phones, computer tablets, music players, and gaming units when driving. It

made three specific recommendations to states:

- (1) Ban “nonemergency” (not defined) use by all drivers of PEDs, except those designed to support the driving task (presumably referring to such tools as GPS navigation devices).
- (2) Use “high visibility enforcement” to support the bans. That would consist of intensive enforcement of laws along with extensive communication, education, and outreach efforts.
- (3) Implement targeted communication campaigns to inform motorists of the new law and enforcement, and to warn them of the dangers of use of PEDs while driving.

The NTSB's published recommendations do not provide significantly more information on what devices or actions it believes should be prohibited while driving; but they mention texting while driving and distracted driving generally. The National Highway Traffic Safety Administration estimates that nearly 3,100 deaths occurred in distraction-affected crashes in 2010. (Such crashes involve in-vehicle distractions such as other passengers or cell phones, and/or people or events outside the vehicle.)

## States That Restrict Use

### *Illinois*

Illinois does not prohibit all use of cell phones while driving. The state's prohibitions on such use that *do* apply generally have exceptions for phones used hands-free (but not by drivers under 19). Those under



19 may not use cell phones—even hands-free—while driving, except for emergency purposes. The law says that “emergency purposes” include, without limitation, emergency calls to police, fire, medical, and “other emergency services . . .”

Drivers of any age may not use cell phones while in school speed zones or highway construction zones, except for emergency purposes or use in “voice-activated mode.”

Illinois drivers are generally prohibited from using an electronic device to compose, send, or read electronic messages, including e-mail, text messages, instant messages, and Web pages. Exclusions can be classified into three groups:

- (1) Specified purposes (law enforcement personnel, or reporting an emergency).
- (2) Specified equipment (using a device in hands-free or voice-activated mode, or using a permanently installed screen smaller than 10 by 10 inches).
- (3) Specified situations (when parked on the shoulder, or stopped in traffic with the transmission in neutral or park).

At least one current bill—H.B. 3972 (D’Amico-D.Harris-Sente-Mathias)—would prohibit all drivers from using a handheld phone or personal data assistant while

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## Federal Board Calls For Ban on Cell Phones When Driving *(continued from p. 3)*

driving. It includes the exclusions described above and adds three: a purpose (purposes not otherwise prohibited, which likely includes for GPS navigation); specified equipment (two-way or CB radios); and a specific situation (if used by pressing a single button to initiate or terminate a call). The bill passed the House 62-53 on March 8.

### *Other States*

No state prohibits all use of a cell phone or other portable electronic device while driving. Ten states prohibit drivers from using handheld electronic devices, but allow cell phone use if operated hands-free. Illinois is among three states that ban handheld use of cell phones in some areas, such as school speed zones or construction areas.

Nineteen states specifically prohibit bus drivers from using cell phones (even hands-free), except in emergency situations. Thirty states prohibit novice drivers from using cell phones even if operated hands-free. In some states, exceptions vary by age. For example, Arkansas prohibits drivers under 21 from using cell phones, but has a hands-free exception for drivers 18 or over.

Thirty-five states prohibit texting while operating a vehicle; another state (Texas) prohibits texting while driving in school crossing zones. Three states not among those 35 (but including Texas) specifically ban school bus drivers

from reading, composing, or sending text messages while driving a bus; and 6 states that do not generally ban texting while driving prohibit novice drivers from doing so.

Table 1 on page 5 summarizes states' laws on cell phone use while driving.

### **States That Report Phone Use in Accidents**

#### *Illinois*

The Illinois Vehicle Code section on accident report forms does not specifically require police to state whether use of a cell phone or other electronic device appeared to contribute to an accident. But it directs that the form request enough information on the cause, conditions, people, and vehicles involved for a complete analysis of the circumstances and events leading to each accident. The Illinois Department of Transportation (IDOT) is required to analyze such reports; report on school bus accidents resulting in personal injury or death near bus stops; and provide statistical information on accidents involving medical transport vehicles.

The form prescribed by IDOT for reporting on crashes has a place for listing "contributory cause(s)." One possible cause listed on the form is distraction from an electronic communication device, such as talking on a cell phone or texting.

At least one current bill and one resolution would require IDOT to collect and report information on cell phone use in accidents in Illinois.

House Bill 865 (D'Amico-D. Brady et al. — Hutchinson), as amended by House Amendment 1 (Bradley), would require state and local police to include in their reports on

automobile accidents information on whether cell phone use was involved. IDOT would have to collect such data for the years 2013 and 2014 and report to the General Assembly by October 2015. The bill passed the House 114-0 in May 2011 and was referred to the Senate Committee on Assignments.

House Joint Resolution 8 (Bradley) would ask state and local law enforcement personnel to include in their reports on automobile accidents information on whether use of a cell phone was involved. IDOT would be directed to collect data on cell phone use leading to accidents in 2012 and 2013, and report to the General Assembly by September 2014. The resolution passed the House in May 2011 but apparently has not gone to the Senate.

#### *Other States*

The Governors Highway Safety Association (GHSA) reported in June 2010, based on a survey of its members, that 44 states collect some kind of data in their crash reports on distracted driving crashes. More recently, GHSA reported that 35 states, including Illinois, have a category in police accident or crash report forms for cell phone or electronic equipment distraction; but most of those states do not actually require that by law. Searches of state laws found only 5 states that require inclusion of information on cell phone use as a contributor to an accident: Georgia, Louisiana, Mississippi (if that driver's use was illegal), New Jersey, and Washington). □

*Thomas J. Bazan, Research Associate; Melissa S. Cate, Senior Research Associate; and Caroline G. Coatney, Research Assistant*

**Table 1: State Laws on Using Cell Phones and Texting While Driving**

State	Ban all hand-held devices	Ban cellphone use by		Ban text messaging by:		
		Sch. bus drivers	Novice drivers	All drivers	Sch. bus drivers	Novice drivers
Alabama	-	-	Age 16 (or 17 if licensed less than 6 months)	-	-	Age 16 (or 17 if licensed less than 6 months)
Alaska	-	-	-	<input type="checkbox"/> <sup>1</sup>	n.a.	n.a.
Arizona	-	<input type="checkbox"/>	-	-	n.a.	-
Arkansas	In school speed zones & construction zones	<input type="checkbox"/>	Under 21 (no hands-free exception if under 18)	<input type="checkbox"/>	n.a.	n.a.
California	<input type="checkbox"/>	<input type="checkbox"/> <sup>2</sup>	Under 18 (no hands-free exception)	<input type="checkbox"/>	n.a.	n.a.
Colorado	-	- <sup>3</sup>	Under 18 (no hands-free exception)	<input type="checkbox"/>	n.a.	n.a.
Connecticut	<input type="checkbox"/>	<input type="checkbox"/>	Under 18 (no hands-free exception)	<input type="checkbox"/>	n.a.	n.a.
Delaware	<input type="checkbox"/>	<input type="checkbox"/>	Learner's permit driver gets no hands-free exception	<input type="checkbox"/>	n.a.	n.a.
Florida	-	-	-	-	-	-
Georgia	-	<input type="checkbox"/>	Under 19 with instruction permit or Class D license	<input type="checkbox"/>	n.a.	n.a.
Hawaii	-	-	-	-	-	-
Idaho	-	-	-	-	-	-
<b>Illinois</b>	<b>In school zones &amp; construction zones</b>	<input type="checkbox"/>	<b>Under 19</b>	<input type="checkbox"/>	<b>n.a.</b>	<b>n.a.</b>
Indiana	-	-	Under 18	<input type="checkbox"/>	n.a.	n.a.
Iowa	-	-	With instruction permit or intermediate license	<input type="checkbox"/>	n.a.	n.a.
Kansas	-	-	With farm permit, instruction permit, or restricted license	<input type="checkbox"/>	n.a.	n.a.
Kentucky	-	<input type="checkbox"/>	Under 18	<input type="checkbox"/>	n.a.	n.a.
Louisiana	-	<input type="checkbox"/>	During first year of licensing; with learner's or intermediate license (no hands-free exception if under 17)	<input type="checkbox"/>	n.a.	n.a.
Maine	-	-	With instruction permit or under 18	<input type="checkbox"/>	n.a.	n.a.

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Table 1: State Laws on Using Cell Phones and Texting While Driving (cont'd)

State	Ban all hand-held devices	Ban cellphone use by		Ban text messaging by:		
		Sch. bus drivers	Novice drivers	All drivers	Sch. bus drivers	Novice drivers
Maryland	<input type="checkbox"/>	<input type="checkbox"/>	Under 18 with learner's permit or provisional license	<input type="checkbox"/>	n.a.	n.a.
Massachusetts	-	<input type="checkbox"/> <sup>4</sup>	Under 18	<input type="checkbox"/>	n.a.	n.a.
Michigan	-	-	-	<input type="checkbox"/>	n.a.	n.a.
Minnesota	-	<input type="checkbox"/>	Under 18 with instruction permit or provisional license	<input type="checkbox"/>	n.a.	n.a.
Mississippi <sup>5</sup>	-	<input type="checkbox"/> <sup>6</sup>	-	-	<input type="checkbox"/>	With intermediate license, or learning or driving permit
Missouri	-	-	-	-	-	Under 21
Montana	-	-	-	-	-	-
Nebraska	-	-	With provisional license or school or learner's permit	<input type="checkbox"/> <sup>7</sup>	n.a.	n.a.
Nevada	<input type="checkbox"/>	-	-	<input type="checkbox"/>	n.a.	n.a.
New Hampshire	-	-	-	<input type="checkbox"/>	n.a.	n.a.
New Jersey	<input type="checkbox"/>	<input type="checkbox"/>	With examination or special learner's permit, or probationary license	<input type="checkbox"/>	n.a.	n.a.
New Mexico	-	-	With learner's permit or intermediate license	-	-	With learner's permit or intermediate license
New York	<input type="checkbox"/>	-	-	<input type="checkbox"/>	n.a.	n.a.
North Carolina	-	<input type="checkbox"/>	Under 18	<input type="checkbox"/>	n.a.	n.a.
North Dakota	-	-	Under 18	<input type="checkbox"/>	n.a.	n.a.
Ohio	-	-	-	-	-	-
Oklahoma	-	-	<sub>8</sub>	-	<input type="checkbox"/> <sup>9</sup>	<sub>8</sub>
Oregon	<input type="checkbox"/>	-	Under 18	<input type="checkbox"/>	n.a.	n.a.
Pennsylvania	-	-	-	<input type="checkbox"/>	n.a.	n.a.
Rhode Island	-	<input type="checkbox"/>	Under 18	<input type="checkbox"/>	n.a.	n.a.
South Carolina	-	-	-	-	-	-
South Dakota	-	-	-	-	-	-

Table 1: State Laws on Using Cell Phones and Texting While Driving (cont'd)

State	Ban all hand-held devices	Ban cellphone use by		Ban text messaging by:		
		Sch. bus drivers	Novice drivers	All drivers	Sch. bus drivers	Novice drivers
Tennessee	-	<input type="checkbox"/>	With learner's permit or intermediate license	<input type="checkbox"/>	n.a.	n.a.
Texas	In school Xing zones	<input type="checkbox"/>	Under 18	School Xing zones	<input type="checkbox"/>	Under 18
Utah	<input type="checkbox"/>	-	-	<input type="checkbox"/>	n.a.	n.a.
Vermont	-	-	Under 18	<input type="checkbox"/>	n.a.	n.a.
Virginia	-	<input type="checkbox"/>	Under 18	<input type="checkbox"/>	n.a.	n.a.
Washington	<input type="checkbox"/>	-	With learner's permit or intermediate license	<input type="checkbox"/>	n.a.	n.a.
West Virginia	-	-	Under 18	-	-	Under 18
Wisconsin	-	-	-	<input type="checkbox"/>	n.a.	n.a.
Wyoming	-	-	-	<input type="checkbox"/>	n.a.	n.a.

Notes

- The state has no law with this requirement.
  - The state has a law with this requirement.
  - n.a. Not applicable. Text messaging ban applies to all drivers, so no bans specific by kind of driver are necessary (Arizona's ban on cell phone use by bus drivers apparently also prohibits them from sending text messages).
1. Alaska prohibits driving with a "television, video monitor, portable computer, or any other similar means capable of providing a visual display that is in full view of a driver" except a cell phone or personal data assistant for oral communication or displaying caller identification information.
  2. California also prohibits drivers of public transit vehicles from using wireless telephones.
  3. Colorado regulations require schools to have procedures to "govern the use of cell phones" by school transportation vehicle operators, to include "limiting the use of these devices while the vehicle is in motion and restricting the use of personal cell phones."
  4. Massachusetts also prohibits public transportation drivers and operators from using cell phones.
  5. Mississippi specifically bars local governments from restricting use of cell phones in vehicles until the state authorizes them to do so.
  6. Mississippi also prohibits all passenger bus drivers from using cell phones with any minor passengers on board.
  7. Nebraska uses a point system for driving offenses and adds 3 points for texting while driving.
  8. Oklahoma authorizes its Department of Public Safety to cancel or suspend learners' permits or intermediate licenses of novice drivers who are cited for using cell phones while driving; but no law prohibits use of cell phones by novice drivers.
  9. Oklahoma's texting ban on school bus drivers also applies to public transit drivers.

Sources: Insurance Institute for Highway Safety, "Cellphone and texting laws" (table, Dec. 2011, downloaded from IIHS Internet site); Governors Highway Safety Association, "Cell Phone and Texting Laws" (table, Dec. 2011, downloaded from GHSA Internet site); American Automobile Association, "State Distracted Driving Laws" (table, Oct. 21, 2011, downloaded from AAA Exchange Internet site); Ala. Code, subsec. 41-2-1(c)(3); Ariz. Rev. Stat. Ann., sec. 28-900 and Ariz. Adm. Code, subsec. R17-9-104(D)(28); Ark. Code, secs. 27-51-1504, 27-51-1603 to 27-51-1610, and 6-19-101 and Code of Ark. Rules & Regs., sec. 005-04-026; Cal. Veh. Code, secs. 23123 to 23125; Colo. Rev. Stat., sec. 42-4-239 and 1 Colo. Code of Regs., sec. 301-26 (4204-R-232.01); Conn. Gen. Stat., sec. 14-296aa; Del. Code, tit. 1, secs. 2710, 4176B, and 4176C; Fla. Stat., sec. 316.0075; Ga. Code, subsecs. 40-6-165(d) and (e), 40-6-241.1(b), and 40-6-241.2(b); 625 ILCS 5/12-610.1 to 5/12-610.2 and 5/12-813.1; Ind. Code, subsecs. 9-21-8-59(a)(1) to (3) and 9-24-11-3.3(b)(4); Iowa Code, secs. 321.180B, subd. 6.a. and 321.276, subd. 2.a.; Kans. Stat., subsecs. 8-296(e), 8-2,100(b)(4), 8-2,101(e), and 8-15,111(b) and (c)(3); Ky. Rev. Stat., subsecs. 189.292(2), 189.294(2), and 281A.205(2); La. Rev. Stat., subsecs. 32:289(A), 32:289.1(A), 32:300.5(A)(1), 32:300.6(A)(1)(a), and 32:300.7(B); Me. Rev. Stat., tit. 29-A, subsecs. 1304(1)(I), 1311(1)(C), 2116(2), and 2119(1)(c) and (2); Md. Transp. Code, subsecs. 21-1124(c), 21-1124.1(b) and (c)(1) and (2), and 21-1124.2(c)(1) and (2) and (d)(2); Mass. Gen. Laws, ch. 90, secs. 7B, 8M, 12A and 13B(a); Mich. Comp. Laws, subsecs. 257.602b(1) and (2); Minn. Stat., sec. 169.443, subd. 9(b), sec. 169.475, subds. 2 and 3(1), sec. 171.05, subd. 2b(c), and sec. 171.055, subd. 2(a); Miss. Code, subsecs. 63-1-73(2)(a) and (b); Mo. Rev. Stat., sec. 304.820, subds. 1 and 7; Neb. Rev. Stat., subsecs. 60-4,120.01(3)(c), 60-4,123(3)(b), 60-4,124(3) and (5)(b), and 60-6,17901(1) and (5)(a)(iii), and 2011 Nev. Stat., ch. 523, sec. 1, adding a new section to Nev. Rev. Stat., ch. 484B; N.H. Rev. Stat., sec. 265:105-a, subd. I; N.J. Stat., secs. 39:3-13, 39:3-13.2a, 39:3-13.4, subd. c, 39:3B-25, subd. a, and 39:4-97.3, subd. a; N.M. Stat, sec. 66-5-1.1, subd. N; N.Y. Veh. & Traf. Law, secs. 1225-c and 1225-d; N.C. Gen. Stat., secs. 20-137.3, 20-137.4, and 20-137.4A; N.D. Cent. Code, secs. 39-08-23 and 39-08-24; Okla. Stat., tit. 47, secs. 6-105, subd. F, and 11-901c; Ore. Rev. Stat., sec. 811.507; Pa. Cons. Stat., tit. 75, sec. 3316; R.I. Gen. Laws, secs. 31-22-11.8, 31-22-11.9, and 31-22-30; Tenn. Code, secs. 55-8-192 and 55-8-199 and subsec. 55-50-311(n); Tex. Transp. Code, sec. 545.425 and subsec. 545.424(a); Utah Code, secs. 41-6a-1715 and 41-6a-1716; Va. Code, secs. 46.2-919.1, 46.2-334.01, subd. C1, and 46.2-1078.1; Vt. Stat., tit. 23, secs. 1095a and 1099; Wash Rev. Code, secs. 46.61.667 and 46.61.668 and subsec. 46.20.075(4); Wis. Stat., subsec. 346.89(3); and Wyo. Stat., sec. 31-5-237.

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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.

## **Adult Redeploy Illinois Oversight Board**

*Annual report, FY 2011*

Adult Redeploy Illinois offers financial incentives to counties implementing community-based plans in lieu of prison for nonviolent crimes. Counties must agree to a 25% reduction in imprisonments (with penalties for not meeting the reduction goal). Cook, Fulton, Madison, McLean, and Winnebago Counties were added as pilot sites in 2011, bringing the total to 10. Six sites operating 6 months or less have diverted 207 people from prison, potentially saving \$3.3 million. Four more sites begin implementation in 2012 for a projected \$6 million in total savings through 2012. (730 ILCS 190/20(e)(2)(I); Jan. 2012, 23 pp. + 4 appendices)

## **Aging, Department on**

*Annual Report, FY 2010*

Department's major programs are the Community Care Program, providing comprehensive care coordination, adult day, in-home care, and emergency home response to eligible adults age 60 or over; Circuit Breaker program, providing property tax relief to older or disabled residents; and other home and community services programs administered through 13 Area Agencies on Aging. Of Department's \$745 million in

appropriations, \$600 million went to the home and community-based care program. Accomplishments include: more Circuit Breaker applications received on-line; a new Website to help Illinois residents find rental homes meeting their needs; creating regional inter-agency elder abuse fatality review teams; getting a 2-year federal grant for outreach and assistance for people eligible for two Medicare programs; and providing community-based services to veterans. (20 ILCS 105/7.09(2); Oct. 2011, 38 pp.)

## **Attorney General**

*Lead poisoning cases, 2011*

Attorney General is required to report lead poisoning cases referred to her by Illinois Department of Public Health. None were referred in 2011. (410 ILCS 45/12.1; Jan. 2012, 1 p.)

## **Auditor General**

*CTA employee retirement plan, 2011*

Auditor General is required to review funding level of the CTA's retirement plan annually. He concluded that the plan's assumptions were not unreasonable in the aggregate. Ratio of total assets to total actuarially determined liabilities fell from 74.8% to 70.1%. Board increased employee contribution rate from 8.345% to 8.65% of pay, and employer contribution

rate from 10.69% to 11.3% to meet statutory funding ratios. (30 ILCS 5/3-2.3(e); Nov. 2011, 12 pp. + appendix)

## **Central Management Services Dept.**

*State-owned and surplus real property, 2011*

Reports on 34 state agencies and universities, listing building names and locations, acreage, acquisition dates, and cost. State leased one property and had 5 parcels pending. (30 ILCS 605/7.1; Oct. 2011, CD-ROM)

## **Commerce Commission**

*Public utilities report, 2011*

Reviews major decisions and activities in 2011, and overviews industries. Major electric utilities' 2010 average prices per kilowatt-hour were: Mt. Carmel, 12.45¢; Commonwealth Edison, 11.44¢; AmerenIL, 9.69¢; and MidAmerican, 6.19¢. Major gas utilities' 2010 average prices per therm were: Mt. Carmel, \$1.19; AmerenIL, \$1.01; Peoples Gas, 96.54¢; Consumers Gas, 90.89¢; North Shore, 89.86¢; Illinois Gas, 89.15¢; Atmos Energy, 88.26¢; Nicor Gas, 75.65¢; and MidAmerican, 73.10¢. Also lists major water rates; utility availability; status of appeals from Commission orders; federal actions affecting state utility services; significant Commission decisions; and emission allowance reports. (220 ILCS 5/4-304; Jan. 2012, 70 pp. + 2 appendices)

*Telecommunications markets in Illinois, 2011*

Lists statistics from reports to ICC and Federal Communications Commission on competition in telephone and broadband services. Wireline telephone subscribers declined to 6.1 million—down 33% since 2001. There were 11.6 million wireless accounts. About

24% of adults live in households with only wireless service. Providers served nearly 6.5 million high-speed customers. (220 ILCS 5/13-407; Sept. 2010, 42 pp., 1 figure, 1 appendix, 4 tables)

### **Commerce and Economic Opportunity Dept.**

*High Impact Business designation*  
The California Ridge Wind Energy Center is designated for up to 20 years as a Wind Energy and High Impact business qualifying for building materials sales tax exemption in Champaign and Vermilion Counties. (20 ILCS 655/5.5h(h); Sept. 2011, 1 p.)

### *Illinois River Edge Redevelopment Program report, FY 2011*

This pilot program offers tax credits, exemptions, and grants to developers and businesses along riverfronts. DCEO designated areas in Aurora, East St. Louis, Elgin, and Rockford. They were expected to create or retain 284 jobs using nearly \$7 million in private investment in FY 2011. (65 ILCS 115/10-6(a)(1); Oct. 2011, 3 pp.)

### **Corrections Dept.**

#### *Correctional Industries report, FY 2011*

Illinois Correctional Industries had operating revenue of \$47.1 million and expenses of \$46.2 million. Its FY 2011 budget is \$48.5 million. Sales and production are reported by type and facility, and job assignments by facility. No recidivism rates since 2006 are available due to database problems. (730 ILCS 5/3-12-11; undated, rec'd Dec. 2011, 20 pp.)

#### *Quarterly report, April 1, 2011*

On February 28, 2011 adult facilities had 48,684 residents—44% over rated capacity of 33,700 but 5% below operational capacity of 51,226. Adult transition center

population was 1,193 (113 over rated capacity). Average ratio of inmates to security staff was 6.1. Unduplicated enrollment in education and vocational programs was 7,142. Nearly all inmates were double-celled (67%) or multi-celled (25%), with about 35 square feet of actual living area each. No capital projects were funded. (730 ILCS 5/3-5-3.1; rec'd July 2011, 12 tables)

#### *Videoconferencing visitation for inmates, 2011*

A 2010 act created a pilot program to allow prisoners to “visit” family members by videoconference. By September 30, 2011, 807 such visits had occurred. IDOC wants to expand the program to 27 adult correctional facilities, 7 adult transition centers, and 9 work camps. (730 ILCS 5/3-7-2(f-5); Oct. 2011, 5 pp.)

### **Deaf and Hard of Hearing Commission**

#### *Annual report, FY 2010*

Activities included Annual State-wide Deaf Finger-Spelling Bee; continued partnership with Illinois Emergency Management Agency on communication access availability in disasters; and adoption of first Illinois Sign Language Certification Exam. Commission had licensed 667 interpreters by June 30, 2010. (20 ILCS 3932/25; June 2010, 4 pp.)

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

#### *Annual Statistical Report 2010*

Gives data on student distribution and attendance at public and non-public schools in 2009-2010; enrollment by race, gender, grade, and area; enrollment in bilingual and special education; numbers of graduates and dropouts; district financial assets and liabilities; bond and tax referenda; costs per capita;

(continued on p. 10)

## **States Seek Savings on Public Pensions**

(continued from p. 2)

\$20,000/\$40,000 exemption is allowed if total household income exceeds \$75,000 (\$150,000 if married filing jointly).

Governor Rick Snyder asked the Michigan Supreme Court to consider the constitutionality of the law. (Michigan’s Constitution allows a Governor to make such requests.) It advised that there is no state constitutional violation in reducing or eliminating the statutory exemption for public pension income, or basing eligibility for income tax exemptions on age. But it said that basing eligibility for income tax exemptions on household income would be a graduated income tax, in violation of the Michigan Constitution. The Court added that the unconstitutional part of the law is severable from the rest.

Some changes to state pension laws like those described here have been challenged by workers and retirees. Trial courts in Arizona, Florida, and New Hampshire have struck down laws increasing pension contributions of current state employees, mainly on the ground that they violated contractual agreements with state workers. On the other hand, Colorado and Minnesota trial courts held that their legislatures could reduce COLAs for current retirees, because they are calculated separately from base retirement benefits and were not subject to the same protections as those base benefits. Appeals are pending in some of those cases. □

*Sarah E. Franklin*  
*Senior Research Associate*

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

transportation spending; tax rates; driver education expenses; and state aid claims. (105 ILCS 5/2-3.11; Oct. 2011, 353 pp.)

### *Educator supply and demand, 2011*

New teaching certificates rose 2.6% to 19,252; 93% of educators were retained. Unfilled positions fell 43% since 2008. K-12 enrollment is expected to continue dropping until 2015. Greatest needs for teachers through 2014 are in elementary, special education, English language arts, math, science, social science, and physical education. (105 ILCS 5/2-36.11c; Sept. 2011, 21 pp.)

### *Waivers of School Code mandates, fall 2011*

Classifies 62 requests for waivers into 10 categories and lists their status: Content of Evaluation Plans (1 transmitted to G.A.); Driver Education (1 approved, 9 transmitted to G.A.); General State Aid (1 transmitted to G.A.); Legal School Holidays (5 withdrawn or returned); Limitation of Administration Costs (5 transmitted to G.A.); Nonresident Tuition (13 transmitted to G.A.); Physical Education (15 transmitted to G.A., 3 withdrawn or returned); School Breakfast Program (1 withdrawn or returned); School Improvement/In-service Training (3 transmitted to G.A.); and Transitional Bilingual Education—Administrators (2 approved, 3 withdrawn or returned). Lists 47 requests transmitted to General Assembly and all requests submitted, arranged by legislative district. (105 ILCS 5/2-3.25g; Oct. 2011, 8 pp + 1 appendix).

## Healthcare and Family Services Dept.

### *Payments for services from past years and changes in liabilities, FY 2011*

DHFS paid \$798 million for medical services provided in earlier years including \$104 million on claims received in those years. DHFS provided health care to 1.6 million children and 625,000 adults (including 260,000 with disabilities and 165,000 seniors). Audits by its Office of Inspector General found and collected some \$9.4 million of overpayments. (30 ILCS 105/25(e) and (g); Nov. 2011, 7 pp.)

## Higher Education, Board of

### *Annual report on public university revenues and expenditures, FY 2011*

Illinois public universities received \$6.623 billion (up 2.8% from FY 2010) and spent \$6.418 billion (up 6.2% from FY 2010). Tuition remained their largest revenue category, and expanded from 22.5% to 23.8% of total revenues; state support remained in second place but contracted from 21.8% to 19.8%. Converted to 2011 dollars using the Consumer Price Index, total spending rose almost \$1 billion in the last 8 years, from about \$5.45 billion in 2003 to about \$6.42 billion in 2011. The fastest-growing component of spending during that time was student services, rising (again in 2011 dollars) more than 50% to nearly \$800 million. Tables give extensive data on each institution (30 ILCS 105/13.5; Oct. 2011, 3 pp. + 7 tables, 10 figures, 5 appendices)

### *Cost of Higher Education Veterans Service Act, 2011*

Analyzes spending on programs and services for military personnel and veterans. Public colleges and universities spent \$10.2 million (\$2 million over budget). Federal and local sources contributed \$6 million (59%)

and the state contributed \$4.2 million (41%). (110 ILCS 49/20; 4 pp. + 4 appendices)

## Human Services Dept.

### *Emergency & Transitional Housing & Supportive Housing programs, FY 2011*

Using public and private shelters, Emergency & Transitional Housing program provided over 2 million shelter nights, 2.7 million meals, and 1.5 million units of supportive services to homeless persons in FY 2011 with \$8.7 million in funding. Supportive Housing Program provided services to 9,052 persons in 6,380 households on a \$10.8 million budget. (305 ILCS 5/12-4.5; undated, rec'd Nov. 2011, 40 pp.)

### *Division of Rehabilitation Services Home Services Program: Spousal Caregiver Pilot Project*

Program was tried in selected counties. Despite 131 application inquiries, only 11 applicants were eligible and participated. Recommends ending pilot project but grandfathering existing participants. (305 ILCS 5/5-2.08; Oct. 2011, 23 pp.)

### *Williams consent decree 2011 report—addendum*

First annual report from Court Monitor on efforts to move institutionalized persons with mental illness to community settings under *Williams v. Quinn* consent decree. Finds the state in general compliance with the decree and implementation plan. Recommends several ways to improve long-term success, such as timely offers and transfers of eligible patients to community settings; delineating tasks of state agencies; data organization; and strengthening leadership and management in the Governor's office. (20 ILCS 1705/73; Jan. 2012, 19 pp.)

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**Investment, State Board of***Economic Opportunity Investments 2011*

Board makes “economic opportunity” investments in companies with market capitalizations of at least \$30 million. On March 31, 2011 they totaled \$392.5 million: private equity investments (\$147 million); Illinois-based real estate investment shares (\$45 million); and public equity and fixed-income investments (\$200.5 million). (40 ILCS 5/1A-108.5(c); Aug. 2011, 16 pp.)

**Juvenile Justice Dept.***Quarterly report, July 1, 2011*

On May 31, 2011 there were 1,172 youth in all juvenile facilities, below rated capacity of 1,754 and bedspace for 2,100. Population was expected to ease up to 1,182 by June 2012. Ratio of security staff per youth was 0.664. Most youth were single-celled (68%) or double-celled (27%), with approximately 96 square feet of living area each. May enrollment (unduplicated) in educational and vocational programs was 953. No capital projects were funded. (730 ILCS 5/3-5-3.1; July 2011, 9 tables)

**Legislative Reference Bureau***Report on court cases, 2011*

Major Illinois Supreme Court holdings:

(1) Mandatory driver’s license suspension for underage drinking does not violate state or federal due process even if the drinking did not involve driving.

(2) A provision of the Identity Theft Law prohibiting knowing use of personal identification information or documents of another without the other’s consent violates state and federal due process, because without requiring a culpable mental state it criminalized many innocent actions.

(3) Unified Code of Corrections authorizes a trial court to order taking, analysis, and indexing of DNA of a qualifying offender only if the offender is not already listed in the DNA database.

Major Illinois Appellate Court holdings:

(1) Ban on selling liquor on property within 100 feet of a school does not apply to day-care centers.

(2) To commit aggravated animal cruelty under Humane Care for Animals Act, a person must intend to kill or seriously injure a companion animal.

(3) Probate Act bars a person who kills but is acquitted by reason of insanity from getting any of the victim’s estate.

(4) The section on aggravated unlawful use of a weapon—in most situations prohibiting carrying a firearm uncased, loaded, and immediately accessible—does not violate the Second Amendment right to bear arms. (Illinois Supreme Court granted leave to appeal.)

Major federal district court holding:

(1) Liquor Control Act of 1934, by allowing in-state but not out-of-state brewers to self-distribute, violated Commerce Clause. (25 ILCS 135.05; Dec. 2011, 132 pp.)

**Medical District Commission***Biennial report, FY 2009-2010*

Accomplishments include starting an annual handwashing campaign; approving land use for UIC College Prep; and receiving the CARA Program’s Tribute to the Stars Award in FY 2009. Commission chose to abandon the Chicago Technology

Park (CTP) Life Sciences Accelerator and CTP Technology Commercialization Center construction concepts. It ceded management of the CTP Research Center to UIC. Operating revenues (non-general revenue funds) were \$4 million for FY 2009 and \$3.3 million in FY 2010. (70 ILCS 915/2; Nov. 2011, 19 pp.)

**Property Tax Appeal Board***2011 annual report*

Lists by county total reduction requests of at least \$100,000; total cases decided; and total change in assessed value in last 5 years (for industrial and commercial appeals). Board closed 10,042 residential appeals in 2011 versus 10,421 in 2010. (35 ILCS 200/16-190(b); Feb. 2012, 12 pp.)

**State Police Dept.***Missing children report, FY 2010*

In FY 2010, 31,374 persons under age 18 were reported missing in Illinois. Of those, 30,470 were found; 1,709 children (including 805 from past years) are still listed as missing. AMBER Alert was activated 12 times. All children involved in activations were found (3 as direct results of the alerts). Gives detailed information on numbers of children reported missing, cleared, and pending by county. (325 ILCS 40/8; Dec. 2010, rec’d Aug. 2011, 14 pp.)

**Toll Highway Authority***Inspector General report, April-Sept. 2011*

Tollway Inspector General’s office was created in 2010 to investigate alleged wrongdoing or waste. During the 6 months covered, the IG opened 24 cases and closed 21. Highlights: (1) Twelve investigations of toll collectors for pocketing tolls resulted in 10 resignations, plus 2 fired and referred for prosecution. A wider

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Legislative Research Unit  
222 South College, Suite 301  
Springfield, Illinois 62704



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## First Reading

A publication of the Legislative Research Unit

**Alan R. Kroner**  
*Executive Director*

**Jonathan P. Wolff**  
*Associate Director*

**David R. Miller**  
*Editor*

**Dianna Jones**  
*Composition & Layout*

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## Abstracts *(continued from p. 11)*

investigation showed insufficient supervision of collectors by managers, resulting in recommendations by the IG. (2) Some hiring appears to have been done without following requirements of the *Rutan* decision banning political hiring; the IG recommended more training, and discipline of two employees. (3) The IG proposed

regulations (2 Ill. Adm. Code secs. 3430.10 ff., eff. Oct. 19, 2011) governing IG office's operations. (605 ILCS 10/8.5(m), Sept. 2011, 10 pp.)

### **Transportation Dept.**

#### *Proposed Highway Improvement Program, FYs 2012-2017*

The \$11.525 billion, 6-year program includes \$7.185 billion in federal, \$3.624 billion in state, and \$716 million in local funds. It would repair 3,248 miles of highways and replace or rehab 611 bridges. Planned projects include bridge rehab on I-55 from I-94 to U.S. 41 in Cook County (\$77 million); added lanes for 2.3 miles and interchange construction on I-94 from the Wisconsin line to Illinois 173 in Lake County (\$52.5 million); resurfacing and patching 9.6 miles of I-39 in McLean County

from I-55 to the Woodford County line (\$12.4 million); and a new Mississippi River bridge at East St. Louis (\$206.4 million). (20 ILCS 2705/2705-200; April 2011, 25 pp. + indexes)

#### *Target Market Program annual report, 2012*

Program was created to remedy specific kinds of discrimination in transportation contracts. IDOT held three hearings across the state on egregious discrimination, and is analyzing data collected to determine where, if at all, such discrimination has occurred. (20 ILCS 2705/2705-600(1); Jan. 2012, 2 pp.)