



COUNTY

QUARTERLY NEWSLETTER

OCTOBER 2025

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Leadership, Legacy, and Community Progress





A Message from the Executive Director

By: Joe McCoy, Executive Director

Welcome to the October issue of our *County Quarterly* Newsletter.

In these pages, you'll find timely and thought-provoking articles on topics that matter most to counties across Illinois. This issue explores the challenges facing the state's solar industry as federal incentives are reduced and the importance of state policy in sustaining renewable energy growth. We also provide an update on the federal reconciliation package, outlining concerns for local governments and emphasizing the need for counties to clearly communicate the potential impacts to policymakers. On the local front, DuPage County is breaking new ground with the opening of Illinois' first-of-its-kind Crisis Recovery Center, while McHenry County reflects on two decades of leadership as Administrator Peter Austin prepares for retirement. Finally, we take a closer look at civility in public service and why it is increasingly recognized as a core competency for county leaders navigating today's challenging environment.

ISACo has published and updated a report with all ISACo-tracked legislation from the 2025 spring session. Now that Governor Pritzker has taken action on each of the bills in the report, we have changed the name of the report to "Public Acts Report." The report is available at www.isacoil.org.

Looking ahead, the Illinois General Assembly will convene its Fall Veto Session on October 14-16 and October 28-30, a period that could bring significant legislative activity impacting counties. ISACo will keep members informed as developments unfold and will add any necessary additional content to our "Public Acts Report."

As always, we encourage county officials and staff to take part in shaping our collective voice by joining an ISACo policy committee.

Your insights and participation are essential to advancing county priorities and ensuring we speak with strength and unity at both the state and federal levels.

I also want to remind our readers to consider registering for the 2026 National Association of Counties (NACo) Legislative Conference in Washington, D.C. This conference is scheduled for February 21-24, 2026, and provides an essential opportunity for county leaders to come together to learn how federal policy will impact their counties, to advocate with their members of Congress in support of county government, and to shape NACo's focus and positions on policies at the federal level of government.

Finally, the U.S. Semiquincentennial Commission, also known as the America250 Commission, is leading a nationwide effort to celebrate and commemorate the 250th anniversary of the United States. This Commission was established by Congress to plan events, programs, and other initiatives that honor our nation's history while inspiring civic engagement in the future. More information can be found at america250.org.

The Illinois America250 Commission is leading statewide efforts to ensure communities throughout Illinois are actively involved in celebrating the state's contributions to the nation's history. Through historical programs, community gatherings and civic projects, the Illinois America250 Commission encourages local governments, schools, libraries and community organizations to participate in the celebration of the 250th anniversary. More information about statewide programs, including a toolkit to assist with promoting programs and events, can be found at IL250.org.

Thank you and it remains our pleasure to be of service to Illinois counties.

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A Look Ahead at

The Veto Session

By: Nekya Hall, Legislative Advocacy and Research Manager

The 2025 Fall Veto Session will be held on October 14-16 and October 28-30. ISACo will monitor legislative activity during the veto session and actively engage with legislators on issues of relevance to counties.

ISACo 2025 Public Acts Report

ISACo published a comprehensive report that includes bills enacted into law in 2025 that affect or are of interest to counties. Our *Public Acts Report: Legislation of Interest to Counties in 2025* document will be updated to reflect any additional legislation prior to the end of the year. The report can be viewed on ISACo's website (www.isacoil.org).

ISACo 2025 State Mandates Report

ISACo published a report identifying newly enacted laws that impose state mandates on counties. Our *State Mandates Report: New Mandates on Counties Enacted in 2025* document is available on ISACo's website (www.isacoil.org).

Join An ISACo Policy Committee

Help shape state policy affecting counties by joining an Illinois State Association of Counties (ISACo) Policy Committee! Participation is virtual and occurs four times per year unless the members of a committee desire to meet more frequently. These committees play a vital role in shaping the policies that impact our counties. As we navigate the complex landscape of governance and policy, it's crucial to ensure the voices of our county officials and staff are heard and actively shaping decisions that affect counties.

Why Join?

1. **Community Empowerment:** Your county's needs and concerns deserve attention. Joining a Policy Committee allows you to actively contribute to the creation and improvement of policies that impact your operations.
2. **Informed Decision-Making:** Stay at the forefront of policy discussions and decisions. Your participation ensures that policies are crafted with a comprehensive understanding of local realities.
3. **Networking Opportunities:** Connect with like-minded individuals who share a passion for positive change. The committees offer a platform for networking, collaboration, and the exchange of ideas.
4. **Educational Resources:** Stay informed and educated on crucial issues affecting counties. The committees provide access to valuable resources and educational materials to enhance your understanding of policy matters.

Committees Overview:

Justice and Public Safety Policy Committee: Addresses issues related to justice, law enforcement and public safety within local governments.

Community, Economic and Workforce Development Policy Committee: Addresses and promotes initiatives and policies that contribute to the well-being and growth of counties and local economies.

Environment, Energy and Land Use Policy Committee: Addresses and oversees matters related to environmental protection, energy policy and land use planning within local governments.

Agriculture and Rural Affairs Policy Committee: Addresses and formulates policies related to agriculture and rural development. This includes examining issues such as farming practices, agricultural sustainability, rural infrastructure and the overall well-being of rural communities.

Public Health Policy Committee: Addresses various health issues that promote and safeguard the health and well-being of residents through the development, evaluation and advocacy of policies.

Transportation Policy Committee: Focuses on formulating and overseeing transportation policies within counties. This committee addresses aspects such as infrastructure development, traffic management, public transit and sustainability.

Arts and Culture Policy Committee: Recommends policies related to arts and culture within counties. Its purpose is to provide a platform for discussing, developing and implementing policies that support and promote the arts and cultural activities.

How to Get Involved:

Joining is easy! Visit our website www.isacoil.org and explore the Policy Committees section. Choose the committee that aligns with your interests and expertise and fill out an application form. Return the form to Legislative Advocacy and Research Manager, Nekya Hall at nhall@isacoil.org.

Your participation matters. Together, we can build a future where policies are reflective of the diverse needs and aspirations of counties. Join an ISACo Policy Committee and be a catalyst for positive change!

ISACo Welcomes New Board of Directors Members

The Illinois State Association of Counties (ISACo) is pleased to welcome two new members to its Board of Directors: **Dr. Kisha McCaskill, Cook County Commissioner**, and **Danny Phelan, Peoria County Board Member**.

ISACo is governed by a 13-member Board of Directors. These dedicated individuals provide ISACo staff with guidance and direction toward the fulfillment of the organization's mission, ensuring counties have a strong, unified voice on statewide and national issues.

Dr. McCaskill brings her expertise and leadership from Cook County, while Mr. Phelan offers valuable insight from his work in Peoria County. Their perspectives will enrich ISACo's efforts to advocate for counties of all sizes and regions across Illinois.

With 31 member counties, ISACo continues to expand its impact and influence through the collaborative work of its Board of Directors. The addition of Dr. McCaskill and Mr. Phelan strengthens this leadership team and supports ISACo's commitment to representing county interests with integrity and effectiveness.



DuPage County Opens State's First-of-its-Kind Crisis Recovery Center



DuPage County is redefining how communities respond to mental health and substance use emergencies with the launch of its new \$25.8 million Crisis Recovery Center in Wheaton. Local and state leaders held a ribbon-cutting ceremony, celebrating what officials describe as a “standard-bearer” for crisis care in Illinois.

Designed with a welcoming, light-filled entrance and nature-inspired décor, the center sets an immediate tone of calm and safety. It will operate 24/7 as an alternative to hospital emergency rooms or law enforcement intervention—providing help to those in crisis within 24 hours in most cases. Three dedicated units will serve youth, adults experiencing mental health challenges, and adults in substance use stabilization.

“This center represents a promise to our residents—that in moments of crisis, they will not face it alone,” said DuPage County Board Chair Deb Conroy. “It’s missing in our care for mental health and addiction, and I feel that it’s going to be a game changer.”

Staffed by 160 professionals—including peer specialists, crisis counselors, psychiatric nurses, and on-call psychiatrists—the center is expected to serve up to 42 individuals at a time and 15,000 people annually. Visitors may arrive on their own, with family, or be brought in by first responders, who will be able to return to service in about 10 minutes thanks to a streamlined intake process.

The facility also offers a sobering unit, withdrawal management services, family rooms, calming earth-tone spaces, and a children’s hub with semi-private areas. Beyond immediate care, staff will connect clients to housing, food, transportation, and other community resources.

“This is not a place that you should feel any type of stigma around,” Conroy emphasized. “In terms of mental health, it’s OK to not be OK. It’s just not OK to have nowhere to go—and now we have somewhere to go.”

Lori Carnahan, the health department’s deputy director of behavioral health, emphasized that the center’s success will depend on shifting community habits and awareness. “Calling 988 versus 911, coming to the CRC versus going to the emergency room, that takes a large change in culture, and we’ll get there,” she said. “We just need to make sure that the entire community is aware of this resource.”

Funding for the project includes \$15.3 million from federal American Rescue Plan funds, \$5.5 million from the Rebuild Illinois capital plan, and \$5 million from the DuPage County Health Department, supplemented by a \$1 million federal grant.

Though the initiative began as a DuPage County vision, the center will serve anyone in crisis, regardless of residency. Conroy hopes it will inspire other regions to replicate the model: “This is kind of the standard-bearer, and I think we can continue to grow from this.”

The Crisis Recovery Center was officially opened to the public during the first week of September.

Quotes originally published in the Daily Herald.



Illinois Solar Industry Braces for Federal Incentive Cuts, Leans on State Policy for Support

By: ISACo Staff

In the final hours of Illinois' 2025 spring legislative session, a sweeping energy omnibus bill collapsed amid budget pressures, competing stakeholder priorities, and unresolved disputes. The setback comes as recent federal policy changes under President Donald Trump are rolling back key renewable energy tax incentives, creating added uncertainty for Illinois' solar industry despite the state's own robust clean energy programs.

President Donald Trump and congressional Republicans have rolled back long-standing federal tax incentives for solar energy, sending ripples through the renewable energy sector nationwide. The changes—signed into law on July 4 as part of a federal spending plan and reinforced by a July 7, 2025, executive order—will phase out credits for both large-scale solar projects and residential rooftop installations by 2027, years ahead of the timeline set under the Inflation Reduction Act (IRA).

The move also eliminates tax credits for wind power manufacturing, replacing them with subsidies for coal used in steelmaking, and blocks incentives for projects tied to certain foreign entities, including Chinese suppliers. These restrictions are expected to hit battery storage and solar projects particularly hard due to their reliance on foreign-made components.

Analyses by the REPEAT Project and Energy Innovation predict the policy shift will slow renewable energy development, boost reliance on natural gas, and drive up electricity costs—potentially adding \$170–\$280 annually to household bills by 2035. Consumer advocates in Illinois have called the changes a “gut punch” to both the economy and residents.

Short-Term Boom, Long-Term Uncertainty

Illinois solar companies report a surge in customers rushing to lock in projects under existing Biden-era rates. However, industry leaders warn that uncertainty from Trump's executive order, which could redefine what qualifies as “beginning construction,” may stall future investment. The expiring investment tax credit—worth 30 percent of project costs plus possible labor-related bonuses—has been central to financing both residential and commercial installations.

Illinois' Policy Cushion

Illinois' Climate and Equitable Jobs Act (CEJA) and related programs such as Illinois Shines and Illinois Solar for All have created a robust state-level incentive system that industry experts say offers more protection than in any other state. Governor JB Pritzker emphasized that these incentives were designed before the IRA and will remain in place despite federal cuts.

Solar Renewable Energy Credit (SREC) programs remain a key driver for sales, shortening the payback period for installations to around three years. Without federal credits, the payback could rise to five years—but without state incentives, it might stretch to a decade.

Looking Ahead: Battery Storage and Legislative Action

Illinois lawmakers are considering a follow-up to CEJA that would incentivize battery storage projects and regulate energy-intensive data centers. Environmental advocates are urging quick passage during the October legislative session to offset federal setbacks and reinforce Illinois' 2045 carbon-free energy target.

The Illinois State Association of Counties (ISACo) previously reported on this omnibus energy legislation in our June 2 *News and Views* e-newsletter, which summarized the 2025 spring legislative session. The bill, SB 40 (Senator Preston, D-Chicago/ Representative Hoffman, D-Swansea), received multiple amendments with provisions that included language authorizing (and limiting) county zoning and regulatory authority over energy storage facilities and language preempting county authority to regulate solar panels on private property.

The omnibus energy bill stalled in the final hours of the spring legislative session due to a mix of political, economic, and stakeholder disagreements. A tough budget year and a mass transit funding crisis created a challenging environment for passing major legislation. Sharp divisions emerged over how to fund proposed battery storage incentives, with environmental advocates framing them as long-term cost savers and the Illinois Manufacturers' Association warning of a potential \$7 billion burden on ratepayers.

Contentious debates over regulating the electricity use of data centers also proved a sticking point, as labor groups resisted new requirements until lawmakers addressed liability concerns under the state's Biometric Information Privacy Act—an issue pitting unions and the data center industry against trial lawyers.

The bill's inclusion of a measure to lift Illinois' moratorium on large-scale nuclear plants added another layer of complexity, with supporters arguing it was overshadowed by the broader package. With no consensus reached among environmentalists, industry, labor, and legislative leaders, the proposal was left to be revisited during a potential summer special session or the fall veto session.

Challenges in Meeting Climate Goals

Despite praise for its leadership on clean energy, Illinois has stumbled in implementing parts of CEJA. A recent state audit found the Department of Commerce and Economic Opportunity (DCEO) failed to meet requirements for several job and workforce programs, including initiatives for formerly incarcerated individuals and communities impacted by pollution. The agency says it has since made significant progress, approving grants and launching renewable energy job hubs.

For now, Illinois' aggressive state policies provide a buffer for the solar industry, but the long-term impact of federal rollbacks remains uncertain.

ISACo's Wind and Solar Facility Task Force will continue monitoring these developments closely, ensuring that county governments have a strong voice in shaping Illinois' evolving energy policies. The Task Force remains committed to advocating for balanced legislation that supports renewable energy growth while protecting local authority, addressing siting concerns, and safeguarding community interests. As lawmakers revisit energy proposals in upcoming sessions, ISACo will work with legislators, industry stakeholders, and partner organizations to advance county priorities and ensure that future policies reflect both the state's clean energy goals and the needs of Illinois' diverse communities.

Please visit www.isacoil.org for more information about ISACo's Wind and Solar Facility Task Force

America's 250th Anniversary: Counties Celebrating Together

In 2026, our nation will celebrate a big milestone—250 years since the signing of the Declaration of Independence. The official effort, called *America250*, invites communities across the country to honor our shared history and imagine the future we want to build.

Illinois counties have always been part of America's story—from our farms and industries to our leaders and local traditions. This anniversary is a chance to highlight that legacy and celebrate what makes each of our counties special!

ISACo invites our member counties to share how they plan to mark this historic occasion—whether with parades, festivals, history projects, or community gatherings. We'd love to showcase your celebrations in future newsletters and stories!

Learn more about the United States' 250th Anniversary at America250.org.





Civility in Public Service: A Core Competency for County Leaders

By: ISACo Staff

Civility in government is not just about “being nice.” It is a leadership skill that can transform how counties govern, especially when perspectives differ. At the county level, elected officials and staff do not have the luxury of retreating to partisan corners. Constituents expect local government to maintain roads, ensure public safety, manage health services, and plan for growth — work that must be done alongside colleagues who may see the world differently.

That is why civility is not optional. It is mission-critical for local leaders.

Lessons from the Great Lakes Civility Project

A powerful example comes from Nolan Finley, a conservative editorial page editor, and Stephen Henderson, a liberal journalist and radio host. Initially political adversaries, they discovered that despite disagreements on policy, they shared the same core goals: a fairer society and a more prosperous country. Together, they launched the Great Lakes Civility Project to encourage dialogue across differences.

Finley often recalls the words of Dr. Martin Luther King Jr.:

“We hate each other because we fear each other. We fear each other because we do not understand each other. And we do not understand each other because we do not talk to each other.”

The solution, they argue, is simple but powerful: start talking.

The Four Pillars of Civil Dialogue

The Civility Project offers four practical “pillars” that can help leaders navigate difficult conversations:

1. **Drop assumptions** – Do not reduce people to one-dimensional opponents. Setting aside preconceptions about party, geography, or past votes opens the door to genuine understanding and new partnerships.
2. **Set reasonable expectations** – Healthy dialogue isn’t about “winning.” It is about listening, understanding, and building mutual respect, even when disagreements remain.
3. **Listen actively** – True listening means creating space for others to fully explain their perspective and reflecting it back to them. In boardrooms and committee meetings, active listening defuses tension and uncovers common ground.
4. **Invest in relationships** – In county government, leaders often work with the same colleagues for years. Prioritizing trust and goodwill ensures that differences do not harden into permanent walls.

These are not soft skills — they are core leadership competencies. County officials are in the relationship business, and relationships are the currency of effective governance.

Redefining Civility

Writer Steven Petrow, who calls himself a “civilist,” argues that civility has been misunderstood. To some, it is seen as political correctness; to others, as an excuse to avoid addressing injustice. But historically, civility has meant something deeper:

“Citizens willing to give of themselves for the good of the city — for the greater good.”

Civility does not require avoiding disagreement. In fact, respectful disagreement is essential to good governance. What matters is how we disagree — whether we burn bridges or build them.

Practical Rules for Respectful Disagreement

Beyond the Four Pillars, county leaders can strengthen dialogue with four additional rules:

- De-escalate language – Choose words that invite dialogue rather than trigger defensiveness.
- Do not make it personal – Challenge policies and proposals, not motives or character.
- Do not mistake decorum for civility – True civility is honest, direct, and respectful, not evasive or passive-aggressive.
- Police your tone – Voice and body language communicate as much as words. A calm, steady tone helps keep discussions productive.

These rules are not about being polite for its own sake. They are about keeping the business of the county moving forward by ensuring debates lead to solutions, not stalemates.

A Small Act, A Larger Lesson

Petrow once shared a story about ordering the last scone in a bakery, only to have someone behind him exclaim, “That’s my scone!” Instead of retreating, he offered to split it. The person accepted, and in return bought another pastry and shared it with Petrow. A conversation followed — and an unlikely friendship formed.

The story is a reminder that civility is not about surrendering beliefs. It is about what we gain when we stay open to others: connection, trust, and the possibility of working together.

What It Means for Counties

For county officials, civility means making a conscious effort to:

- Have conversations with colleagues they often disagree with.
- Listen before judging.
- Keep relationships intact after a tough vote.
- Model the kind of public discourse they want their residents to adopt.

At the county level, conversations are not competitions. They are opportunities to solve problems, build trust, and strengthen the community we all serve. Civility, in the end, is not weakness — it is the discipline that allows government to function and communities to thrive.

At ISACo, we believe civility is not just a value but a practice that strengthens counties and the residents they serve. That is why we will continue to highlight stories of respectful leadership, share resources that equip officials to navigate differences productively, and create forums where county leaders can engage in open and constructive dialogue. By promoting civility in public service, ISACo affirms its commitment to helping counties govern effectively, foster trust, and build stronger communities across Illinois.

Interest grows for in-plan lifetime income solutions, but what's holding plan sponsors back?



70% of retirement age employees say lifetime income would help them feel more confident in being retirement ready, but some plan sponsors may have misperceptions about these solutions.

This may be standing in the way of a smart solution for your participants. Let's address these concerns directly.

Product Myth #1

These solutions have penalties and lock up money

70% of employers think there are penalties to transfer funds from lifetime income solutions

4-in-10 employers believe these options cannot be rolled over to another retirement plan

Truth

These offerings are built with adaptability in mind. Many allow transfers, withdrawals or rollovers¹ without incurring penalties. This ensures participants maintain control over their assets if circumstances change.

Product Myth #2

These solutions are the same as retail annuities

4-in-10 of employers think so

61% believe fees associated with in-plan lifetime income solutions are similar to fees for similar solutions offered outside the plan

Truth

Many of these solutions are designed as target date funds featuring an income component, offered as part of a retirement plan's investment lineup. This offers a simple and familiar experience to plan participants, and the overall cost is typically lower than similar solutions offered outside the plan.

While these solutions may include a higher cost than other retirement plan investments without an income feature, over half plan participants say higher fees are worth it for these solutions.²

Product Myth #3

These solutions come with extra burden

23% of plan sponsors are concerned that administrative costs are too high

24% are concerned about increased fiduciary responsibility

Truth

There is generally no explicit cost for plan sponsors, beyond applying existing fiduciary standards – and the SECURE Act provides additional safe harbor guidelines. Partnering with a trusted recordkeeper with experience in lifetime income solutions can help by providing plan participants with education and helpful tools.



Product Myth #4

Nobody is asking for these solutions

14% of plan sponsors believe their employees are not interested in lifetime income solutions

Truth

Nearly 95% of participants are at least somewhat likely to exchange a portion of their current retirement savings into one.



Check out the facts when it comes to in-plan lifetime income solutions. We're here to help by offering educational resources for plan sponsors, financial professionals and consultants.



¹ There could be some restrictions by the plan or recordkeeper.

² 2024 In-Plan Insights Survey, Greenwald Research

Source: The fourth annual Protected Retirement survey by the Nationwide Retirement Institute®

Methodology: Edelman Data and Intelligence (DI) conducted a national online survey of n=600 US retirement plan sponsors, n=500 financial advisors, and n=2,600 US retirement plan participants on behalf of Nationwide from July 11 – July 26, 2024.

This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional.

This information is general in nature and is not intended to be tax, legal, accounting or other professional advice.

Provisions of these options may vary based on plan selection and/or by state regulation. These investment options may not be available in all states.

Guarantees are subject to the claims-paying ability of the issuing insurance company.

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McHenry County Administrator Peter Austin to Retire After Two Decades of Service



After 20 years of distinguished leadership, McHenry County Administrator Peter Austin has announced his intention to retire effective January 2, 2026.

During his tenure, Austin oversaw a period of remarkable fiscal and organizational achievement. Under his leadership, McHenry County achieved a coveted Aaa+ bond rating and became debt free, while completing major infrastructure and community projects. Among these were the widening of Rakow and Randall Roads, the construction of a new Valley Hi Nursing Home, and the recent addition of its Heart of the Valley memory care wing. Austin also championed collaborative initiatives, fostering unprecedented partnerships between McHenry County, neighboring collar counties, Cook County, and the City of Chicago.

Austin, who has worked with five county board chairpersons, expressed pride in both the projects completed and the culture established during his time as Administrator. "While I'm proud of the many projects I helped bring to fruition with the help of a very talented and dedicated staff, I hope I will be remembered for instilling McHenry County's culture of collaboration, innovation, and dedication to fiscal responsibility," he said. McHenry County Board Chairman Michael Buehler praised Austin's steady leadership, noting that his management style made county government more efficient and collaborative. "It is no wonder that McHenry County is regarded as one of, if

not the best run county in Illinois, and the County Board and I couldn't be more grateful for his tireless service," Buehler said.

Austin's impact extended beyond McHenry County. He played an essential role in the creation of the Illinois State Association of Counties (ISACo) in 2018, providing invaluable leadership and guidance during the organization's formative years. His support and dedication in those early stages helped lay the foundation for ISACo's growth and effectiveness, and his contributions remain a lasting part of the association's success.

Austin, 55, has spent 34 years in public service, beginning as a graduate intern in Western Springs while pursuing his MPA at Northern Illinois University. He later served as Kendall County's first county administrator and as Assistant County Administrator in Lake County before beginning his two-decade tenure in McHenry County in 2005.

Following retirement, Austin plans to spend more time with his wife Jennifer, their sons, and their dog, Olive, while traveling and enjoying family life.

The ISACo family thanks Pete for his invaluable service on behalf of county government at the local, state and federal levels and wishes him all the best in his retirement.

Intergovernmental Personnel Benefit Cooperative

IPBC is an intergovernmental agency created under Illinois statutes, which allows units of local government to band together for the purposes of insurance and is open to municipalities, counties, special districts and intergovernmental agencies.

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Federal Reconciliation Package

Raises Concerns and a Call for Action to Communicate Impacts

By: ISACo Staff

During the July 31 Midwest County Association Staff Retreat, ISACo staff and other participants received a detailed briefing on the newly passed federal reconciliation package and its wide-ranging implications for counties. The presentation, led by Eryn Hurley, Managing Director of the National Association of Counties (NACo) Government Affairs Program, outlined the legislation's fiscal impact, highlighted key policy provisions, and emphasized the need for coordinated advocacy as counties prepare for a shift in responsibilities.

Major Funding Cuts to SNAP and Medicaid

The most consequential provisions of the reconciliation package include substantial cuts to Medicaid—totaling \$1 trillion over 10 years—and \$190 billion in reductions to the Supplemental Nutrition Assistance Program (SNAP). These changes are expected to remove approximately 10 million people from Medicaid and shift significant administrative and financial burdens onto counties, particularly in states where counties administer SNAP.

Notably, the federal cost-share for SNAP administration in ten county-administered states will shift from 50/50 to 25/75, resulting in an estimated \$150 million in new county costs annually by FY2027. Medicaid changes include new work and recertification requirements, a reduction in provider tax caps, and a projected \$155 billion funding loss for rural areas. While a \$50 billion rural transformation grant program was included, it is unlikely to fully offset the gap, leaving rural hospitals and long-term care providers vulnerable.

In Illinois, both Medicaid and SNAP are state administered programs, operating under federal standards.

Medicaid in Illinois is administered by the Illinois Department of Healthcare and Family Services (IDHFS), which acts as the single state Medicaid agency. HFS designs and oversees the state Medicaid plan, manages eligibility, benefits, provider payments, and coordinates with local public health departments and other state entities.

SNAP, while federally funded and managed by the U.S. Department of Agriculture's Food and Nutrition Service (FNS), is implemented in Illinois by the Illinois Department of Human Services (IDHS). IDHS is responsible for benefit issuance, eligibility determinations, and local administration through its regional Family Community Resource Centers.

Of note, to avoid a cost shift for SNAP benefits under the new federal reconciliation law, a state's payment error rate must remain below 6 percent.

Here's how the cost-sharing tiers work based on error rates:

- Error rate under 6 percent: No state match required (i.e., the federal government continues to cover 100 percent of SNAP benefits).
- Error rate between 6 percent and 10 percent: State required to cover 5% to 15% of SNAP benefits, increasing proportionally with the error rate.
- Error rate above 10 percent: State must cover the maximum 25 percent of benefits.

In fiscal year 2024, Illinois recorded a SNAP payment error rate of 11.56 percent, meaning that overpayments and underpayments combined amounted to that percentage of benefits issued. That rate was higher than the national average of 10.93 percent for FY 2024.

With the new reconciliation legislation now enacted, that elevated error rate places Illinois in the highest cost-sharing tier for SNAP benefits: beginning in fiscal year 2028, the state would be required to contribute 25 percent of SNAP benefits as a state match due to its error rate exceeding 10 percent. This shift drastically increases Illinois's financial exposure, potentially costing the state hundreds of millions annually unless error rates are significantly reduced.

Wins for Counties

Despite the fiscal challenges, the reconciliation package preserved several key county priorities. Tax-exempt municipal bonds—long under threat—were spared, safeguarding a critical financing tool for local infrastructure. The state and local tax (SALT) deduction cap was also raised from \$10,000 to \$40,000 for high-income earners.

Additional wins included enhancements to the child tax credit and low-income housing tax credit, providing new tools for addressing housing affordability. Importantly, a provision that would have penalized counties for passing AI-related regulations by withholding broadband funding was removed from the final bill, protecting local control.

Advocacy Imperative

Attendees at the Retreat discussed the political strategies behind several provisions, including the inclusion of state error rates as a determinant for SNAP funding liability. These complex mechanisms not only raise operational concerns but also demonstrate how fiscal responsibility is increasingly being shifted to state and local governments.

With counties likely to see increased property tax pressure to fill federal funding gaps, NACo and its partners emphasized the importance of clear, data-driven messaging about this potential impact. Counties are encouraged to proactively communicate how federal changes may impact local services, staffing, and tax burdens.

The Retreat highlighted the successful advocacy that led to implementation delays and the removal of harmful provisions. Still, further efforts will be necessary to secure additional relief, particularly around Medicaid work requirements, recertification rules, and uncompensated care.

Looking Ahead

Counties were urged to monitor guidance from the Centers for Medicare & Medicaid Services (CMS) on upcoming grant programs and to stay engaged in federal discussions. Future reconciliation packages are likely to resurface debates over municipal bonds and other key issues. Participants were reminded that strategic engagement with congressional delegations and continued alignment with NACo will be essential.

The briefing concluded with a call for vigilance, collaboration, and consistent messaging as counties brace for reduced federal support and greater demands on local resources.

ISACo will continue to monitor implementation of the federal reconciliation package and will share updates and information when warranted.

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If not, please check your spam folder to make sure our newsletter is not being blocked. Otherwise, please e-mail Tiffani Homer at thomer@isacoil.org with a request to be added. **Don't miss out on these valuable ISACo updates!**

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Associate Member Program

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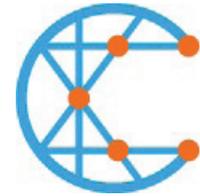
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Join the ISACo Associate Member Program!

ISACo's Associate Member Program was established to provide a forum for companies and organizations to build relationships with county officials while supporting the important work of ISACo.

The program offers five options for corporations and organizations to become associate members of ISACo while receiving benefits for this status.

Please contact the ISACo Member Services and Communications Manager, Tiffani Homer at thomer@isacoil.org to learn more.

Illinois State Association of Counties
427 E. Monroe
Suite 200
Springfield, IL 62701



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OCTOBER 2025

Counties Count!



County Quarterly Newsletter

CONTACT US

Email jmccoy@isacoil.org

Address 427 E. Monroe
Suite 200
Springfield, IL 62701

Phone (217) 679-3368