



# LEGISLATIVE UPDATE

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**PUBLISHED FOR LABOR ACTIVISTS BY THE ILLINOIS AFL-CIO**

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*The Illinois General Assembly will take a two week break to allow for introduction of new bills. The Illinois House returns on Tuesday, February 1 and the Illinois Senate will return on Wednesday, February 2. In the meantime, both chambers' members will be introducing thousands of bills. The Illinois AFL-CIO will be reaching out to affiliates to see how these bills may impact you.*

## GENERAL ASSEMBLY

This was arguably one of the busiest weeks in the General Assembly in recent memory. There can be as much written about what was successfully stopped, as there is about what was accomplished this week.

- A proposed gaming expansion (SB 737) was not voted on in the House.
- The Tenaska clean coal facility proposed for Taylorville, Illinois was called in the waning hours of the 96<sup>th</sup> General Assembly, but failed with just 18 affirmative votes in the Senate.
- Constitutional amendments on state and local revenues and pension benefits (HJRCA 61 and HJRCA 62) were not called for votes in the House.
- A proposed \$1 increase in the cigarette tax, which would have been dedicated to education funding, failed in the House on Tuesday evening.
- Workers' compensation reforms were stopped in the House.

The General Assembly passed:

- an abolishment of the death penalty (SB 3539)
- an income tax increase (SB 2505)
- additional bonding for capital construction (SB 3087)
- additional bonding for pension debt (SB 3514)

## Illinois General Assembly Passes Income Tax Increase

The Illinois House and Senate Democrats took responsible, bold and decisive action in the passage of an income tax increase at about 1:20 am on Wednesday morning. Not one Republican supported the income tax increase in either chamber. This increase will help fund our pensions, schools, frontline services and create more jobs. It will also shore up an expected \$15 billion budget deficit.

“For years, Labor has been asking the General Assembly to raise sustainable revenues in order to preserve essential state services, save jobs and pensions, aid schools and put Illinois’ finances back on track,” said Michael T. Carrigan. “We have supported raising corporate and individual taxes, expanding gaming, increasing fees and especially closing corporate tax loop holes. I realize that this recently passed tax increase will cut into each and everyone of our paychecks in the long term; however, we must fix the financial woes of this state in order to create jobs and economic stability and protect our most vulnerable citizens. We could not cut our way out of this debt. Raising revenue was necessary. We have worked long and hard to win workers’ rights and benefits.”

SB 2505 was sponsored by Senate President Cullerton (D – Chicago) and Leader Currie (D – Chicago). It passed with the minimum margins of support in both chambers (60 in House and 30 in Senate). The bill increases the amount the state withholds from workers’ paychecks will increase 3 percent to 5 percent, the corporate tax rate will increase from 4.8 percent to 7 percent. The increase will mean \$800 from the household budget of a family earning \$40,000 a year and take effect immediately if the governor signs off.

**Last year Congress passed the 2010 Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act. In that legislation was a 2 percent cut in social security taxes for all employees in 2011. Illinois workers will not see any decrease in their wages this year, because the federal Social Security decrease and the Illinois income tax increase will offset each other.**

The full increase in the individual income tax will last four years before dropping to 4 percent; in 2025, the rate will drop to 3.5 percent. Spending caps would limit future spending growth to 2 percent annually. If spending overshoot that limit, the tax rates would increase to offset the spending.

# WORKERS' COMPENSATION REFORM STOPPED FOR NOW

The Illinois House made attempts this week to pass changes to the Workers' Compensation act in the waning hours of the 96th General Assembly. Numerous meetings were held with Rep. John Bradley (D – Marion) on proposed changes to the act, many of which were unacceptable to labor. Attempts to restrict an injured workers' choice in doctor, reduce the medical fee schedule which would result in limited access to the best care for injured workers, and allowing insurance companies to make medical decisions for injured workers. As was reported in the last legislative update, SB 1066 was heard in the House Revenue Committee and passed on Sunday evening. Due to intense lobbying by labor and other

groups, this bill did not get called on the House floor.

The Illinois AFL-CIO wishes to thank all of its affiliates for their hard work in defeating this issue. Many of you came to Springfield, at our request, to stop this legislation and many of you made countless calls. It is satisfying to report we were successful. However, both legislative leaders have indicated this will issue will come up again in the next four months. In fact, both Speaker Madigan and Senate President Cullerton stated it would be "a top priority" in the 97th General Assembly. The State Fed will keep everyone abreast of any proposed changes to our workers' compensation system.

## Gov. Quinn Starts First Full Term

On Monday at Springfield's Convention Center, Gov. Pat Quinn (D) was sworn in by Illinois Supreme Court Justice Anne Burke to begin his first full term as Governor of Illinois. Also sworn in were Sheila Simon (D), Lt. Governor; Lisa Madigan (D), Attorney General; Jesse White (D), Secretary of State; Judy Baar Topinka (R), Comptroller; and Dan Rutherford (R), Treasurer.

The Governor told the audience he believed in the "attitude of gratitude" and that he was "very, very grateful" to the people of Illinois who elected him to be their governor. "It is an awesome responsibility and I honor my election opponents for their commitment to democracy, for their willingness to come into the arena of democracy and compete in a contest of ideas and issues."

He called for Democrats and Republicans to work together to "address the challenges ahead," quoting Abraham Lincoln... "citizens may swear allegiance to one party or another and believe with all their might in their right, but in the end, after the election has passed... we are one people."

Referring to the state's financial crisis, Gov. Quinn again used a famous quote from then-Poet Laureate of Illinois Gwendolyn Brooks who said; It is the giant hour and no less than giant hood will do."

Foreseeing the passage of Wednesday's monumental state income tax hike, he said lawmakers would act "very, very soon" to strengthen the state's economy, "we can enact very quickly a sound budget... a balanced budget; that pays the bills of the state of Illinois; that pays our obligations and also makes sure that our economy is strong."

Quinn also pointed out Illinois' drop in unemployment from 11 percent a year ago to just over nine percent currently. And he sounded supportive of continued infrastructure projects to improve the economy and create jobs.

Prayers were offered by leaders from four faiths. Music was performed by the Air National Guard of the Midwest, the Four Sopranos and the Central Illinois Mass Choir. Retired Army Sergeant William Attig, who recently gained his union Plumbers card through the "Helmets to Hardhats" program, led the Pledge of Allegiance.



## 97<sup>th</sup> General Assembly Sworn In

On Wednesday, 177 members of the 97<sup>th</sup> General Assembly were sworn in at Sangamon Auditorium on the campus of UIS. The new legislature consists of: Senate – 35 Democrats, 24 Republicans; House – 64 Democrats, 54 Republicans.

John Cullerton was elected President of the Senate and Michael Madigan was selected as Speaker of the House. On the other side of the aisle, Christine Radogno was elected Minority Leader in the Senate and Tom Cross retained his position of House Minority Leader.

## PUBLIC EMPLOYEES ATTACKED

Public employees remained under attack in Springfield this week. In addition to workers' compensation reform and the passage of significant changes to how public employee contracts are negotiated (HB 5424 – passed last week), Governor Quinn and the Illinois House passed SB 3644. It was sponsored by Leader Currie (D – Chicago) and passed the House 64-49-2. The public sector unions and Illinois AFL-CIO were successful in stopping the legislation in the Senate.

When the public employee collective bargaining law was passed in 1983, the legislature refined the definition of supervisor used in the private sector, recognizing that in the public sector, there were many employees who might have some small portion of arguably supervisory duties, but were really “lead workers” and not supervisors. The legislature recognized that by using the National Labor Relations Act's definition, it would unfairly be excluding thousands of public employees. This bill would have reversed that decision by the legislature, and would remove thousands of public employees from coverage under the Act, and from the unions these employees have lawfully chosen to represent them.

## Teacher Organizations Unveil Reform Package

The General Assembly could not agree on what reforms should be made to the state's education system, despite both chambers forming a special committee to look at the issue. Three unions representing more than 230,000 Illinois education employees, the Illinois Federation of Teachers (IFT), the Chicago Teachers Union and the Illinois Education Association (IEA), are proposing the legislative package *Accountability for All*.

*Accountability for All* would streamline the process for removing underperforming teachers from Illinois classrooms. The changes would ensure a proposed teacher dismissal is resolved in a much shorter time, helping to reduce costs associated with dismissals for both districts and employees.

## Medicaid Reform Passes

Illinois legislators passed reforms to the state's Medicaid program that provides medical care for 2.8 million poor and disabled residents.

HB 5420 (Leader Currie/Sen. Steans) emphasizes Medicaid cost-cutting, achieved by moving long-term care patients from big institutions into smaller community homes and setting new limits on eligibility for the program. It increases income and residency verification to prevent fraud and ensure that only eligible recipients receive benefits.

Legislators predicted \$65.3 million of wasteful spending would be cut during the first year of implementation.

### SB 1927 – Power Holdings

Sen. Clayborne (D – East St. Louis)

Rep. Reitz (D – Sparta)

#### SUPPORT

This legislation allows a Southern Illinois coal plant to be developed called Power Holdings. It will produce synthetic natural gas (SNG), and the plant will be located in Jefferson County. A commitment has been made that the coal used by the plant will be mined in Washington County. Construction on this plant should begin in February 2012, creating over 1,500 union construction jobs and over 700 permanent jobs between the mine and the plant.

**1/7/11 – Passed House 83-31-2.**

**1/12/11 – Passed Senate 31-21-2.**

**To Governor.**

### SB 3087 – Capital Bonding

Sen. Trotter (D – Chicago)

Rep. Mautino (D – Spring Valley)

#### SUPPORT

Proposed capital spending requires an additional \$5.3 billion in bond authorization: \$1.1 billion in Build Illinois bonds and \$4.2 billion in general obligation bonds. Specific examples of where this money will be used:

- U of I at Urbana/Champaign - Construct Post Harvest Crop Research Facility - \$20 M
- NIU – Renovation of Stevens Hall - \$22.5 M
- WIU - Renovation and Construction of a Riverfront Campus - \$57.8 M
- Belleville - Construction of a new forensic lab - \$37 M

**1/11/11 – Passed House 117-0-0. Passed Senate 55-3-0. Passed both chambers.**

**To Governor.**

### SB 3514 – Pension Obligation Bond

Senate President Cullerton (D – Chicago)

Leader Currie (D – Chicago)

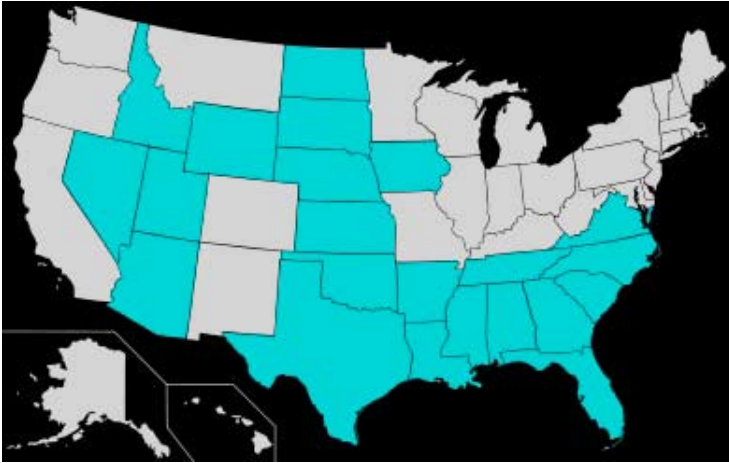
#### SUPPORT

Allows for the issuance of \$4.5 billion of bonds to pay the FY11 pension payment to all of the state's retirement plans. The state will either pay 8.5% interest on the skipping or delay of a payment or as low as 4.4% interest under an 8 year amortization for the pension obligation bond plan. The state will save billions of dollars over the next 35 years by borrowing the amount for the pension payment instead of skipping or delaying the payment in 2011.

**1/12/11 – Passed the Senate 42-16-0. Passed both chambers.**

**To Governor.**

## “Right to Work” On the Horizon in Neighboring States



(Blue states are currently “Right to Work.” Map from Wikipedia.)

In Missouri, Wisconsin and Indiana legislation has been introduced or is being considered that would make it illegal to require workers in a unionized workplace to join the union and pay union dues. There are 22 states in the U.S. with RTW laws. Currently the only RTW state in the Midwest is Iowa.

In Illinois RTW has not been addressed however, Rep. Tyrone (R-Crystal Lake) just introduced HB 1 that would amend the Election Code to prohibit labor organizations that represent public employees of the state and their political action committees from making campaign contributions to candidates for statewide office.

### INDIANA

Indiana State Fed President, Nancy Guyott reports that “Right to Work” legislation (HB 1028 and 1043) was assigned

to the House Employment, Labor and Pensions Committee on the first day of session. Also pending are: Anti-PLA bill (HB 1067) which would prohibit the use of project labor agreements on public works projects and SJR 10, which would propose “Save our Secret Ballot” language as a constitutional amendment, was assigned to the Senate Pensions and Labor Committee.

### MISSOURI

Republican Senator Rob Mayer of Dexter in Southeast Missouri is sponsoring Senate Bill 1, which would make Missouri a “Right to Work” state. Voters said “no” to making Missouri a “Right to Work” state in 1978, but with the make-up of the current Missouri General Assembly, defeating the bill will be difficult.

The GOP hold 106 of the 163 seats in the Missouri House and 26 of 34 seats in the Senate. However, with a Democrat in the governor’s office, the legislature might have to put the measure on the ballot to bypass a veto from Gov. Jay Nixon.

### WISCONSIN

Republican Governor Scott Walker is encouraging RTW legislation as well as threatening to take away government workers’ right to form a union. In a recent speech he said, “We can no longer live in a society where the public employees are the haves and taxpayers who foot the bills are the have-nots.” The GOP also controls the state’s legislature with 57 to 38 seats in the House and 19 to 14 seats in the Senate. ■

## Illinois AFL-CIO Pauses to Reflect on Shootings in Arizona

One of the core functions of the state fed is to elect political leaders that support working families, and advocate for them at the capitol. We see first hand the sacrifices that these public officials, Democrat and Republican, make every day to be leaders among us. We were all reminded of the adversity these individuals face everyday last Saturday when Judge John Roll was assassinated and Congresswoman Gabrielle Giffords (D – AZ) was critically injured. We also wish to honor the other victims of the shooting, among them a nine year old girl.

We ask you to say thank you to those public officials, whether they are a school board member or a member of congress. Thank you to all who serve!

## Lobbyist Expenditure Reporting

The Illinois Lobbyist Registration Act requires that the authorized agent for each registered entity shall file the second half-year expenditure report for 2010 by **the deadline of SATURDAY, JANUARY 15, 2011**. This report will reflect expenditures made on behalf of officials during the period from July 1, 2010 to December 31, 2010.

The Lobbyist Registration and Expenditure Reporting system may be accessed at [www.cyberdriveillinois.com](http://www.cyberdriveillinois.com) where you may link via *Lobbyist Activities* to registration and expenditure reporting programs and instructional materials.

Please be advised that lobbyist expenditure reporting will be required every two weeks in 2011. We will come out with further reminders and information on those deadlines.