



# LEGISLATIVE UPDATE

MAY 16, 2014

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

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*The Illinois General Assembly concluded their business today. Both chambers approved bills in committees, as the deadline to pass bills out of committee in the opposite chamber is today. The House and Senate are scheduled to return to Springfield on Monday, May 19. The House and Senate will still have some large issues to consider, chief among them is the extension of the income tax, getting state workers' back pay, construction capital bill, and passage of a budget.*

## JUDGE GRANTS UNION COALITION'S MOTION FOR STAY OF PENSION LAW

Sangamon County Circuit Court Judge John Belz has granted the request of the We Are One Illinois union coalition to delay implementation of the law that would cut pensions for active and retired SERS, SURS and TRS enrollees.

The judge granted a temporary restraining order and a preliminary injunction, meaning the law – Public Act 98-599, also known as Senate Bill 1 – will not go into effect on June 1 as scheduled. The injunction will remain in effect until a determination is made on the law's constitutionality, unless the court takes further action on the injunction prior to that time.

The We Are One Illinois coalition, has sued to have the law overturned on the grounds that it violates the state constitution's clear language that pension benefits for public employees cannot be "diminished or impaired." The court found that the

coalition and other plaintiffs had shown a likelihood of success on this argument.

The law had been set to go into effect in June. The coalition had argued that, had the law gone into effect, pension system members and the pension systems themselves would have suffered immediate harm.

"This is an important first step in our efforts to overturn this unfair, unconstitutional law and to protect retirement security for working and retired Illinois families," said Michael T. Carrigan, president of the Illinois AFL-CIO, on behalf of the coalition. "We are pleased the court prudently chose to halt implementation of these sweeping changes, which have caused so much fear and uncertainty and are likely to be overturned."

## Poll finds strong support for raising the Minimum Wage Voters support an increase to \$10 an hour by January 1st.

An overwhelming majority of Illinoisans strongly supports an increase in the minimum wage for Illinois Working Families according to a public opinion poll released by the Raise Illinois Coalition this week.

The poll conducted by reputable Garin Hart Yang Research Group found that a large majority of voters support a measure that calls for raising the minimum wage to \$10 per hour on January 1, 2015. The poll further found that voters understand that it is impossible to support a family on the current minimum wage of \$8.25 per hour (about \$17,000 per year).

*To put it in perspective*, a full time minimum wage earner working more than 2,000 hours per year, earns less than Bruce Rauner did for one hour of work in 2012. It is a matter of fairness that people should be paid more for the hard work that they perform.

Raising the minimum wage will allow more and more people to escape public assistance. Illinois tax payers subsidize low-road corporations like Wal-Mart and others who often pay wages less than what it takes for people to actually live. These low-road corporations often direct their employees to government assistance programs.

Raising the minimum wage in Illinois to \$10 per hour will add more than a billion dollars to the Illinois economy and add thousands of new jobs. Wages earned in Illinois would stay in Illinois and not be transferred to out-of-state corporate headquarters. Raising the minimum wage helps all Illinoisans through more jobs, lower taxes and increased economic activity.



# Budget Bills Begin to Move in the House

## Republicans Vote No on nearly all Bills to Keep the State Working

The Illinois House began the process of passing FY15 budget bills on Thursday this week. The size of the budget right now is approximately \$38 billion. The funding levels assume that the state income tax will remain unchanged. The state's income tax is scheduled to be reduced in January of 2015, dropping from 5% to 3.75%. This would be an estimated loss of at least \$1.6 billion of revenue for the state in the next year. The appropriations bills must now be approved by the Senate.

Speaker Michael Madigan also sponsored a bill, HB 3890, that would require the chief executives of all companies seeking the EDGE tax break to sign a document that states they would not expand in Illinois without the tax credit. They would have to certify that new jobs would be created in areas with high poverty and high unemployment, and companies would have to publicly disclose their gross income, the amount of income allocated to Illinois and their net income during the period in which they claim the EDGE credit. This legislation passed House Revenue committee 8-2 this week, and sits on second reading on the House floor.

- HB 8** (Flowers/Hutchinson) - Would make it a civil rights violation if an employer fails to provide "reasonable accommodations" for all working pregnant women, including part-time and full-time employees. The sponsor brought an amendment back to committee that removed opposition to the bill. *Passed Senate Executive 12-0. Third Reading. Labor supports.*
- HB 4527** (Chapa LaVia/Lightford) - Requires a charter school to comply with all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English language learners. *Passed Senate Education 9-5. Second Reading. Labor Supports.*
- HB 5622** (Turner/Raoul) - Requires employers to give employees notice of the terms of the payroll card program and obtain employees' voluntary consent before enrolling them in a payroll card program. Ensure that employees can access their full net wages without incurring a fee. *Passed Senate Executive 12-0-3. Second Reading. Labor supports.*
- HB 5701** (Mayfield/Munoz) - "Ban the Box". Creates the Job Opportunities for Qualified Applicants Act. An employer with 15 or more employees or employment agency may not inquire about or into, consider, or require disclosure of the criminal record or criminal history of an applicant until the applicant has been determined qualified for the position and notified that the applicant has been selected for an interview by the employer or employment agency or, if there is not an interview, until after a conditional offer of employment is made to the applicant by the employer or employment agency. Provides for certain exceptions. *Passed Senate Executive 12-2-0. Second Reading. Labor Supports.*
- SB 927** (Mulroe/Rita) - Amends the Illinois Vehicle Code. Provides that vehicles of the Illinois State Toll Highway Authority identified as Highway Emergency Lane Patrol are authorized emergency vehicles and may use red or white oscillating, rotating, or flashing lights when responding to an emergency call or when parked or stationary while engaged in motor vehicle assistance or at the scene of the emergency. *Passed House 115-0. Passed both chambers. Labor supports.*
- SB 1103** (T Cullerton/Andrade) - Creates the Occupational Safety and Health Act, to be administered by the Department of Labor. Provides that the Act applies to public employers. *Passed House 114-0. Passed both chambers. Labor supports.*
- SB 2999** (Martinez/D Burke) - Amends Illinois Roofing Industry Licensing Act. Provides that an applicant for a license must submit satisfactory evidence that he or she has an unemployment insurance employer account number issued by the Department of Employment Security, and that he or she is not delinquent in the payment of any amount due under the Unemployment Insurance Act. Provides that all persons performing roofing services under the Act shall be licensed as roofing contractors, except for persons who are deemed to be employees under certain provisions of the Employee Classification Act of a licensed roofing contractor. *Passed House 113-0. Passed both chambers. Labor supports.*
- SB 226** (Frerichs/Moylan) - Creates the "Support Your Neighbor" Task Force, which will look at ways to increase the procurement and sale of American and Illinois made goods. Requires state museums, state parks, and Abraham Lincoln Presidential Museum to set up a booth in their gift shops for American Made goods to be sold. *Passed House 105-0. To Senate on concurrence. Illinois AFL-CIO initiative.*
- HB 3814** (Madigan) - Creates the Minimum Wage Increase Referendum Act. Requires the State Board of Elections to submit to the voters statewide at the November 4, 2014 general election asking whether the minimum wage in Illinois for adults over the age of 18 should be raised to \$10 per hour by January 1, 2015. *Passed House Labor 12-7-1. Second Reading in House.*

## Gov. Rauner? Shady Business Dealings, Overcharging Taxpayers Provide Answer

Recent revelations about businesses owned by corporate tycoon Bruce Rauner, GOP candidate for Governor, have raised serious legal and ethical questions about his ability to lead.

The Chicago Sun-Times reported this week that a company Rauner co-founded and led, engaged in a “deliberate campaign to conceal the truth” according to a lawsuit filed essentially accusing the company of deception by vastly overestimating revenue in order to sell the company at a premium price.

It gets even worse.

A corporation owned by Rauner’s investment firm cheated Medicaid recipients and overcharged taxpayers when it failed to provide required services to Medicaid patients and over-billed the Georgia Department of Community Health. The U.S. Attorney stated that the company “took Medicaid’s money for itself and left some of the most vulnerable citizens without the aid they deserved.” The company paid a \$13 million settlement.

Billionaire Rauner, who made more than \$25,000 an hour last year while advocating a cut in the minimum wage, has scapegoated unions and focused on deregulating business in his campaign.

The revelations raise the critical questions voters should weigh before making a decision in the Governor’s race. Rauner’s company either engaged in deep deception to inflate profits, or misjudged on a massive scale the value of its company. Should he be in charge of the Executive Branch and putting forth a \$38 billion budget for Illinois?

And since another company in Rauner’s empire clearly engaged in overcharging a state government for services it never delivered to its citizens, should Rauner be charged with delivering such critical services as education and health care to the people of Illinois?

## Unemployment Rate in Illinois steadily dropping

The Illinois unemployment rate fell by one-half of a percentage point from to 7.9 percent in April, from 8.4 percent in March, the lowest since December 2008, the month before Gov. Pat Quinn took office. Despite the negative sound bites from Bruce Rauner, the Illinois economy is recovering from the Bush Recession.

According to the IL Department of Employment Security the state’s biggest job gains were in leisure and hospitality, up 1,800 jobs, and professional and business services, a gain of 1,300 jobs, based on changes in the three-month moving average. Unfortunately, the construction sector was down 1,000 jobs and the manufacturing sector was down 1,600 jobs.

**SAVE THE DATE**



*7th Annual*

### Illinois AFL-CIO COPE Golf Outing

The Rail Golf Course - 1400 S. Club House Drive, Springfield, IL

## Monday, June 9, 2014

1 PM Shotgun Start / 6 PM Dinner

**Tues., June 10, 2014 - Illinois AFL-CIO COPE Meeting at The State House Inn, Springfield**

\$200 per player / \$3,000 Gold Sponsor / \$2,000 Silver Sponsor / \$250 Hole Sponsor

A copy of our report filed with the State Board of Elections is (or will be) available on the Board’s official website ([www.elections.state.il.us](http://www.elections.state.il.us)) or for purchase from the State Board of Elections, Springfield, IL

