

# ILLINOIS AFL - CIO

NEWS UPDATE - 07/07/17

## GENERAL ASSEMBLY

### **General Assembly Overrides Governor – Implements First Budget in Over Two Years** *Governor Rauner was essentially irrelevant in the statehouse*

In normal circumstances, a state passing a budget for the next fiscal year is not national news. In the circumstances we have in Illinois – it was not only big news, but brought relief to many. Governor Rauner held the state and its people hostage for his demands of work comp cuts for injured workers, term limits on legislators, and an effort to change the way Illinois draws its legislative districts. It is important to note that Governor Rauner changed his demands and agenda several times, making it difficult, if not impossible to negotiate with him.

Governor Rauner called the General Assembly back into session for ten days (June 21-30) to address the budget before FY17 ended. Speaker Madigan and Senate President Cullerton brought their chambers back in July, including session on Independence Day. Sixteen straight days of session. It culminated in a bipartisan bill.

SB 9 (W Davis/Hutchinson) will be retroactively effective July 1. It restores a portion of the income tax rate in effect from 2011-2015, for individuals, the income tax rate will go from 3.75% to 4.95% and from 5.25% to 7% for corporations. It will close numerous corporate loopholes, generating more revenue for the state. SB 9 passed the House 72-45-0 (with 15 Republicans voting yes) on July 2nd, and the Senate 36-18 on July 4th. The Governor issued an angry total veto on July 4th. The Senate promptly overrode his veto on July 4th, with Republican Senator Righter voting yes, 36-19. The House returned on July 6th and overrode the Governor's veto 71-42, with 10 Republicans voting yes. It is Public Act 100-22.

SB 6 (Stans/G Harris) creates a \$36.1 billion budget for the state in FY18. It contains spending cuts of \$3 billion in several areas and will increase funding for K-12 education over FY17 levels by approximately \$700M, relying on a more equitable school funding formula that benefits low-income school districts. Passed the House 81-34 on July 2nd, then the Senate 39-14 on July 4th. The Governor issued a quick

total veto. The Senate quickly overrode his veto 39-15-0 on July 4th, and the House followed suit 74-37-0 on July 6th. Public Act 100-21.

The budget implementation language was contained in SB 42, which was vetoed by the Governor, and quickly overridden by the General Assembly. PA 100-23.

The budget stalemate has brought Illinois to the brink of junk bond status and crippled the state's schools, higher education institutions, and built an enormous backlog of bills representing thousands of service providers and vendors owed by the state. Since July 2015, the General Assembly has passed approximately 31 budget bills, of which only 6 were signed by the Governor, while the rest was vetoed. If the Governor wanted to avoid operating without a budget, he could have used his constitutional authority to reduce a line item or veto a line item, while allowing the remainder of those budget bills to become law.

There were truly many profiles in courage shown in the General Assembly this week. Some members received death threats, while others received angry messages on their cell phones and social media. The House Democrats deserve special recognition for the entire six month session. They remained loyal to labor and managed to get the job done. Fifteen House Republicans and one Senate Republican deserve recognition for doing what was right for their people, not their party. Lastly, Senator Bill Haine (D – Alton) who is undergoing cancer treatments – risked his well-being by coming to Springfield to cast his vote in favor of a balanced budget.

The Illinois AFL-CIO wishes to thank its affiliates and all union members for your efforts over the past six months. We called upon you for your assistance many times, and you answered that call – and we saw success. There is still much work to be done, and we will be challenged again very soon.

## **Illinois House and Senate Adjourned to the “Call of the Chair”**

*Evidence-based education funding being negotiated*

Meaning they may return again soon to consider potential vetoes by the Governor. No veto session calendar has been distributed. While the state has a budget for FY18 – it must still pay its bills from FY16 and FY17. The spending bill (SB 6) also contains a provision that would block money for schools (General State Aid) unless Rauner signs an “evidence-based model” for changing school funding. The only bill that meets these criteria is SB 1. That bill is currently being held in the Senate on a “motion to reconsider” while the four caucuses meet to try to reach an agreement on education model. If no agreement is reached on language with the four caucuses, the Senate may send SB 1 to the Governor for his consideration. Rauner has indicated that he will veto SB 1 as is. The Governor either needs to sign or veto that bill before August 10th, the date which schools get their first payment from the state for the upcoming school year. If the Governor vetoes SB 1, the General Assembly will need to return prior to August 10th to save our schools from Rauner’s destructive force again.

### **Legislature Saves 911 Services in Illinois from Governor Rauner**

The telecommunications act that provides for 911 fees to be collected and distributed to 911 call centers expired on June 30th. HB 1811 passed both chambers to increase phone fees to pay for emergency services and allow Illinois to drop traditional landline service. It would go to \$5 from \$3.90 in Chicago and from 87 cents to \$1.50 in the rest of the state. Governor Rauner issued an amendatory veto HB 1811.

Illinois lawmakers voted to override Gov. Bruce Rauner’s veto of legislation to continue funding 911 emergency call centers. The House voted 90-22-1 on Saturday, July 1st, while the Senate voted 43-1-2 to reverse the Republican governor and his objections to fee increases.

### **General Assembly Declares Independence from Right to Work Zones on July 4th**

SB 1905 passed the Senate this week by a vote of 40-13. The bill stipulates that it is the policy of the State that employers, employees, and their labor organizations are free to bargain collectively. It essentially prohibits local bodies from passing right to work zones. The legislation will now go to the Governor for his consideration.