



LEGISLATIVE UPDATE

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On These And Other Legislative Issues Important To Working People**

STATE NEWS

The Illinois General Assembly returned to Springfield for two days this week to address the state's budget. Governor Quinn addressed a rare joint session of the General Assembly and continued to press the House and Senate for passage of a bill that would raise the income tax to provide for a comprehensive budget. In addition, he stated that he would not sign any budget that was partially funded. There was little new action taken, but much happened behind the scenes. Both chambers have gone home for now.

However, this afternoon Speaker Madigan and Senate President Cullerton have filed a joint proclamation for a special session to be called July 14 at 2 pm to consider any vetoes and any bills related in any way to the budget for FY 2010.

Budget

July 1 is the beginning of the state's fiscal year 2010, and Illinois again does not have an operating budget in place. The General Assembly passed Senate Bill 1197 at the end of May, which would fund specified programs of state agencies at 50% of what they received in FY09 and allow the agency director and Governor to choose how to spend the money. Following passage of the bill in the Senate, Senate President John Cullerton filed a motion to reconsider the vote to keep the bill from being sent to the Governor. That motion was lifted by Cullerton on Tuesday, June 30, and the bill was subsequently sent to the Governor that day. Governor Quinn vetoed the bill this afternoon. It is almost certain that the General Assembly will consider his veto on July 14.

The General Assembly took action on a new budget bill, SB 1221 (Trotter/Madigan), that was a combination of pension payments, re-appropriation of FY10 capital projects, and funding of specified programs of state agencies at 50% of what they received in FY09. A detailed breakdown includes:

- Appropriates \$1.2 billion from the General Revenue Fund (GRF) to the state's five pension systems. This would cover the portion of the pension contribution that pays the cost of benefits being promised currently, it does not pay the unfunded liability from previous years.
- \$2.23 billion from the GRF to the Governor for the purpose of funding community-based human service providers and agencies.
- Re-appropriates money for FY10 Capital expenditures so that projects may go on as planned.
- Appropriates \$200,000 to allow the Illinois Board of Higher Education (IHBE) to collect certain academic fees as permitted by law. Without this appropriation, the IBHE can collect the funds but has no way to access them.

SB 1221 passed the House 110-2-2 and the Senate by a vote of 45-11-2 on June 30. The bill has now passed both chambers. However, it has not been sent to the Governor. The General Assembly has until July 30 to send the bill to Governor Quinn.

Pensions

The Illinois House passed Senate Bill 415 (Schoenberg/McCarthy) by a vote of 101-7-0 on Monday, June 29. The legislation allows the state to borrow and bond approximately \$2.23 billion for the state pension systems. This payment to the pension systems is intended to free-up money to be sent to state human services such as day care services, home care for the elderly and drug and alcohol counseling.

Some public employee unions opposed the legislation. They did not oppose this legislation in theory; however, they believed the borrowing scheme needed to have a revenue stream behind it, which SB 415 did not provide. The bill came to a vote in the Senate late Tuesday, June 30 and failed twice on two separate votes (34-19-3 & 32-21-4). The bill is still on the calendar order of concurrence in the Senate and can be voted on again by the Senate when they return on July 14. Governor Quinn remains opposed to this pension bonding.



Capital

Following the passage of the \$29 billion Illinois Jobs Now! capital bills at the end of May, Representative Lou Lang (D – Skokie) filed motions to reconsider the votes on those bills. This kept the legislation from being sent to the Governor’s desk for consideration. The legislation passed in a series of four bills: *House Bill 255* (revenue stream), *House Bill 312* (projects), *House Bill 2400* (bonding), and *House Bill 2424* (revenue). However, on Monday of this week Representative Lang lifted his motions to reconsider the votes on these bills, and the bills were subsequently sent to the Governor on Tuesday, June 30. The Governor will now have 60 days to take action on these measures.



Mark Your Calendar!

Invitations have been mailed. If you did not receive yours call 217/544-4014.

This is our major fund-raising event for the year, ensuring Labor’s continued leadership in shaping a political and legislative climate friendly to working families. The money raised at this event will not be used for contributions in federal elections, therefore local union treasury funds may be used. Sponsors will be acknowledged in the program if the contribution is received by September 18, 2009.