



LEGISLATIVE UPDATE

Michael T. Carrigan, President
Timothy E. Drea, Secretary Treasurer

Published for Labor Activists

March 20, 2009

Call The Illinois AFL-CIO at (217) 544-4014 For More Information
On These And Other Legislative Issues Important To Working People

*The Illinois House and Senate will return to Springfield on Tuesday, March 24th at noon.
There are two weeks left before the deadline to pass bills out of their respective chamber.*

STATE NEWS

Labor Solidly Against Governor's Proposed Pension Cuts

On Thursday, the Illinois AFL-CIO and leaders from five public employee unions stood together at a Springfield press conference to sharply criticize Gov. Quinn's proposal to cut public employees' pensions and health benefits in order to balance the state budget.

Illinois AFL-CIO President Michael T. Carrigan, IFT President Ed Geppert, AFSCME Political Director John Cameron, IEA President Ken Swanson, Bill Perkins from SEIU State Council and Leo Carroll from Teamsters Local 916 voiced their concern and aggravation with the plan.

"The unions of the Illinois AFL-CIO are in full support of tax increases proposed by Governor Quinn and other lawmakers," said Carrigan. "Our members are prepared to pay their share of a tax increase when it becomes law. However, we do not agree with slashing the pensions and health care of our front-line state employees who care for our sick, protect us, teach our children and provide essential services to the citizens of Illinois."

On Wednesday during his budget address, Governor Quinn called for implementing a two-tiered benefit system for state workers, reducing their pension benefits, cutting their cost-of-living increases and raising the retirement age for new hires. The plan would increase employee contributions to the pension system for current employees, cut health care benefits and cut staffing in state government agencies already stretched to the limit. He also proposed the state skip its 2009 payment to the public employee pension plans.

GOVERNOR QUINN GIVES FIRST BUDGET ADDRESS THIS WEEK

Governor Pat Quinn unveiled his proposed budget this week in Springfield. It includes tax increases and cuts in state agencies. His proposed budget will now face the scrutiny of the General Assembly and groups that would be impacted by his ideas. The proposed budget includes:

- An increase in the personal income tax to 4.5% in Illinois, while tripling the personal exemption, which would help working families that are burdened by the income tax.
 - ✓ Families of four making \$60,900 or less will see a tax cut or no tax increase at all. Families making more than \$60,900 would see their taxes increase.
- Increasing the corporate income tax to 7.2%, which will generate an additional \$350 million annually.
- Requiring State employees to take four unpaid furlough days.
- Increasing the pension contributions for State Employees by 2% and increasing the retirement age and establishing a lower pension multiplier for new hires
- Merging the Illinois Labor Relations Board and Educational Labor Relations Board into one agency.
- Merging Department of Historic Preservation Agency into into the Department of Natural Resources.
- The Department of Labor would see a decrease of 7.3% in General Funds, and a reduction of one position in the department.
- Includes a \$26 billion capital construction plan, funded by Federal, State, and local money. Roads and bridges would be funded through an increase in registration fees, driver's license fees and current Road fund dollars. Mass Transit improvements will be funded through an increase in vehicle transfer fees. Vertical construction would be funded by diverting the 10% local income tax share of the 1.5% income tax increase.
 - ✓ \$14 billion for roads and bridges
 - ✓ \$5 billion for public transit
 - ✓ \$4 billion for schools including higher education construction
 - ✓ \$2 billion for "green" technology
 - ✓ \$1 billion for economic development



Higher Unemployment projected for Illinois

According to statistics compiled by the U.S. Department of Labor, laid-off workers filing for Unemployment Insurance benefits decreased slightly from 315,032 for the week ending February 7, 2009 to 314,224 for the week ending March 7, 2009. Despite this small decrease in workers applying for benefits, the Illinois Department of Employment Security reported that revised Global Insights economic modeling forecasts project that the Unemployment rate in Illinois could reach as high as 10.2% by December 2009 and could increase to a rate of over 11% in 2010.

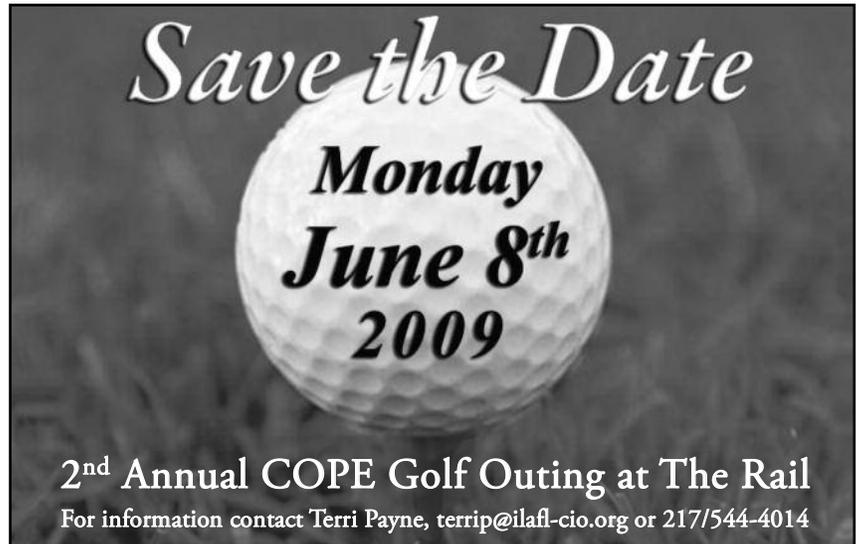
SB 1342 - Intermodal Facilities

Sen. Wilhelmi (D - Crest Hill)
Rep. Careen Gordon (D - Coal City)

SUPPORT

Creates the Intermodal Facilities Promotion Act. Provides that the incremental income tax attributable to a corporation or entity that owns and operates an intermodal terminal facility in the City of Joliet shall be deposited into the Intermodal Facilities Promotion Fund. This will help aid the construction of one of the nation's largest intermodal facilities in the Joliet area, employing hundreds of union workers.

3/19/09 - Passed the Senate 55-0-0.



NATIONAL NEWS

Szabo Picked to Head Federal Rail Agency

On Wednesday, President Obama selected UTU's Illinois Legislative Director and Illinois AFL-CIO Vice President Joe Szabo to head up the Federal Railroad Administration (FRA).

Szabo, a fifth-generation railroader, recently served on the FRA's Rail Safety Advisory Committee where he was instrumental in drafting rail safety regulations. He has been UTU's legislative director in Illinois since 1996. Before that he served as vice-chairman of their Legislative Board and as secretary-treasurer for UTU Local 1290. He also worked as a yard switchman, road trainman and commuter passenger conductor.

Szabo's appointment must still be confirmed by the Senate.

The Federal Railroad Administration enforces federal rail safety laws and writes and enforces federal rail safety regulations.

New Poll Shows Majority Support Employee Free Choice Act

A Gallup poll released on Tuesday shows 53 percent of those polled support the Employee Free Choice Act labor law reform.

The survey polled 1,024 people across the nation. Survey questions did not reference the legislation as the "Employee Free Choice Act" or by the phrase "card check." According to the Huffington Post, Gallup's description of the Employee Free Choice Act in the survey was "to make it easier for labor unions to organize workers."

The respondent break down by political affiliation was: Republicans: 34 percent favor, 60 percent oppose; Independents: 52 percent favor, 41 percent oppose; and Democrats: 70 percent favor, and 23 percent oppose.