



LEGISLATIVE UPDATE

PUBLISHED FOR LABOR ACTIVISTS BY THE ILLINOIS AFL-CIO

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The Illinois House adjourns this afternoon, after completing final passage of House Bills this week. Both chambers will take a two week recess. The General Assembly is scheduled to return on Tuesday, April 13th. The Illinois AFL-CIO will produce a more detailed legislative report next week with additional bills that passed this week.

Pension Cuts Rammed Through General Assembly No Negotiations with Labor

In what could have been the worst week in recent legislative history for public employees, Governor Quinn, Speaker Madigan and President Cullerton collectively threw state and municipal workers under the bus in a hasty political move that cut pensions, upped the retirement age, reduced COLAs and capped retirement earnings.

“This was a fast track bill without any attempt of negotiations with Labor,” said Michael T. Carrigan, president of the Illinois AFL-CIO. “Labor was available and willing to work with legislative leaders and requested an agreed-bill process, and as of Monday afternoon, we were still talking. But by Wednesday all hell broke loose. This legislation was introduced and passed out of committee before anyone had a chance to review it. That’s not the way you treat your employees. And that’s not the way you treat your friends who worked so hard to get you elected.”

The pension reform bill (SB 1946) will affect new hires who participate in all public pension systems, with the exception of local police and fire pension funds. It will raise the retirement age to raise the vesting period to 10 years, reduce the cost of living adjustment (COLA) to 3% or half of CPI, whichever is less, at simple interest, not allow retirees to take another state job while collecting retirement benefits from another public pension system, and implement a final salary cap of \$106,800. Police and fire fighter unions continue negotiations with legislators to protect their benefit levels. However, Speaker Madigan stated in his testimony that he would anticipate further legislation looking at their benefits in the near future. SB 1946, if signed by the Governor, would become effective January 1, 2011.

Pension reform has been a hot-button topic recently as the state’s budget debt has grown to an estimated \$13 billion and lawmakers have refused to raise needed revenue.

“The state’s pension problems were not caused by workers, they were caused by the state’s refusal to pay its share of the payments,” said Carrigan. “For years, workers have faithfully paid their share into the fund but the state has not. Now the state is in a bind and future employees will be made to suffer. If this was the private sector and a company was not paying its share, there would be legal ramifications.”

“This bill is nothing more than lawmakers shifting the burden of the state’s past mistakes onto future teachers and public employees,” said Ed Geppert, president of the IFT. “Supporters of

SB 1946 should be ashamed of themselves. If this bill becomes law, Illinois will have the highest teacher retirement age in the country.”

On Tuesday morning, when Democratic leaders would not all agree to meet with Labor, the Illinois AFL-CIO and public employee unions distributed a letter to lawmakers requesting that pension reform be done through an agreed bill process.

On Tuesday afternoon, Governor Quinn attended the Illinois AFL-CIO Executive Board meeting in Springfield telling members he supported working men and women. But when asked directly to call for the agreed-bill process on pension reform, he declined. Ironically, Quinn’s latest political piece calls the pension cuts “political courage” that will “improve our state’s fiscal health today...” and boasts that Quinn led the way for its passage.

“This legislation doesn’t do a single thing to address the state’s current fiscal mess,” said AFSCME Council 31 Executive Director Henry Bayer. “It merely does the bidding of the corporate class who has been waging an unrelenting campaign against retirement security for working families, especially those who work in the public sector.”

“Labor has been denied a seat at the table on this critical issue of pensions and the future livelihoods of public employees,” said Christine Boardman, president of SEIU Local 73. “The Governor should step up to the plate and meet with Labor on an amendatory veto process for this legislation.”

In the Senate, 32 of 37 Democrats voted for the bill, including President Cullerton. Three Democrats voted present/not voting. Only two Democrats, Senators Frerichs and Jacobs voted no.

In the House, only 6 out of 70 Democrats voted against the bill. Those include Representatives (Will) Davis, Gordon, Hoffman, Jackson, Phelps and Riley. Representatives Reitz and Verschoore voted present.

“How a legislator voted on this bill will weigh heavily in determining IFT support for candidates in the Nov. 2 General Election,” said Geppert.

NOTE: On Tuesday, the Illinois AFL-CIO executive board passed a unanimous resolution requesting Gov. Quinn and Democratic legislative leaders to decide pension reform through an agreed-bill process. The resolution was proposed by board member Frank Cavarretta, Steelworkers, in a show of solidarity with public employee unions.

Adding Insult to Injury GA Passes Voucher Bill

A day after the General Assembly hastily passed pension reform, the Senate handed public employees a second slap in the face.

With 13 Democrats and 21 Republicans in support, the Senate on Thursday passed a voucher bill for Chicago schools. The bill (SB 2494) sponsored by Sen. Meeks (D – Chicago) will allow parents to obtain public tax vouchers paid for with tax payer money to cover the cost of private schooling. The Illinois Federation of Teachers support parental rights to send their children to private or religious schools, however, they oppose the use of public tax funds through vouchers to do so.

In addition, the Illinois Constitution forbids the use of public funds for religious education. There is little to no accountability to the taxpayers in the use of voucher money. Vouchers rests solely in the hands of private and religious schools, not families with vouchers. Parents may apply, but the private school may deny a child seeking an education with a voucher.

“At a time when our public schools are facing the worst funding crisis in decades, we should not be transferring more public dollars into private institutions,” said Ed Geppert, president of the IFT. “Taking away public dollars for a few, harms the public services provided to the majority of schoolchildren in our public schools.”

Three Democrats did not vote and three voted present, including President Cullerton.

LOBBYIST REGISTRATION REMINDER

Lobbyist registration for 2010 opened on March 15, 2010. Registrations that are filed by next Tuesday, March 31, 2010 shall be deemed retroactive to January 1, 2010. Lobbying entities that register after that date are deemed registered on the actual date of registration. The Illinois AFL-CIO encourages and reminds all of our readers to register by this coming Wednesday.

To electronically register both your lobbying entity and the lobbyist(s) for that entity under the Illinois Lobbyist Registration Act (25 ILCS 170) you will need to visit: <https://www.ilsos.gov/lobbyistweb/>.

In addition to registering, the Secretary of State's office is requiring new lobbyist badges for 2010. In the past these badges have been yellow, and now they will be blue. New badges must be obtained by all lobbyists by Thursday, April 1st.

Due to pending litigation, the Secretary of State is not collecting registration fees at the time of registration. Once fees are established by the legislature and approved by the Governor, registrants will receive a billing notice from the Secretary of State's office. Lobbying entities will be required to pay the fee within 30 days from the date of the notice. The registration of any entity that fails to pay the fees by the due date will be terminated.

Expenditure reports remain on hold pending possible court action. The effective date and methodology for filing lobbyist expenditure reports will be announced at a later date.

We will continue to update you on the progress of any legislation setting fees and expenditure reporting.

Small Business Tax Credit Passes

On Wednesday the House voted unanimously to pass Gov. Quinn's small business tax-credit. The Senate approved the bill (SB 1578, sponsored by Sen. Noland (D – Elgin) and Speaker Madigan (D – Chicago)) on Thursday by a vote of 57-0. The bill allows businesses with 50 or fewer employees to qualify for a \$2,500 tax credit for each new hire over the next year. The program is estimated to cost taxpayers \$50 million.

NATIONAL NEWS

President Obama Signs Landmark Healthcare Bill AFL-CIO Calls It A First Step

On Sunday night, the House passed the Senate's health care reform bill (219-212) as well as a Reconciliation bill that corrected flaws in the original bill. On Monday, at the White House, President Obama, surrounded by Vice President Biden, Speaker of the House Pelosi, Senate President Reid, Senator Durbin and relatives of Senator Ted Kennedy, who championed health reform throughout his political career, signed the bill into law

reshaping America's health care system.

President Obama said “our presence here today is both remarkable and improbable.” “After a year of debate, after all the votes have been counted, health insurance (reform) becomes law in the U.S. today.” He dedicated the signing to his mother who he said “battled cancer while arguing with insurance companies” over payment of her treatment. Vice President Biden said in his opening comments “to

state the obvious, this is an historic day.” “(This) will change the lives of millions of Americans.”

On Tuesday afternoon, debate began on the Reconciliation bill back in the Senate. After hours of Republicans bringing amendments and objections to the bill, two minor violations were identified and forced the bill back to the House for one final vote. On Thursday, the House approved the

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Landmark Healthcare Bill

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Senate's Reconciliation bill (220-207) ending the year and a half long battle over health care reform.

The AFL-CIO calls the health care measure "a momentous step toward comprehensive health care" that will "finally put the country on a path toward quality, affordable health care for all Americans..."

What the bill does IMMEDIATELY for working families:

- Stops insurance companies from denying children health care due to pre-existing conditions (and will apply this prohibition to coverage for everyone in 2014).
- Immediately prohibits lifetime caps on benefits and the practice of dropping coverage for people who get sick.
- Allows young people to stay on their parents' plans up to age 26.
- Requires rebates from insurers if they spend more than 15% of premium dollars on marketing, profits, executive salaries or administrative expenses.

- Provides free preventive care under Medicare and under new private plans immediately and to all plans by 2018.

- Makes prescription drugs more affordable for seniors by providing a \$250 rebate for seniors who hit the Medicare Part D donut hole this year. Beginning next year, provide a 50% discount on brand-name drugs in the donut hole and begin phasing out the donut hole to close it completely by 2020.

- Reduces cost of coverage for retirees who are at least 55 and not eligible for Medicare through a new program that helps offset costs of expensive health claims for retirees.

- Makes a new investment in training programs for primary care doctors, nurses and public health professionals.

What the bill accomplishes over the next decade and beyond:

- Stops the relentless rise in health care costs.
- Expands coverage for 32 million Americans, with about half of them getting coverage through new "insurance exchanges" that provide coverage options

under plans that must meet rules on benefits and premiums.

- Prohibits insurers from charging higher rates for women and limits the ability to set premiums based on age.

- Helps small businesses and uninsured individuals get affordable coverage with subsidies for low and moderate-income workers.

- Projected to reduce the federal budget deficit by \$1.3 trillion over the next two decades and to increase Medicare solvency by almost a decade.

- Pressure from working families resulted in the elimination of 85 percent of a tax on health care benefits that would have slammed working families, non-union as well as union, whose premiums are high because of factors they don't control.

- Instead, the bill substitutes a progressive tax on the wealthiest Americans, requiring that Medicare contributions be paid on unearned income. Working families' activism also helped make sure employers pay a fairer share of health costs for their employees.

(Source AFL-CIO)

Republicans Block Unemployment Benefit Extension

Congress raced to leave Washington for its Easter recess, however, Republican senator Tom Coburn (R – OK) blocked a stopgap bill to extend jobless benefits, saying its \$9 billion cost should not be added to the national debt.

As a result, newly unemployed people won't be eligible to sign up for health insurance subsidies. With Congress set to go on a two-week Easter break starting this weekend, unemployed Americans may go without benefits for at least a week.

Republicans offered legislation to finance the monthlong extension of jobless benefits by rescinding unspent money from last year's economic stimulus bill. The effort was killed on a party-line vote. This strategy would have removed funds that would be used in the creation of jobs, to provide unemployment benefits.

Democrats repeatedly sought speedy Senate approval of a House-passed measure that would extend jobless benefits through May 5, but Coburn objected. Senate

Majority Leader Harry Reid, (D-Nev.), said the Senate would attempt to retroactively bestow the jobless benefits when it returns from its spring recess April 12.

The practical effect of the lapse in benefits would be limited if they are awarded retroactively. But labor advocates say it produces bureaucratic nightmares for state labor departments and that trying to restore the lapsed benefits is easier said than done.

This clash comes less than a month after Republicans abandoned a similar battle that led to an interruption in unemployment benefits eligibility for some people and a two-day furlough for about 2,000 Transportation Department employees. Last month, Sen. Jim Bunning, (R-Ky.), blocked a similar extension of jobless benefits, but Republicans ended up on the losing end of a public relations battle and Bunning backed away.

Democratic leaders say that jobless benefits are an emergency and don't need to

conform to the new pay-as-you-go budget law, which requires new benefit programs to be offset with spending cuts or tax increases so they don't increase the deficit.

Senate Majority Whip Dick Durbin (D-Ill.) repeatedly filed motions to immediately pass a longer, emergency extension by unanimous consent, only to have Coburn block it because it wasn't paid for. "We really believe that the unemployment situation is an emergency economic situation," said Sen. Dick Durbin. "Republicans do not accept that. They want to cut off unemployment benefits or pay for it with stimulus funds that are creating jobs."

In addition to extending unemployment insurance, the legislation would prolong a freeze in scheduled cuts to doctors' Medicare payments, extend COBRA healthcare subsidies for the unemployed and extend a satellite television licensing agreement that could leave rural residents without network TV if it expired.