



# LEGISLATIVE UPDATE

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

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*The Illinois House will return to Springfield on Sunday, January 9<sup>th</sup>, with session beginning at 3pm and Executive Committee at 2pm. The Senate returns on Monday, January 10<sup>th</sup> at 3pm. The state's constitutional officers will be sworn into office on Monday as well. The last day of the 96<sup>th</sup> General Assembly is Tuesday, January 11<sup>th</sup>. Wednesday, January 12<sup>th</sup> marks the beginning of the 97<sup>th</sup> General Assembly, with the inauguration of House and Senate members.*

## S T A T E

**CALL TO ACTION!** On Sunday, January 9, the Illinois AFL-CIO will hold a Labor Lobbyist meeting at 12:30pm in our Springfield office at 534 South 2<sup>nd</sup> Street. We will have an analysis of the Workers' Compensation bill, as well as updates on taxes, Tenaska, Power Holdings and capital bonding. Committee starts at 2pm. If you can call your legislator over the weekend, please do so.

### **Negotiations on Workers' Compensation Break Down**

#### *Hearing Set for 2pm Sunday*

The Illinois AFL-CIO has been in negotiations led by Rep. John Bradley (D – Marion) on proposed changes to the Workers' Compensation Act. Speaker Madigan and Senate President Cullerton requested Special Committees be formed to look at employer reforms to Workers' Compensation. These committees met throughout December. An amendment #2 to SB 1066 was filed today and posted for House Executive Committee on Sunday, January 9<sup>th</sup> at 2pm in Room 114 of the Capitol.

The Illinois AFL-CIO does not agree to these attempted changes to the Workers' Compensation Act. Three areas of concern are:

- Choice of Doctor – We do not agree to allow the employer group to have first choice of doctor for an injured worker.
- Binding Utilization Review - Utilization Review takes away a treating doctor's discretion to determine the best treatment plan for each injured worker.
- "Purchase of Peace" – Legislative leaders refuse to honor any negotiated legislation for a length of time (such as four years). We shouldn't negotiate this now, with the possibility of having to oppose WC legislation in February. Plus no agreement to return to time honored agreed bill process.

**The work comp amendment can be found at:**

[www.ilga.gov/legislation/96/SB/PDF/09600SB1066ham002.pdf](http://www.ilga.gov/legislation/96/SB/PDF/09600SB1066ham002.pdf)

**We need to register affiliates' opposition to this legislation. Please email Illinois AFL-CIO Legislative Director Jason Keller at [jasonk@ilafll-cio.org](mailto:jasonk@ilafll-cio.org) to add your organization to a fact sheet.**

### **Income Tax Outline Released**

Democratic Leaders in the General Assembly released details of a "tentative agreement" on an income tax increase to pay for the state's finances. It is expected that the House will vote on a tax increase Sunday evening. The details include:

- Raises the personal income tax from 3% to 5.25% for the next four years
- Raises the corporate income tax from 4.8% to 8.4%
- \$1 increase on cigarette tax
- State will also borrow \$12.2 billion against its expected income tax revenues, to help pay off its deficit.

It is anticipated that the revenue generated would be approximately \$7.6 billion annually. No bill has been filed, so none of this is finalized. We will continue to keep you abreast of any changes, and to alert you to where the additional revenue will be appropriated.

## TABOR – Tax Payer Bill of Rights

The proposed constitutional amendment that would have capped the amount of revenue the state could raise seems to have stalled...for now.

House Joint Resolution Constitutional Amendments HJRCA 60 and HJRCA 61 (Rep. Farnham D-Aurora) would have created the “Taxpayer Bill of Rights” (TABOR) by amending the Finance Article of the Illinois Constitution to limit appropriations to programs to the previous fiscal year as adjusted by the 5-year average.

Due to educational efforts by Illinois AFL-CIO unions the resolution did not make it out of committee.

## Tenaska: A Tough Loss for Illinois Workers

### Luecadia, Power Holdings plants survive

The Illinois Senate had a chance to bring thousands of jobs to Central and Southern Illinois by approving construction of the Tenaska Taylorville Energy Center – they did not. The bill (SB 2485) fell five votes short of approval on Wednesday.

The project would have created thousands of construction jobs, hundreds of permanent jobs, pumped over \$3 billion into the Central Illinois economy and helped revive Illinois’ coal industry.

“Labor and our allies have worked for two years to bring this plant to fruition,” said Michael T. Carrigan, president of the Illinois AFL-CIO. “Hundreds of letters and contacts were made to Assembly leaders and members pleading for their help to create jobs. A hand full of Senate members opposed this bill including **Sens. Kyle McCarter and Bill Brady** whose constituents would have greatly benefitted from this construction. It’s unbelievable that although voters say the most important issue is job creation, this project failed to win support from Illinois’ elected officials.”

The Tenaska bill passed the House 63-50 in November, with support from area legislators including Reps. Flider, Mitchell, Reitz, Phelps, Jakobsson, Hannig, Eddy and Brauer.

**Leucadia, Power Holdings** – Two synthetic natural gas (SNG) plants planned for construction moved forward in the General Assembly this week. The Leucadia National Corp plant (SB 3388), a \$3 billion plant to be built on the South Side of Chicago passed both chambers this week, and will now head to the Governor’s desk. Power Holdings (SB1927 – Silverstein/Reitz) planned for Jefferson County in Southern Illinois passed the House this week by a vote 83-31-2. It is estimated each plant will create over 1,000 construction jobs and hundreds of permanent jobs. SB 1927 will return to the Senate on order of concurrence where it must be approved by Tuesday.

The Chicago and Cook County Building Trades Council was key in securing support for the Leucadia project.

## HB 3659 – Internet Sales Tax

Rep. Verschoore (D – Quad Cities)

Senate President Cullerton (D – Chicago)

### SUPPORT

Creates parity for retail stores located in the State of Illinois by specifying that online sellers are considered to have ‘nexus’ in the State of Illinois and, therefore, must collect and remit the appropriate sales taxes to the Illinois Department of Revenue on every sale they make to a resident of the State of Illinois. This provision could capture as much \$500 million per year in uncollected sales taxes.

**1/5/11 – Passed Senate 49-6-3**

**1/6/11 – Passed House 88-29-0.**

**Passed both chambers.**

## HB 5424 – Collective Bargaining and Grants

Speaker Madigan (D – Chicago)

Sen. Kotowski (D – Park Ridge)

### OPPOSE

Terminates collective bargaining agreements between a State Constitutional Officer and a labor organization on June 30<sup>th</sup> of the year the State Constitutional Officer is sworn into office. Prohibits any collectively bargained salary increases or benefit increases starting on or after the first day of the term of office from going into effect. Sets forth budget requirements and creates a commission to advise the governor on budgeting outcome and goals. Statutorily provides the General Assembly with duplicative oversight on grant making authority of the agencies.

**CALL TO ACTION! We request letters to the Governor from everyone on this issue. We will draft a template letter to use. We are asking for a veto of this bill.**

**1/6/11 – Passed Senate 30-10-3.**

**1/7/11 – Passed House 102-11-3.**

## HB 5960 – Bond Authorization for Capital

Rep. McCarthy (D – Orland Park)

Sen. Trotter (D - Chicago)

### SUPPORT

Senate Amendment #2, increases the bond authorization of the State of Illinois by \$5.2 billion for roads, bridges and vertical construction.

**1/6/11 – Amendment assigned to Senate Executive, bill not called in committee.**

*(Continued on page 3)*

**HJRCA 62 – Pension Benefits**

Speaker Madigan (D – Chicago)

**OPPOSE**

Would require a 3/5 vote (now simple majority) of the General Assembly for any bill that authorized an increase in pension benefits for any state or municipal pension system. If a bill were to pass and the Governor vetoed that bill, it would mandate 2/3 vote to override that veto (now 3/5). In addition, it would require a 3/5 vote by a municipality or other public body to ratify pension benefit increases. Most wage/salary increases would trigger pension benefit increases, thus

any union contract with a local public body would require a 3/5 vote of the municipal council. *(In order for this to become part of Illinois' constitution, both chambers of the General Assembly would have to approve it by 3/5 majority, and it would then be placed on the ballot for the 2012 election. If either 3/5 of those voting on the question or a majority of those voting in the election approve the question, it becomes part of the constitution).*

**1/4/10 – Passed House Personnel and Pensions 7-3-0.****Third Reading.****N A T I O N A L****112<sup>th</sup> Congress**

On Wednesday, members of the 112th Congress were sworn in. In the House, John Boehner (R-OH) was elected Speaker and swore in members-elect. In the Senate, Vice President Joe Biden administered the oath of office. The makeup of the new Congress is: House 242 Republicans, 193 Democrats; Senate 53 Democrats, 47 Republicans.

**Bill to End Senate Filibuster Misuse Announced**

Senators Tom Udall (D-NM) and Jeff Merkley (D-OR) have introduced a bill that would change long-standing Senate rules and reform the filibuster procedure. It is co-sponsored by Majority Whip Dick Durbin.

The problem; since 2006, 70 percent of bills have been blocked by a filibuster compared to just eight percent in the 1960s, according to Common Cause.

The Udall-Merkley resolution 1) eliminates the filibuster on Motions to Proceed, 2) eliminates secret holds – prohibits one senator from objecting on behalf of another, 3) guarantees consideration of amendments for both the majority and minority and 4) limits post-cloture debate on nominees to two hours.

The legislation won't be taken up until the Senate returns on Jan. 24.

**GOP Drops “Labor” from House Committee Name**

Right out of the gate, House Republicans are showing their true colors toward Labor unions. On Wednesday, the name of the House Education and Labor Committee was changed to Education and Workforce Committee.

“We basically think this name change is symbolic of the new majority's hostility toward the rights of everyday working Americans,” said Chuck Loveless, director of legislation at the American Federation of County, State and Municipal Employees (AFSCME).

Bill Samuel, the AFL-CIO's director of government affairs agrees. “It really does mean something,” he said of the name change. “More than the rhetoric, they have a different agenda.”

Rep. John Kline (R-MN) is the committee's new chairman. He replaces Rep. George Miller (D-CA) who sponsored the Employee Free Choice Act in '09.

The committee could take a hard line on many issues important to working families like public pensions, prevailing wage and workplace safety including mine safety standards and enforcement.