



LEGISLATIVE UPDATE

APRIL 1, 2011

PUBLISHED FOR LABOR ACTIVISTS BY THE ILLINOIS AFL-CIO

MICHAEL T. CARRIGAN, PRESIDENT

TIMOTHY E. DREA, SECRETARY TREASURER

JASON KELLER, LEGISLATIVE DIRECTOR

The Illinois General Assembly has completed their business for this week. The Illinois House will return on Tuesday, April 5 at noon. The Illinois Senate returns on Wednesday, April 6 at noon. Both chambers will remain in session through Friday next week. The deadline to pass House and Senate Bills out of their respective chamber is April 15.

Gov. Pat Quinn said yesterday that he would be proposing a workers' compensation reform package next week. The governor offered no details, but claimed the measure would save money for businesses while protecting workers' rights. The Illinois AFL-CIO will continue to provide our affiliates the latest information on workers' compensation as it develops.

Quinn signs Agreed Bill on Unemployment

Agreed Bill process results in avoiding benefit cuts/tax increase

In February, Governor Quinn's Office along with the Legislative Leadership from each caucus called for labor and business groups to negotiate an agreement pertaining to both short term and long term problems with the Illinois Unemployment Trust Fund.

Currently, the Unemployment Insurance program in Illinois faces two immediate problems:

1. the 20 week extended benefits tier (EB) will expire for long term unemployed due to Illinois law having only a "2 year look-back"; and
2. the State of Illinois owes the federal government an \$83 million interest payment on 9/30/11 for borrowing to pay UI benefits in 2010 (This payment can not be paid from the Unemployment Trust Fund).

For the long term, the Unemployment Trust Fund is currently \$2.9 billion in debt to the Federal Government and independent forecasting models predict additional borrowing in the Fall of 2011 before finally leveling out in 2012. Agreed bill talks between Labor and Business will reconvene in the Fall to reach an agreement for long term solvency of the program.

Through the Agreed Bill process an agreement was reached between business and labor to:

1. Extend the Extended Benefits Trigger from a 2 yr look back to a 3 year look back -- (No disruption of benefits). Under current law, in order for the EB "trigger" to be on the UI rate has to be lower than it was 2 years ago -- due to the severity and length of this recession - the State will need to look back 3 years to ensure long term unemployed continue to receive benefits. Modeling predicts that the EB trigger could be kicked off when the March UI numbers are released next month. If benefits are disrupted for these long term unemployed beneficiaries, the trigger cannot be restored for 13 weeks under US DoL regulations.
2. Divert a portion of the Fund Building Rate 1 year to pay the estimated \$83 million interest on 9/30/2011. (The Fund Building Rate is an additional UI payment as-

essed on employers to "re-build" the Trust Fund following economic downturns. The rate fluctuates year to year depending on the balance in the Trust Fund.

3. Place \$100 million "speed bumps" for both business and labor to kick in on 12/31/11 to keep talks moving in the fall. The speed bumps consist of the taxable wage base on employers increasing from the first \$12,760 in wages to \$13,560 and reducing benefit the weeks an unemployed worker can receive from 26 to 25. (According to IDES, the average weeks collected by unemployed workers is 22 weeks including the mandatory one week waiting period). The Department has determined that each speed bump would raise \$104 to \$105 million.

When reviewing the agreement US Department of Labor (US DoL) insisted on additional protections to ensure the diversion of the Fund Building Rate would be repaid. With the input from both labor and business and US DoL and IDES agreed on the following additional speed bumps for 2013.

If and only if, the 2012 "speed bumps" do not make the required repayment to the Illinois unemployment trust fund and no other fund building activities have occurred, then in 2013 the taxable wage base on employees will increase and the benefit weeks received by the unemployed will decrease by one week. While this provision is being requested by US DoL, it will most likely never become effective because:

1. The 2012 speed bumps will cover the diversion and
2. In the 2011 veto session or at least early in 2012 the State will have hopefully adopted a long term funding solution to restore solvency to the fund.

Employers will begin to pay the first quarter UI taxes on April 1. Because only the first \$12,740 an employee earns in a year is taxed for UI purposes, IDES collects about 50% of the annual UI taxes between April 1 and April 30.

Passed the Senate 45-11

Passed the House 109-1

Signed by the Governor PA 97-01

Wyoming Legislators reject Federal UI Benefits

Workers question double standard of Wyoming Legislators

Wyoming legislators defeated a measure that would have brought 4,500 Wyoming unemployed workers \$24 million in federal unemployment benefits workers. Some opponents to the measure stated that unemployment benefits keep people from looking for work.

Due to the strong opposition, the measure failed Feb. 7 by a 34-25 vote. Following the vote, it was discovered that five of the legislators voting no on the bill actually had received federal farm subsidies totaling \$2 million collectively since 1995. When questioned, Representative Teeters, a Republican House member said that comparing federally funded farm subsidies and federally funded unemployment benefits was like comparing "apples and oranges."

Michigan Governor takes 6 weeks of benefits from the Unemployed

Gives employers \$300 million tax break while just breaking workers

In Michigan, one of the hardest states during the current recession, Republican Governor Ric Snyder signed legislation to reduce from 26 to 20 the number of weeks an unemployed worker could collect unemployment benefits. Michigan has the dubious distinction of being the only State in the Nation that allows the unemployed to only collect 20 weeks of benefits although Florida is considering similar legislation.

The measure will affect workers who are laid-off after January 1, 2012.

Illinois House Passes Pension and Budget Bills

The Illinois House passed a series of five bills to fully fund the state's pension systems for FY12. HB 116 (State University Retirement System), HB 3697 (State Employees Retirement System) and HB 3639 (Teachers Retirement System). The other two bills that passed the House this week were HB 117, which was to pay

down state debt and HB 132 to fully fund state employee group insurance.

All of the bills were sponsored by Speaker Madigan and Leader Cross. In years past, such appropriation bills did not move until the end of May. The House passed a resolution, HR 110, earlier in the year to place a spending cap

for FY12 at \$33.17 billion. The Senate passed a similar resolution with a \$34.3 billion cap. Under the House outline, education would be cut \$200 million. While labor supports fully funding the state pension systems, we will continue to monitor how the General Assembly funds frontline services in FY12.

McCormick Place Law Struck Down in Court

In May 2010 Democratic Leaders passed SB 28 (PA 96-0898) and the Governor signed into law. The law severely restricted work rules, jurisdiction and overtime at Chicago's McCormick Place Convention Center. The law superseded collective bargaining agreements and allowed convention exhibitors to do work that have historically belonged to the 5 unions at McCormick Place (IBEW, Steelworkers, Iron Workers, Carpenters and Teamsters).

This week U.S. District Court Judge Ronald Guzman ruled that the National Labor Relations Act prohibits states from passing laws that get in the way of collective bargaining. His decision relates to lawsuits that two separate unions filed last year challenging the reforms, which ranged from allowing convention exhibitors to arrange their own catering during shows to setting up and dismantling their own booths.

The suits were filed by the Teamsters Local 727 and the Chicago Regional Council of Carpenters.

Local Elections Tuesday

Local elections throughout the state will be held this Tuesday. Polls are open from 6 a.m. until 7 p.m.

"Local elections are the most important when it comes to affecting our daily lives," said President Michael T. Carrigan. "Union families can change the outcome in these elections, because fewer people vote and union households have an even stronger advantage. We need to put people in office who understand working families and have the backbone to do the right thing."

Many key local offices are up for election including:

Municipal Offices

- Mayor or President
- Clerk
- Treasurer
- Alderman or Trustees

Park Board President/Trustees Public Library Districts

- Trustees

Township/Municipal Library Districts

- Trustees

School Districts

- Board Members

Community College District

- Trustees

Regional Board of School Trustees

Fire Protection Districts

Other municipal governing bodies

Governor Appoints Labor and Fire Department Directors

On March 25, Governor Quinn announced he had appointed Joe Costigan as director of the Illinois Department of Labor. Costigan, a former Illinois AFL-CIO Executive Board member for UNITE HERE, most recently served as treasurer and political director of the Chicago and Midwest Regional Joint Board of Workers United, an affiliate of the Service Employees International Union.

Governor Quinn also re-appointed Larry Matkaitis as State Fire Marshall. Matkaitis was first appointed in January 2010, after serving more than 30 years with the Chicago Fire Department.



Illinois Director of Labor
Joe Costigan



Illinois Fire Marshall
Larry Matkaitis

GENERAL ASSEMBLY

HB 180 – Cemetery and Funeral Pickets

Rep. Hatcher (R – Yorkville)
Sen. Wilhelmi (D – Crest Hill)

OPPOSE

The intent of the legislation is to target the groups that protest at a fallen soldier's services, unfortunately, this could impact union pickets as well. Would increase the time limit that a union could picket a funeral home or cemetery operator to 60 minutes (was 30) before or after a service. In addition, it would move the boundary back for the picket line to 1,000 (was 200) feet away from any ingress or egress of the funeral site.

3/29/11 – Passed House 114-0-0.

3/30/11 – Referred to Senate Assignments.

HB 190 – Charter Schools

Rep. Eddy (R – Hutsonville)

Neutral

Amends the Charter Schools Law of the School Code. Provides that of the 70 charter schools that are permitted to operate at any one time in a city having a population exceeding 500,000, not more than 5 charter schools devoted exclusively to students from low-performing or overcrowded schools are allowed (instead of allowing an additional 5 charter schools devoted exclusively to students from low-performing or overcrowded schools to operate in a city having a population exceeding 500,000).

4/1/11 – Passed House 83-20-1.

To Senate.

HB 1228 – Plumbing License

Rep. Saviano (R – Elmwood Park)

SUPPORT

Amends the Illinois Plumbing License Law. Adds a provision that in the event a plumber's contractor's registration is suspended or revoked, the Department shall notify the City of Chicago and any corresponding plumber's contractor license issued by the City of Chicago shall be suspended or revoked. Adds a provision that in the event a plumbing contractor's license is suspended or revoked, the Department shall be notified by the City of Chicago.

3/30/11 – Passed House 115-0-0.

To Senate.

HB 1375 – Responsible Bidder

Rep. Beiser (D – Alton)
Sen. Clayborne (D – East St. Louis)

SUPPORT

Amends the Illinois Procurement Code. Provides that, in order to be considered a responsible bidder under the Code, a bidder must submit a signed affidavit stating that it will maintain an Illinois office as the primary place of employment for persons employed in the construction authorized by the contract. Effective immediately.

3/30/11 – Passed House 116-0-0.

3/31/11 – Referred to Senate Assignments.

HB 2902 – Electric Vehicle Council

Rep. Williams (D – Chicago)

Monitor

Creates the Electric Vehicle Adoption Act. Authorizes the Director of the Department of Commerce and Economic Opportunity to appoint an Electric Vehicle Coordinator for the State of Illinois who will act as the point person for electric vehicle related policies and activities in the State. Creates the Illinois Electric Vehicle Advisory Council to investigate and recommend strategies that the Governor and the General Assembly may implement to promote the use of electric vehicles.

3/31/11 – Passed House 108-2-0.

To Senate.

SB 398 – Film Tax Credit

Sen. Martinez (D – Chicago)

Rep. Harris (D – Chicago)

NEUTRAL

SB 4 (Forby/Bradley) contains a sunset provision for the film services tax credit five years after the effective date of the bill. Senator Forby filed a motion this week to concur with House Amendment #3 to SB 4.

SB 398 was filed this week in the Senate. The language will only take effect "if and only if" SB 4 becomes law. SB 398 would extend the sunset of the film production services tax credit by ten years, and allow future General Assemblies to extend it further by five year increments.

3/30/11 – Passed Senate 53-0-3.

3/31/11 – Referred to House Rules.

SB 1353 – Department of Aging Responsibilities to AG

Sen. Schoenberg (D – Evanston)

Monitor

Amends the Attorney General Act and the Illinois Act on the Aging. Transfers provisions concerning the Office of State Long Term Care Ombudsman from the Department on Aging to the

Office of the Attorney General. Provides for the transfer of employees, records, unexpended funds, and other matters.

3/29/11 – Passed Senate Public Health 9-0-0. Second Reading.

SB 1566 – Illinois Aviation Trades Association

Sen. Clayborne (D – East St. Louis)

Monitor – PLEASE LET US KNOW IF THIS IMPACTS YOUR MEMBERS.

Amendment #1 - Creates a sales tax exemption for mechanical aviation parts sales and service providers. This legislation will help correct the competitive disadvantage for Illinois based aviation sales and service providers. In 2006, it was reported that Illinois loses 3 out of every 4 proposals for aircraft service to states with a more favorable sales tax advantage. For every \$100,000 worth of aviation service provided in Illinois, the state receives \$3,488 in tax revenue on parts and materials (7.75% average tax). The hope with this legislation is to capture 2 out of every 4 proposals for aircraft service in Illinois, creating additional state revenue.

3/29/11 – Passed Senate Revenue 9-0-0. Second Reading.

SB 1669 – Bus Drivers

Sen. Holmes (D – Aurora)

Rep. Williams (D – Chicago)

Monitor

Prohibits bus drivers under court supervision for a traffic offense to obtain a permit to drive children in a vehicle. Mandates a school district to monitor all driver records.

3/31/11 – Passed Senate 51-0-0.

3/31/11 – Referred to House Rules.

SB 1754 – Offense Against Juvenile Detention Employee

Sen. Mulroe (D – Chicago)

SUPPORT

Amends the Criminal Code of 1961. Makes it an offense of aggravated assault when an inmate attacks an employee of a county juvenile detention center who provides direct and continuous supervision or who supervises recreational activity for residents of a juvenile detention center. Effective immediately.

3/30/11 – Passed Senate 53-0-0.

Arrived in House.

WE ARE ONE An All-Illinois Week of Rallies for Workers' Rights

NEXT WEEK solidarity rallies will be held in cities all across Illinois protesting corporate interests that are waging class-warfare on working families in Wisconsin, Ohio, Indiana, Missouri and even here in Illinois.

Events will culminate on Saturday, April 9 with an ALL-ILLINOIS rally in downtown Chicago.

Monday APRIL 4

CHAMPAIGN - Rally at the University of Illinois Alma Mater Statue, corner of Green & Wright at 4:00 p.m. For more information, Dorinda Miller 217-333-1928.

DECATUR - Rally hosted by Decatur Trades & Labor Assembly, 5:30 p.m. at Central Park in downtown Decatur. For more information, Carl Draper 217-791-1279.

KANKAKEE - Rally hosted by Kankakee CLC and AF-SCME 29, 5:00 PM at the Community Resource Center, 150 N. Indiana Ave in Kankakee. For more information, Mike Smith 815-932-1726.

OTTAWA - Rally hosted by Illinois Valley CLC, 5:00 p.m. in Washington Park. For more information, Dan Mercer 815-725-0402.

PEORIA - Dr. Martin Luther King, Jr. remembrance ceremony hosted by West Central IL CLC in cooperation with NAACP, 5:00 p.m. at the Workers Memorial by Peoria City Hall. For more information, Mike Everett 309-673-3691.

ROCK ISLAND - Rally with voter registrar training hosted by Quad City Federation of Labor, 5:00-6:30 p.m. at Martin Luther King Center, 600 MLK Dr. in Rock Island. For more information, Tracy Kurowski 309-738-3196.

ROCKFORD - Rally hosted by NW IL Building Trades & Rockford CLC in cooperation with NAACP, 5:00 p.m. at Ingersoll Centennial Park, 315 S. First St., Rockford. For more information, Brad Long 815-963-7478.

Wednesday APRIL 6

BLOOMINGTON - Open CLC meeting hosted by Bloomington Normal Trades & Labor Assembly, 7:30 p.m. at LIUNA 362 Hall in Bloomington. For more information, Ronn Morehead 309-828-3222.

COLLINSVILLE - Rally hosted by Greater Madison County CLC & Southwestern IL CLC, 5:30 p.m. at the IBEW 309 Hall, 2000 Mall Street, Collinsville. For more information, Marty St. Peters 618-259-7011.

Thursday APRIL 7

GURNEE - "Wear Blue for Workers' Rights" day hosted by Lake County Federation of Teachers with a rally from 4:30-6:30 p.m. at Lake County Federation of Teachers Union Hall, 248 Ambrogio Drive in Gurnee. For more information, Sue Eberle 847-623-7725.

PEORIA - Rally hosted by West Central IL Labor Council, 5:00-6:30 p.m. at the Peoria County Courthouse, 324 Main St., Peoria. For more information, Mike Everett 309-673-3691.

SPRINGFIELD - Rally hosted by Springfield & Central IL Trades & Labor Council, 5:00 p.m. at the IL State Capitol, Springfield. For more information, Terry Reed 217-523-3722.

Friday APRIL 8

CARBONDALE - Rally hosted by Southern IL CLC at 6:00 p.m. at SIU Arena in Carbondale, rain or shine. For more information, Jason Woolard at 618-559-5779.

Saturday APRIL 9 – State Wide WE ARE ONE March & Rally

12 Noon – March to Daley Plaza from Hyatt Regency Hotel – 151 E. Wacker

WE ARE ONE rally hosted by the Chicago Federation of Labor and the Illinois AFL-CIO at 1:00 p.m. on April 9 in Chicago at Daley Plaza (corner of Clark and Washington). Join with national speakers who marched with Dr. King in Memphis, front line participants in the Wisconsin struggle along with Illinois workers and community allies standing against the assault on America's middle class.