



LEGISLATIVE UPDATE

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

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

The Illinois General Assembly will return to Springfield on Wednesday, February 4.
The House will convene at noon and the Senate will begin at 4pm.

STATE NEWS

QUINN SWORN IN AS 41ST GOVERNOR

Former Lt. Gov. Pat Quinn was sworn in as the state's 41st Governor following the impeachment of former Gov. Rod Blagojevich by the Illinois Senate yesterday.

Blagojevich was impeached on a unanimous 59-0 vote in the Senate. He addressed the senators midday Thursday before the deliberations and vote.

Quinn takes over amid serious economic woes in Illinois. He pledged a thorough review of the state's financial outlook and said he would ask to give the

annual Budget Address a month later than planned on March 18.

The Illinois AFL-CIO has already met with Governor Quinn, and will continue to meet with him to inform him of our legislative issues.

Quinn will serve out the remainder of the term. The next gubernatorial election is November 2010. He has not stated his plans for the 2010 election. The Lt. Governor position will not be filled until the election.

Unemployment Insurance Trust Fund Balance

The Illinois Department of Employment Security Advisory Board met on Thursday to review the effects the current recession is having on the Unemployment Insurance Trust Fund. Historically, the Advisory Board has met quarterly. However, due to the worsening economic picture the Advisory Board is now meeting monthly to closely monitor the UI Trust Fund balance and react accordingly.

The Illinois Unemployment Rate in December 2008 was 7.6%. In order to closely monitor both the Unemployment Rate and the Trust Fund balance the Department regularly forecast economic trends. According to these models, the Unemployment rate in Illinois will average approximately 9% in 2009 and increase to as much as 10.5% in 2010 before descending in 2011.

The Department reported seven (7) States are currently borrowing money from the Federal Government in order to continue paying unemployment benefits. While Illinois finished calendar year 2008 with a UI Trust Fund balance of \$1.46 billion, the projected deficit could reach \$300 million by the end of 2009 with much steeper deficits in 2010 and 2011.

The Economic Stimulus package being debated in Congress (*see back*) would not only provide needed jobs to help lower the UI Rate but would also provide States that meet certain criteria additional UI Trust Fund funding for unemployment insurance. Changes in current Illinois Law may be needed to ensure Illinois meets the criteria needed to capture as much of the federal funding as possible.

Labor Representatives on the Illinois Department of Employment Security Advisory Board are former Illinois AFL-CIO President Margaret Blackshere, Egyptian Building Trades President Tom Caliper and Illinois AFL-CIO Secretary Treasurer Tim Drea.

Motor Fuel Tax Meetings

Approximately 25 labor leaders from around the state met in Springfield on Monday to discuss House Bill 1 with Senator John Sullivan (D – Rushville), Senator Martin Sandoval (D – Chicago) and Representative John Bradley (D – Marion).

Bradley introduced House Bill 1 that will raise the motor fuel tax by 8 cents per gallon from (20.1 to 28.1 cents) for regular gas and from (22.6 to 30.6 cents) for diesel. A House/Senate analysis estimates that the increase in the motor fuel tax (MFT) could generate as much as \$500 million per year, which would support the issuance and debt retirement of \$5.9 billion in construction bonds. Revenue collected from the 8 cent increase will be deposited into the GROW Illinois Fund, a new fund in the State Treasury. Moneys in the fund must be used, with permission of the General Assembly, only for debt retirement and capital improvements.

The legislation does not specify that the appropriations from the GROW Illinois Fund be used exclusively for road and bridge construction. At this point in time it is unclear how this legislation would impact appropriations to or from the Road Fund.

We are in the first stages of negotiation on this legislation. The Illinois AFL-CIO and affiliated organizations are working with Representative Bradley and others for further definition on the legislation. There will be future meetings on this subject, to discuss other ideas for generating revenue for Capital projects, and the State Federation will keep our affiliates informed of these meetings.



Congress Passes Stimulus Package

they hope will create millions of jobs and lead to economic recovery. H.R. 1 passed by a vote of 244-188, with no Republicans voting for the measure. The Illinois delegation split along party lines with the eleven Democrats voting for the measure, and seven Republicans voting against it.

The American Recovery and Reinvestment Act is a package of spending and tax relief that is expected to create 3 to 4 million jobs nationwide, and over 203,000 jobs statewide by 2010. It includes investments in

education, health care, clean energy, and infrastructure, including nearly \$2 billion for Illinois roads, bridges, and clean water projects. It gives direct tax relief to 95 percent of American workers.

The stimulus bill that passed the House contains a provision that would mostly bar foreign steel and iron from the infrastructure projects laid out by the \$819 billion economic package. A Senate version, yet to be acted upon, goes further, requiring, with few exceptions, that all stimulus-funded projects use only American-made equipment and goods.

President Signs Lilly Ledbetter Fair Pay Act

On Thursday, President Obama signed his first piece of legislation - the Lilly Ledbetter Fair Pay Act of 2009 - that will help guarantee equal pay for equal work in the United States.

The legislation passed the House 250-177 and the Senate 61-36, narrowly making it over the 60-vote threshold to prevent a filibuster. All Illinois Democratic House members voted for the bill. All Illinois Republican House members voted against the bill. Both Illinois Senators voted for the bill.

The Lilly Ledbetter Act, named for the woman who proved a pay discrimination charge against her employer - Goodyear Tire - only to be told by the Supreme Court she had waited too long to sue, will allow workers to file pay discrimination charges up to 180 days after learning of the wrongful act. Previously the time limitation for filing the complaint began when the act was first committed.

As President Obama signed the bill yesterday with Lilly Ledbetter looking on, he told the audience including several Labor leaders, "It's the story of women across this country still earning just 78 cents for every dollar men earn -- women of color even less -- which means that today, in the year 2009, countless women are still losing thousands of dollars in salary, income and retirement savings over the course of a lifetime."

Obama Reverses Bush's Anti-worker Orders

Introduces new Middle Class Task Force

President Obama signed three executive orders this morning that he said should "level the playing field" for labor unions in struggles with management.

The orders will undo three Bush labor policies against workers. The Obama orders will:

- ✓ Require federal contractors to offer jobs to current workers when contracts change.
- ✓ Reverse a Bush order requiring federal contractors to post notice that workers can limit financial support of unions serving as their exclusive bargaining representatives.
- ✓ Prevent federal contractors from being reimbursed for expenses meant to influence workers deciding whether to form a union and engage in collective bargaining.

"I do not view the labor movement as part of the problem," Obama said. "To me it's part of the solution. You cannot have a strong middle class without a strong labor movement."

The President also talked about his new Task Force on Middle Class Working Families which will be headed by Vice President Biden. The Task Force includes the secretaries of labor, health, education and commerce, as well as members of the President's economic team.

**It's Time To Restore Workers' Freedom
To Form Unions and Bargain for a Better Life**

**RALLY TO SUPPORT
THE EMPLOYEE FREE CHOICE ACT**

**Tuesday • February 17 • 5:30 pm
Plumbers' Hall • 1340 W. Washington Blvd • Chicago**