

LEGISLATIVE UPDATE



JOHN T. COLI, PRESIDENT

MARCH 26, 2013

Teamsters Joint Council 25 has taken positions on roughly two dozen bills during the 2013 Spring Session of Illinois' 98th General Assembly. Positions are organized by the trades and industries the bills may affect.

Teamsters Hold Steady Against Rush of Pension Reform Proposals

With the Illinois General Assembly on a two-week recess until April 10, the Teamsters are priming to protect member benefits from a flurry of new bills targeting the state's drastically underfunded public employee pension systems.

Labor unions already quashed legislators' most severe pension reform proposal, Senate Bill 35, with a 23-30-3 vote on March 20. The bill would have negatively hit public employees with higher retirement ages and worker contributions, delayed cost-of-living adjustments (COLAs) and caps on pensionable salaries.

"Union members can't stop now. We've effectively opposed every draconian package that unilaterally and unconstitutionally diminishes benefits," said John T. Coli, President of Teamsters Joint Council 25. "Lawmakers cannot forget that unionized public employees made their contractual

contributions to the pension systems for decades. It's time for Springfield to pay its fair share."

Labor's recent fight, however, may only be the beginning as legislators have introduced more than a dozen new bills aimed at the pension systems. Between the House and Senate, several separate measures rolled out in March to comprehensively overhaul public employee benefits. Each bill features a different approach to curb pensions and rewrite rules for funding should any individual bill fail to pass both chambers.

Lawmakers also drafted additional bills leveled at specific pension components.

"The torrent of possible legislation this month is the General Assembly's way of trying to shield itself as legislators consider pension changes they know to be unconstitutional," Coli said. "If the first bill fails, they want to be ready with another one until enough

garbage is thrown against the wall that something finally sticks.

"Instead of rushing to get something done for the sake of solving this fiscal crisis, we want to work with lawmakers to find the best solution for all stakeholders."

Understanding Major Proposals

Of the harshest plans put forward, only two bills have been voted on since March 20. Senate President John Cullerton's Senate Bill 1 passed its chamber 30-22-2 but would only affect the Teachers Retirement System (TRS) should the House also pass the bill in coming weeks. Other bills are using SB 1 as a model for proposed legislation as it splits pension reform into two parts.

SB 1 includes a two percent increase to state teachers' pension contributions, capped pensionable salaries, delayed COLAs and a phased increase to retirement age.

Continued on next page



LEGISLATIVE UPDATE

JOHN T. COLI, PRESIDENT

MARCH 26, 2013

The bill would also give teachers a choice of receiving lower COLAs and continued access to retiree health care or higher COLAs with zero health care coverage.

At the committee deadline on March 22, President Cullerton introduced a new bill, Senate Bill 1544, which legislators have not yet voted on. The bill is identical to SB 1 but would apply to all current and retired state employees, state university workers and members of the General Assembly.

“Lawmakers will reconvene in Springfield on April 10 and the Teamsters will be keeping a close eye on Senate Bill 1544,” Coli said. “Among everything recently introduced, this bill is a sweeping reform proposal that would affect public employee union members.”

The House and Senate have respectively voted on five individual bills targeting specific pension benefits and obligations. Following bills are awaiting further action:

• **House Bill 1165 (Amend. #6)** — This amendment would cap COLAs for retirees at \$25,000 of retirement income. COLAs would be applied starting at age 67 or five years after retirement. The House passed the bill 66-50 on March 21.

• **House Bill 1154 (Amend. #10)** — The bill would cap pensionable income at \$113,000. It passed the House 101-15 on March 14.

• **House Bill 1166 (Amend. #6)** — Increases to the retirement age would be phased in under this proposal, raising the age by one to five years for all public employees aged 45 and younger. The bill passed the House 76-41 on March 14.

• **House Bill 1166 (Amend. #7)** — This amendment would increase workers’ pension contributions by three percent. It failed in the House 37-79 on March 14.

• **Senate Bill 1224** — Newly hired public employees would be prohibited from applying unused sick and vacation time to retirement income under this bill. It passed the Senate 53-0 on March 13.

Pressure Elected Officials

Three of the four individual bills passed out of the House last week could pose the most immediate threat to worker benefits should the Senate endorse any of the proposals. Like Senate Bill 35, union members must be ready to combat any unconstitutional legislation, be it a singular restriction on income or an overhaul of Illinois’ five pension systems.

“The Teamsters and our sister unions have been effective, but we need to keep the pressure on elected officials,” Coli said. “Members are encouraged to go online to monitor bills, to call

legislators and voice their opposition and to stand united against any assault on the rights and benefits you earned and paid for.”

Visit TeamstersJC25.com for more updates. All pension proposals can be tracked through the General Assembly at ILGA.gov.

Teamsters Joint Council 25 represents more than 125,000 hardworking men and women across Illinois and northwest Indiana.

INSIDE

Bill summaries begin on Page 3. Bills tracked by Joint Council 25 are divided into seven categories.

Collective Bargaining, PAGE 3

Transportation, PAGE 3

Illinois Film Tax Credit, PAGE 3

Funeral Industry, PAGE 3

Public Sector, PAGE 4

Public Pensions, PAGE 4

Gaming, PAGE 5

Construction News, PAGE 5

FIND MORE POLITICAL NEWS
AND UPDATES ONLINE AT

www.TEAMSTERSJC25.com



LEGISLATIVE UPDATE

JOHN T. COLI, PRESIDENT

MARCH 26, 2013

COLLECTIVE BARGAINING

RIGHT-TO-WORK

HOUSE BILL 3160

REP. JEANNE IVES (R)

STATUS: Failed to be called in committee
JOINT COUNCIL 25: OPPOSES this bill

Creates the Workers Rights Act by making union membership voluntary and allowing workers to resign all affiliation with a labor organization. The bill is a “right-to-work” bill.

REFUND FAIR SHARE FEES

HOUSE BILL 3290

REP. JEANNE IVES (R)

STATUS: Failed to be called in committee
JOINT COUNCIL 25: OPPOSES this bill

Requires union representatives to submit financial disclosures of all fair-share payments annually. If reports are not submitted in a timely manner, fair-share fees must be refunded.

TRANSPORTATION

INDEPENDENT CONTRACTING

SENATE BILL 1660

SEN. GARY FORBY (D)

STATUS: Failed to be called in committee
JOINT COUNCIL 25: OPPOSES this bill

Sets forth the conditions under which a person who operates a motor vehicle for a carrier of property is an independent contractor and not an

employee. The bill loosely defines independent contractor and will potentially threaten Teamster jobs.

IND. CONTRACTOR EXEMPTIONS

SENATE BILL 1661

SEN. GARY FORBY (D)

STATUS: Failed to be called in committee
JOINT COUNCIL 25: OPPOSES this bill

Exempts certain types of independent contractors from the Unemployment Insurance Act and the Workers Compensation Act. The bill further weakens the definition of an independent contractor and contributes to a diminishment of workers’ rights.

STATE PROCUREMENT

SENATE BILL 2183

SEN. DON HARMON (D)

STATUS: On 3rd Reading in the Senate
JOINT COUNCIL 25: SUPPORTS this bill

Encourages more sustainability and environmental impact considerations under the state procurement code.

LIQUOR CONTROL

SENATE BILL 1855

SEN. ANTONIO MUÑOZ (D)

STATUS: On 2nd Reading in the Senate
JOINT COUNCIL 25: SUPPORTS this bill

Reasserts the state’s public policy as it applies to the distribution of alcoholic beverages in Illinois. The bill will serve to protect Teamster jobs at local distributorships.

ILLINOIS FILM TAX CREDIT

FILM TAX CREDIT REPEAL

HOUSE BILL 180

REP. BILL MITCHELL (R)

STATUS: Failed to be called in committee
JOINT COUNCIL 25: OPPOSES this bill

Repeals the Illinois Film Tax Credit.

FILM TAX CREDIT EXPANSION

SENATE BILL 1816

SEN. PATRICIA VAN PELT (D)

STATUS: Scheduled to be heard in Senate Executive Committee
JOINT COUNCIL 25: SUPPORTS this bill

Amends the existing tax credit to include performing artists and industrial, corporate and institutional productions. The bill will attract more business and create thousands of jobs.

FUNERAL INDUSTRY

FUNERALS/DISORDERLY CONDUCT

HOUSE BILL 2961

REP. JERRY F. COSTELLO II (D)

STATUS: On 3rd Reading in the House
JOINT COUNCIL 25: OPPOSES this bill

Increases the time and distance for purposes of protests on property considered a funeral site. The bill inadvertently affects the ability to protest an employer. The bill infringes upon past negotiations of acceptable



LEGISLATIVE UPDATE

JOHN T. COLI, PRESIDENT

MARCH 26, 2013

conduct at a funeral site. The Teamsters are addressing concerns over this bill.

FUNERAL DIRECTOR LICENSING

HOUSE BILL 2616

REP. JIL TRACY (R)

STATUS: On 2nd Reading in the House

JOINT COUNCIL 25: OPPOSES this bill

Provides that the Funeral Directors and Embalmers Licensing Code shall not preclude an owner, as defined within the Act, from having personal contact with consumers while a licensed funeral director is present. The bill will have a negative impact on current Teamster funeral directors.

PRIVATE BURIAL

SENATE BILL 2249

SEN. PAMELA ALTHOFF (R)

STATUS: Stalled in committee

JOINT COUNCIL 25: OPPOSES this bill

Authorizes private burials without the involvement of a licensed funeral director. The bill poses many health concerns and has the potential to threaten Teamster jobs.

PUBLIC SECTOR

IDOT EMERGENCY TRAFFIC PATROL

HOUSE BILL 774

REP. JOHN D'AMICO (D)

STATUS: On 2nd Reading in the House

JOINT COUNCIL 25: SUPPORTS this bill

Allows IDOT's Emergency Traffic

Patrol vehicles to use red and white rotating and flashing lights. The bill is an initiative of Teamsters Local 700.

MOSQUITO ABATEMENT DISTRICT

HOUSE BILL 2815

REP. JIM DURKIN (R)

STATUS: Failed to pass the House Counties and Townships Committee

JOINT COUNCIL 25: OPPOSES this bill

Merges various mosquito abatement districts in suburban Chicago and would potentially threaten Teamster jobs at designated facilities.

PUBLIC EMPLOYEE PENSIONS

SENATE BILL 1

SEN. JOHN CULLERTON (D)

STATUS: Passed the Senate 30-22-2

JOINT COUNCIL 25: OPPOSES this bill

Increases employee contributions by two percent, caps pensionable salary at \$113,000, phases increases to retirement age and reduces COLAs. The bill gives workers a choice of receiving lower COLAs and continued access to retiree health care or higher COLAs with zero health care coverage. It only affects the Teachers Retirement System.

SENATE BILL 35

SEN. DANIEL BISS (D)

STATUS: Failed in the Senate 23-30-3

JOINT COUNCIL 25: OPPOSES this bill

Increases employee contributions by

two percent, caps pensionable salary at \$113,000, phases increases to retirement age and reduces cost-of-living adjustments.

SENATE BILL 2404

SEN. LINDA HOLMES (D)

STATUS: Has not yet been called for a vote

JOINT COUNCIL 25: Monitoring this bill

Proposes a guaranteed funding mechanism for members of retirement systems to take action against the state for failing to make its required pension payments. The bill establishes a pension stabilization fund that redirects state funds to pay down pension debt, while increasing employee contributions by two percent. The bill was proposed by the Illinois Education Association and is supported by We Are One.

SENATE BILL 1224

SEN. MATT MURPHY (R)

STATUS: Passed the Senate 53-0-0

JOINT COUNCIL 25: OPPOSES this bill

Restricts new hires from applying unused sick and vacation time to retirement income calculations.

HOUSE BILL 1165 (AMENDMENT 6)

REP. MICHAEL MADIGAN (D)

STATUS: Passed the House 66-50-0

JOINT COUNCIL 25: OPPOSES this bill

Caps COLAs for retirees beyond the first \$25,000 of retirement income. COLAs must also apply starting at age 67 or five years after retirement.



LEGISLATIVE UPDATE

JOHN T. COLI, PRESIDENT

MARCH 26, 2013

HOUSE BILL 3162

REP. JAY HOFFMAN (D)

STATUS: Has not yet been called for a vote
JOINT COUNCIL 25: Monitoring this bill

Identical to Senate Bill 2404. The bill was proposed by the Illinois Education Association and is supported by We Are One.

HOUSE BILL 1154 (AMENDMENT 10)

REP. MICHAEL MADIGAN (D)

STATUS: Passed the House 101-15-0
JOINT COUNCIL 25: OPPOSES this bill

Implements salary cap on pensionable income based on Social Security wage caps. The current cap would be approximately \$113,000.

HOUSE BILL 1166 (AMENDMENT 6)

REP. MICHAEL MADIGAN (D)

STATUS: Passed the House 76-41-0
JOINT COUNCIL 25: OPPOSES this bill

Implements phased in retirement age increases from one to five years for workers aged 45 years and younger.

HOUSE BILL 1166 (AMENDMENT 7)

REP. MICHAEL MADIGAN (D)

STATUS: Failed in the House 37-79-1
JOINT COUNCIL 25: OPPOSES this bill

Immediately increases public employee pension contributions by three percent. This is an amendment to House Bill 1166, which also phased in retirement age increases. The Joint Council continues to monitor the bill.

HOUSE BILL 3411

REP. ELAINE NEKRITZ (D)/REP. TOM CROSS (R)

STATUS: Has not yet been called for a vote
JOINT COUNCIL 25: OPPOSES this bill

Implements pension changes identical to Senate Bill 35, which failed to pass the Senate. The bill includes COLA reductions, increased retirement age, increased employee contributions and caps on pensionable salary. The bill passed the House Personnel and Pensions Committee 9-1.

GAMING

GAMING EXPANSION

SENATE BILL 1739

SEN. TERRY LINK (D)

STATUS: Has not yet been called for a vote
JOINT COUNCIL 25: SUPPORTS this bill

Creates five new casinos and authorizes slots at racetracks. Redirects gaming revenues towards state programs. It will create hundreds of Teamster jobs.

Gov. Quinn Announces \$486M Spring Construction Program for Road, Bridge Repair Across Illinois

On March 25, Gov. Pat Quinn announced \$486 million in road and bridge projects that will be started this spring. Joined by Transportation Secretary Ann Schneider, Gov. Quinn released a list of nearly 200 road and bridge projects across the state that will begin in the coming weeks.

The governor made the announcement on Chicago's South Side, where a \$32 million investment will rebuild the Stony Island Feeder to the Bishop Ford Freeway/I-94.

IDOT announced additional Chicago-area transportation investments including: a \$19.4 million bridge replacement project at Cumberland Avenue over the Kennedy Expressway,

\$3.5 million in additional bridge repairs on the Kennedy, and \$2.6 million on resurfacing projects on IL Rt. 43/Harlem Avenue at Higgins Avenue in Chicago and on 127th Street in Crestwood.

Many of the projects are funded through legislation Gov. Quinn championed in his State of the State address earlier this year. In 2009, he spearheaded Illinois Jobs Now!, the state's first capital construction program in a decade. The \$31 billion program is the largest in Illinois history, supporting an estimated 439,000 construction jobs. It includes \$14 billion for transportation through 2015. IDOT has already awarded 5,336 projects worth \$12.68 billion, supporting 160,000 jobs.