



# Laborers' International Union of North America

## Midwest Regional Office

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### Legislative Update

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#### **Rauner Threatens Shutdown of Construction Projects**

The State of Illinois' fiscal year begins on July 1. Over the last several decades, the legislature and governor have failed to enact a state budget by that date 25 times. In most of those years, the budget deadline was missed by only a day or two, but numerous times the budget was not finalized until mid-July. Never in any of those years did the governor – whether Democrat or Republican – shut down state construction projects.

But, for the second time in as many years, Gov. Rauner is forcing contractors on road, bridge and other state-funded projects to stop construction by July 1, therefore putting thousands of Illinois Laborers and other construction workers on the unemployment line during the height of the construction season if a budget deal is not reached.

The Illinois Department of Transportation (IDOT) and Capital Development Board (CDB) have historically allowed work to continue as long as contractors could afford to pay their workers during budget disputes. Rauner's IDOT and CDB heads last week told contractors to "button up" building projects and make work zones safer for drivers by June 30.

Rauner long ago threatened to use crisis to leverage his anti-worker agenda through the Democrat-controlled General Assembly. He appears determined to create a crisis now with construction workers and their families as his victims.

Road projects are funded by a combination of state and federal gas taxes and fees, like annual vehicle registrations. These projects are, therefore, self-funded and have no impact on the state's General Revenue Fund which finances the bulk of state operations. Other building projects are funded by revenue increases passed as a part of a large scale "capital construction" program. Rauner has already suspended most significant vertical construction jobs as a result of the budget stalemate.

The crisis Rauner created in 2016 was avoided because Democrats passed a yearlong construction budget. Rauner, ultimately, backed down and signed that bill into law. Whether he will do so this year seems, at this time, unlikely.

**\*\*\*ACTION ALERT: IF YOU HAVE NOT ALREADY DONE SO, PLEASE FORWARD TO THE REGIONAL OFFICE THE LIST OF IDOT PROJECTS THAT ARE UNDERWAY, OR WOULD SOON BE EMPLOYING YOUR MEMBERS, AS SOON AS POSSIBLE.\*\*\***

#### **Rauner's Ransom? Cut Benefits for Injured Workers**

In order to get his support for a fully-funded state budget, Rauner is requiring numerous issues completely unrelated to state operations to be linked to a budget. One of his biggest demands is a long list of benefit cuts for injured workers.

Last week, Republicans introduced a bill that would, among other things: 1) require injured workers to be out of work longer before they may collect workers' comp benefits; 2) cut benefits for workers with permanent disabilities through expanded use of American Medical Association Guidelines; 3) cut permanent partial disability (PPD) benefits for higher wage workers; and 4) force more good doctors out of the workers' comp system by cutting their fees by 20 to 30 percent (on top of the 30 percent cut passed in 2011).

Rauner claims that more workers' comp benefit cuts will save employers money, but that has not been the case with the 2011 cuts. Benefit payouts are down 20 percent since 2011, but insurance company profits have increased every year. In 2015 (the last year for which data is available) Illinois insurance company profits were 17.2 percent. Yet, employer groups are still complaining about workers' compensation costs. Go figure.

So, to summarize, Rauner plans to hold Laborers' jobs hostage until lawmakers agree to cut the benefits of our members when they get hurt. And the only group that will benefit is the insurance industry.