



Laborers' International Union of North America

Midwest Regional Office

John F. Penn, LIUNA Vice President and Midwest Regional Manager

LEGISLATIVE UPDATE

July 10, 2017

Budget Deal Keeps Laborers Working with NO Weakening of Worker Protections...

For two years under the control of **Gov. Bruce Rauner (R)**, the State of Illinois operated without a complete budget. Why? Because Rauner insisted on linking his support for a responsible budget to passage of his so-called "Turnaround Agenda." Though the press typically describes Rauner's wish list as pro-business, it is really anti-worker and, specifically, anti-union.

Over that time the legislature and the governor approved seven partial spending plans to allow elementary and high schools to open, to keep Laborers and other construction workers employed on state-funded construction projects and to forward money to local governments that the state collected on their behalf. None of those "stopgap" budgets included Rauner's ransom demands.

Most other state operations continued through a patchwork of court rulings and laws that required certain spending to continue, like making payments on the loans that finance construction projects. As a result of this autopilot budgeting, Illinois was spending \$7 billion more than it was taking in. On top of that, the resulting late payments to businesses, doctors and others that provide goods and services to state government were piling up interest penalties approaching \$1 billion, almost as much interest the state paid over the previous 10 years combined. And Illinois' state universities were being starved to the point where several were given "junk status" by Wall Street and were on the brink of losing their accreditation meaning their diplomas – literally – would not be worth the paper they are printed on.

So, this long budget standoff was not a fight over whether taxes would be increased. Everyone – Rauner and lawmakers from both parties – knew that a tax hike was needed. Rauner, himself, said he would support a tax increase. The question over the last two years was whether lawmakers would cave in to Rauner's agenda and force the working people of Illinois to pay more in taxes AND have their pay cut through elimination of the Prevailing Wage Act AND a weakening of their collective bargaining rights AND cut their workers' compensation benefits when they get injured.

In the end, the Democrats, led by **House Speaker Michael Madigan (D-Chicago)** and **Senate President John Cullerton (D-Chicago)**, held strong against Rauner's anti-worker demands. Eleven Republicans broke from their party and defied their governor to override his veto of a budget plan that cut state spending by \$3 billion and allows Illinois government to function.

Nobody likes paying taxes, but as **State Rep. David Harris (R-Arlington Heights)** said during debate, he "was not elected to preside over the financial destruction of this state." And that's exactly what would have happened without this responsible and necessary spending plan.

... But It's Not Over Yet

The legislature may soon return to the Capitol because of a provision in the spending plan that requires state funding for schools to be divided up based on districts' need. The next school funding payment from the state is due August 10, so there may be more action – and another opportunity for Rauner to "leverage a crisis" – in Springfield before that date.