



Laborers' International Union of North America

Midwest Regional Office

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Illinois Legislative Update

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Rauner Gives Factually-Challenged State of the State Address, Targets Unions

Despite stating that voters want “a government where people come together to solve problems and get things done,” Governor Bruce Rauner (R) gave one of the most divisive speeches in memory, blaming unions for everything from high taxes to inflated construction costs.

Rauner used the speech to renew his call for allowing all units of local government to adopt Right-to-Work (for Less) zones, this coming despite the fact that the federal courts have consistently and repeatedly ruled such ordinances illegal over the last 50 years.

Ironically, Rauner's stated rationale for Right-to-Work (for Less) laws, supposedly spurring economic growth, was undermined in a report released today by the credit ratings agency, Moody's Analytics. In its report to Illinois' economic forecasting agency, Moody's said it is “extremely difficult to gauge the effects of right-to-work laws on job creation and a state's economic prosperity.” It went on, stating:

“Also debatable is whether right-to-work laws enhance economic growth even in circumstances where they do help attract businesses to a state. Since laws that hurt unions shift the balance of power from employees to owners, they tend to erode wages and lead to a more uneven distribution of the gains of economic growth. Consequently, even if the impact of right-to-work laws is positive in the short run, it can diminish over time because of the downward pressure on incomes.”

Gov. Rauner continued his factually-challenged speech stating that he wants to reform “project labor agreements and prevailing wage requirements that block true competitive bidding.” Nothing, of course, prohibits any contractor, union or non-union, from bidding on a PLA- or Prevailing Wage-covered project. Rauner went on to claim, again erroneously, that they increase construction costs “by 20 percent or more.” Rauner, seemingly, will focus his attention on eliminating Prevailing Wage coverage on school construction projects, stating that “reforming the prevailing wage laws could save our schools nearly \$160 million per year.” To quote Rauner from his recent speeches, “the math doesn't add up.”

Public employees did not escape Rauner's aim today, either. He called for creating a Right-to-Work (for Less) law for state and local government workers, forcing all current state employees into the “Tier 2” pension plan or a 401(k) for future work and banning political contributions from unions that represent state employees. Rauner also stated his support for allowing municipalities to declare bankruptcy to avoid paying worker pension benefits.

After stating on the campaign trail that he supported eliminating the Minimum Wage, Rauner changed his tune to say that he could support an increase in exchange for business-friendly reforms. Gov. Rauner today stated today that he could support an increase in the wage threshold from the current \$8.25 to \$10 per hour... over seven years. Rauner's ransom demands for the annual quarter and hour increase? In addition to the various anti-worker, anti-union proposals mentioned above, the Governor wants to reduce or eliminate workers' compensation benefits for older workers and those with pre-existing conditions and make it easier for employers to fire workers without paying unemployment insurance benefits.

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Feel the Power

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