



Laborers' International Union of North America Midwest Regional Office

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

LIUNA Legislative Update

June 2, 2019

\$44 Billion Construction Program Passes

After extending the scheduled legislative session by two days to hammer out details in final negotiations, the Illinois House and Senate passed a bipartisan balanced state budget and \$44 billion capital construction package, finally funding improvements to our transportation infrastructure, schools and universities, state facilities, and other projects. **Gov. JB Pritzker (D)** has committed to signing both sets of legislation. The final deal also included a major incentive package for data center projects to locate in Illinois, potentially creating hundreds of thousands of work hours for Laborers. Legislation addressing safety training in oil refineries, ethanol plants and other hazardous facilities and changes to the state's collective bargaining laws to address the aftermath of the Supreme Court's decision in the Janus case were both held until the fall Veto Session.

Rebuild Illinois Construction Program

Following through on yet another campaign promise, **Gov. JB Pritzker (D)** was able to pass the largest construction program in state history. The program, called Rebuild Illinois, finances both transportation and vertical construction projects and, unlike previous programs that led to feast and famine cycles for construction workers, this program sets Illinois up for a sustainable increased investment in our infrastructure after a multi-year spike in construction funding. The program passed with overwhelmingly bipartisan support.

Road Construction

Since 2013, 30 states have increased their gas tax, but Illinois had not done so since 1990. With the cost of construction going up, and increased fuel efficiency in cars leading to declining revenue for the Road Fund, a gas tax increase became inevitable.

Rep. Jay Hoffman (D-Belleville) and **Sen. Pat McGuire (D-Joliet)** sponsored **SB 1939**, which will double the existing funding available for Illinois' transportation infrastructure. The major components are the following:

- **Gas tax increase: Additional \$1.3 billion annually**
 - Increases per gallon tax on gasoline from 19 cents to 38 cents; and
 - Increases per gallon tax on diesel fuel from 21.5 cents to 45.5 cents;
 - Both become effective with the Governor's signature;
 - Adjusted annually for inflation.
- **Vehicle Registration: Additional \$443 million annually**
 - Increases by \$102 to \$152 annually; and
 - Electric vehicle fee increases from \$17.50 to \$252 annually.
- **Sales Tax Transfer: Additional \$480 million annually (after 5-year phase-in)**
 - Redirects \$96 million from general fund to Road Fund every year for 5 years. The sales tax on gasoline currently goes to state's general fund.

The bill passed the House on Saturday by a vote of 83-29-1, with 20 Republicans supporting it. The Senate followed suit on Sunday with a similarly bi-partisan vote of 48-9-1. More than half of the Republican senators (12) supported the bill.

Vertical Construction

The key to vertical construction funding was a long-fought and significant expansion of gambling. **Rep. Bob Rita (D-Blue Island)** and **Sen. Terry Link (D-Gurnee)** sponsored **SB 690**, which authorizes new casinos in Danville, Rockford, Williamson



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County, Chicago, south suburban Cook and Lake counties. New casinos are a double win for Laborers, as they will provide job opportunities during construction and the tax revenue they generate when they open will fund additional public works projects. Further, existing casinos will be allowed to construct land-based facilities.

Racetracks, such as Fairmont Park in Collinsville, which employs dozens of Laborers, will also be allowed to offer table games. Video gaming locations will be able to have an additional terminal, increasing the maximum number of positions to six per location. Other new vertical construction funding sources include a cigarette tax increase of \$1 per pack, a new tax on parking garages, and a sales tax on goods purchased online.

Other Components of the Deal

In order to secure the votes for the massive infrastructure program several side deals were made. Republicans in the House sought some business incentives, which, unlike those pursued by former Gov. Bruce Rauner over the last 4 years, had nothing to do with taking rights away from workers. Instead, they could lead to significant job opportunities for organized labor. Democrat members of the Legislative Black Caucus also insisted on funding pre-apprentice programs with a focus on preparing a larger number of minorities for careers in the construction trades.

Minority Participation

The capital bill established a goal that 10 percent of the hours performed by each Prevailing Wage classification on public works projects be performed by apprentices, regardless of color or gender. In addition, \$25 million will be directed to the newly-created Illinois Works Pre-apprenticeship Program to award grants to community-based organizations to recruit and train pre-apprentices from underrepresented groups. The Illinois Works Bid Credit Program will create a system by which a contractor or subcontractor who employs graduates of pre-apprenticeship programs on public works projects will be awarded a "credit" to lower one of their future bid costs. A similar program has been used at the Illinois Toll Highway Authority.

Data Centers

At the request of House Republicans, tax incentives to attract large data centers were part of the package. There are several companies that are rumored to be considering building in Illinois. One rumored proposal includes a 1 million square foot building on a 2.5 million square foot concrete pad at the cost of \$800 million over 24 months. Most importantly, organized labor worked to get labor protections added to the legislation, such as a project labor agreement requirement and a requirement that contractors meet responsible bidder standards, virtually guaranteeing that any data centers built with this tax credit will be built union. Facebook, Google and Microsoft have built similar data centers in Iowa. Even before completion of the initial projects the companies have announced further expansions.

Hazardous Material Training

House Republicans, on the down side, insisted that Labor-supported legislation establishing training and wage requirements for construction workers in oil refineries, ethanol, bio-diesel and chemical plants be held. **SB 1407**, sponsored by **Sen. Mike Hastings (D-Frankfort) and Rep. Larry Walsh (D-Joliet)**, was not called for a vote in the House after passing the Senate by a vote of 38-17 last week. This bill will likely receive a vote in the fall Veto Session.



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State Budget

The budget bill was carried by **House Majority Leader Greg Harris (D-Chicago)** in the House and **Sen. Heather Steans (D-Chicago)** in the Senate, and includes funding for state operations, grants to social service organizations that suffered during Gov. Rauner's tenure, and funding for back pay for state workers who did not receive their contractually-obligated raises for the last several years. The Laborers' Union represents hundreds of state workers who went without raises during the Rauner administration.

Post-Janus Public Workplace Rights Legislation

In the aftermath of the U.S. Supreme Court's anti-union decision in the Janus case, public employee unions came together this session to develop legislation to protect public employees' privacy and the strength of their union. However, the legislation was not finalized in time to be passed by the General Assembly and will likely be considered during the fall veto session. **SB 1784**, sponsored by **Sen. Don Harmon (D-Oak Park) & Rep. Jay Hoffman (D-Belleville)**, would:

- Prohibit third parties such as the anti-union Illinois Policy Institute from accessing public employees' personal contact information;
- Require that public employee unions have access to communicate with new hires as well as current members;
- Ensure that public employers are required to process automated dues deductions;
- Establish a limited window of time during which a public employee can leave their union; and
- Clarify that employees who leave the union cannot get a "refund" on dues or fair share fees they have already paid.

Rebuild Illinois Projects

Most of the projects to be funded by the Rebuild Illinois construction program are not yet identified. Those that were specified in the spending bill are listed below, as are the general categories of spending:

Dollar Amount	State Agency	Area	Project
\$9,348.350 million	Transportation	Statewide	Road construction
\$736.500 million	Transportation	Statewide	Road construction - municipalities
\$355.954 million	Transportation	Statewide	Downstate mass transit
\$275.000 million	Transportation	Statewide	Passenger rail - Chicago to Rockford
\$274.050 million	Transportation	Statewide	Road construction - counties
\$238.350 million	Transportation	Statewide	Road construction - road districts
\$225.000 million	Transportation	Statewide	Passenger rail - Quad Cities
\$150.000 million	Transportation	Statewide	Port improvements
\$144.000 million	Transportation	Statewide	Airports
			Passenger rail improvements - Chicago to
\$100.000 million	Transportation	Statewide	Carbondale
\$78.000 million	Transportation	Statewide	RR grade crossings
\$72.000 million	Transportation	Statewide	IDOT facilities
\$2,000.000 million	Capital Devel. Bd.	Statewide	State facilities - deferred maintenance
\$400.000 million	Capital Devel. Bd.	Statewide	Higher Education - private college grants
\$200.000 million	Capital Devel. Bd.	Statewide	Hospital construction grants



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\$172.570	million	Capital Devel. Bd.	Statewide	Community College Board - deferred maintenance
\$126.356	million	Capital Devel. Bd.	Statewide	Public Health - new health lab
\$100.000	million	Capital Devel. Bd.	Statewide	Corrections - renovations
\$100.000	million	Capital Devel. Bd.	Statewide	Pre-school construction grants
\$90.000	million	Capital Devel. Bd.	Statewide	Corrections - X-house construction
\$80.500	million	Capital Devel. Bd.	Statewide	Central computing facility
				Renewable energy & energy efficiency - state facilities
\$70.000	million	Capital Devel. Bd.	Statewide	State Police - new crime lab
\$65.500	million	Capital Devel. Bd.	Statewide	Juvenile Justice - new construction & renovations
\$60.000	million	Capital Devel. Bd.	Statewide	State Police - new combined facility
\$55.000	million	Capital Devel. Bd.	Statewide	Community Health Center construction grants
\$50.000	million	Capital Devel. Bd.	Statewide	Higher Education - deferred maintenance
\$38.000	million	Capital Devel. Bd.	Statewide	Corrections - Fiber installation
\$25.000	million	Capital Devel. Bd.	Statewide	
\$50.000	million	Arts Council	Statewide	Arts organizations - permanent improvements
\$400.000	million	Commerce & Econ. Opp.	Statewide	Broadband deployment
\$475.000	million	Commerce & Econ. Opp.	Statewide	Local government infrastructure grants
				Grants & loans to foster economic development & increase employment
\$175.000	million	Commerce & Econ. Opp.	Statewide	Business grants in economically depressed areas
\$75.000	million	Commerce & Econ. Opp.	Statewide	State agency grants
\$50.000	million	Commerce & Econ. Opp.	Statewide	Foster emerging technology enterprises
\$50.000	million	Commerce & Econ. Opp.	Statewide	Illinois Works Pre-apprenticeship program
\$25.000	million	Commerce & Econ. Opp.	Statewide	Minority Empowerment grants
\$15.000	million	Commerce & Econ. Opp.	Statewide	Human Service grants
\$15.000	million	Commerce & Econ. Opp.	Statewide	Local government, school & community provider infrastructure improvements
\$5.018	million	Commerce & Econ. Opp.	Statewide	
\$50.000	million	Natural Resources		Park improvements
\$40.000	million	Natural Resources		Oil & gas well plugging
\$33.000	million	Natural Resources		Land acquisition
\$25.000	million	Natural Resources		Open Land Trust Program
				Ecosystem rehabilitation (w/ Army Corps of Engineers)
\$22.900	million	Natural Resources		Land conservation
\$20.000	million	Natural Resources		Dam upgrades
\$19.842	million	Natural Resources		Flood mitigation
\$10.000	million	Natural Resources		



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\$100.000	million	Environmental Protect.		Drinking water infrastructure projects
\$100.000	million	Environmental Protect.		Water Revolving Fund
\$85.000	million	Environmental Protect.		Sewage treatment works grants
\$70.000	million	Environmental Protect.		Transportation electrification infrastructure
\$47.000	million	Environmental Protect.		Hazardous waste fund (Sec. 22.2)
\$25.000	million	Environmental Protect.		Green infrastructure financial assistance program
\$1.500	million	Environmental Protect.		Nonpoint source water quality grants
\$100.000	million	Military Affairs		National Guard facilities
\$200.000	million	State Board of Ed.		K-12 school construction grants
\$200.000	million	Revenue		IHDA - Affordable housing grants
\$50.000	million	Secretary of State		Public library permanent improvement grants
\$77.025	million	Capital Devel. Bd.	DeKalb	NIU - computer science building
\$52.900	million	Capital Devel. Bd.	DeKalb	NIU - miscellaneous improvements
				Kishwaukee River flood damage reduction - Kingston
\$0.500	million	Natural Resources	DeKalb	
\$118.836	million	Capital Devel. Bd.	Coles	EIU - science building
\$19.500	million	Capital Devel. Bd.	Coles	EIU - miscellaneous improvements
\$24.400	million	Transportation	Jersey	US 67 Dehli bypass
				Lewis & Clark CC - Main complex renovations & repairs
\$37.500	million	Capital Devel. Bd.	Madison	
\$94.500	million	Capital Devel. Bd.	McDonough	WIU - science building
\$28.931	million	Capital Devel. Bd.	McDonough	WIU - miscellaneous improvements
				Spoon River CC - Macomb CTE/nursing building construction & renovation
\$19.828	million	Capital Devel. Bd.	McDonough	Human Services - Rushville treatment & detention center
\$30.659	million	Capital Devel. Bd.	Schuyler	
				Illinois Central College - Edwards Building renovations & road & parking lot resurfacing
\$5.163	million	Capital Devel. Bd.	Tazewell	
\$89.205	million	Capital Devel. Bd.	McLean	ISU - Millner Library addition & renovation
\$40.408	million	Capital Devel. Bd.	McLean	ISU - miscellaneous improvements
\$105.370	million	Capital Devel. Bd.	Madison	SIUE - health sciences building
\$24.257	million	Capital Devel. Bd.	Madison	SIUE - miscellaneous improvements
\$2.700	million	Natural Resources	Randolph	Edgar Lake pump station
				Jacksonville - Town Branch flood damage reduction
\$2.500	million	Natural Resources	Morgan	
\$350.000	million	Architect of the Capitol	Sangamon	State Capitol complex upgrades



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\$122.000	million	Transportation	Sangamon	Springfield rail improvement
\$122.000	million	Capital Devel. Bd.	Sangamon	Armory renovation
\$35.000	million	Capital Devel. Bd.	Sangamon	UIS - library learning student success building
\$30.000	million	Capital Devel. Bd.	Sangamon	Capitol complex - HVAC SIU School of Medicine - miscellaneous improvements
\$11.938	million	Capital Devel. Bd.	Sangamon	UIS - miscellaneous improvements
\$11.632	million	Capital Devel. Bd.	Sangamon	Lincoln Land CC - student services facilities renovation & expansion
\$3.793	million	Capital Devel. Bd.	Sangamon	Lincoln Presidential Library & Museum - deferred maintenance
\$3.000	million	Capital Devel. Bd.	Sangamon	Carl Sandburg CC - road & parking lot resurfacing
\$0.422	million	Capital Devel. Bd.	Knox	UIUC - miscellaneous improvements
\$195.200	million	Capital Devel. Bd.	Champaign	UIUC - math, statistics & data science center
\$100.000	million	Capital Devel. Bd.	Champaign	UIUC - quantum information sciences building
\$100.000	million	Capital Devel. Bd.	Champaign	Danville Area CC - clock tower center & ornamental horticulture renovation & remodel
\$2.265	million	Capital Devel. Bd.	Vermilion	E. Dubuque flood control project
\$4.200	million	Natural Resources	Jo Daviess	Metrolink extension - Scott AFP to MidAmerica Airport
\$96.000	million	Transportation	St. Clair	SIUC - communications building
\$83.019	million	Capital Devel. Bd.	Jackson	SIUC - miscellaneous improvements
\$56.074	million	Capital Devel. Bd.	Jackson	Shawnee College - building center construction & renovation
\$1.952	million	Capital Devel. Bd.	Pulaski	John A. Logan College - West Lobby expansion
\$3.775	million	Capital Devel. Bd.	Williamson	Rend Lake CC - allied health building
\$5.270	million	Capital Devel. Bd.	Jefferson	IECC Olney Central College - Applied Technology Center renovation & remodel
\$2.307	million	Capital Devel. Bd.	Richland	IECC Frontier College - student education & support center renovation & remodel
\$2.642	million	Capital Devel. Bd.	Wayne	Southeastern CC - vocational building addition
\$1.680	million	Capital Devel. Bd.	White	