



**GENERAL ASSEMBLY**  
STATE OF ILLINOIS

**MICHAEL J. MADIGAN**  
SPEAKER  
HOUSE OF REPRESENTATIVES

ROOM 300  
STATE HOUSE  
SPRINGFIELD, ILLINOIS 62706

January 30, 2013

Michael T. Carrigan, President  
AFL-CIO / We Are One Illinois  
534 S. 2<sup>nd</sup> Street, Ste. 200  
Springfield, IL 62701

Dear Mr. Carrigan:

I'd like to respond to your January 22, 2013 letter regarding the need to develop legislative solutions to address the underfunding of the state's pension systems. Your interest in taking a more active role on this issue is welcome.

However, your suggestion of a meeting in Burr Ridge is not timely. A summit on this topic could have been called several years ago when we first started to grapple with this complex and controversial topic. A number of proposals have advanced since that time, but we have not been able to assemble the necessary bipartisan coalition to approve a plan that would stabilize the state systems for current and future retirees.

Your letter implies pension reforms faltered because the concerns of labor were not considered. In my view, the positions of organized labor were taken into account during the 2012 legislative session. I recall no fewer than **eight high-level** meetings that took place with labor, legislative leaders and the governor. At that time, I felt there was little willingness from representatives of labor to draft a comprehensive, common-sense solution.

The residents of Illinois have been asked to shoulder a higher tax burden in recent years. For several years, Illinois has had to address very serious issues, including rising pension, Medicaid and state healthcare costs, all of which have contributed to the state's massive budget pressures. The state has reduced spending in many areas, but costs for pensions continue to increase and unions representing state employees insist that salaries be increased. Many state lawmakers understand the difficult situation before us, having voted to cut their own legislative pay the last four years.

To date, we have received no cooperation from the labor unions representing state employees on addressing these challenges. In fact, these unions often have been strongly opposed to any attempt to solve the problem. For example, AFSCME recently said it will not ratify a contract that decreases the take-home pay of its employees.

It is worth noting a recent editorial points out that of the 12 most populous states, Illinois has the fourth highest average state worker pay, including overtime, and information from the U.S. Bureau of Labor Statistics and Kaiser Family Foundation shows that Illinois state workers pay significantly less for their insurance premiums than those in the private sector.

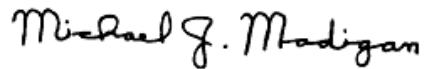
It is time for labor to come to the table with an honest proposal that recognizes the state's serious fiscal condition and puts government employees on par with those in the private sector relative to a benefits package.

One measure introduced in the 98<sup>th</sup> General Assembly, House Bill 98 sponsored by Rep. Elaine Nekritz, includes a series of proposals that would put Illinois on a path to preserving the state's pension systems. We must also look for fresh ideas to end the practice of state payments for non-state workers. I look forward to your thoughts on both topics.

I look forward to your announcement of support of reforms that helps the state address its budget pressures and preserves the pension systems for the employees counting on them. Please feel free to contact me if you have any questions.

With kindest personal regards, I remain

Sincerely yours,

A handwritten signature in black ink that reads "Michael J. Madigan". The signature is written in a cursive, slightly slanted style.

**MICHAEL J. MADIGAN**  
Speaker of the House