



A Union of Professionals

# 1274 Newsline

North Suburban Teachers Union – Local 1274, CFL, IFT/AFT, AFL-CIO

May 2014

## Fair Taxes: Legislature Drops the Ball

On April 29, hundreds of citizens, including many IFT members, rallied in Springfield for fair taxes. Chanting “We are the 94 percent” and holding signs that said “Let the Voters Decide,” they demanded action from legislators on a bill that would put the issue of a progressive income tax on the November ballot.

On that same day, members of the Illinois Senate adjourned without taking a vote on the bill, despite a May 1st deadline, thus making it certain that the proposal will not be put to the voters in November. While this will not end our efforts to fix the tax system, this shameful episode was a lost opportunity.

This is an issue on which many local members have been active. Last fall, NSTU members joined a petition drive led by A Better Illinois, a coalition of groups including the IFT, calling for fair taxes. For Illinois, this would mean first and foremost moving toward a progressive income tax – in other words, having a lower tax rate for lower income citizens and a higher tax rate for the wealthy – as opposed to our current regressive flat tax.

Illinois is one of only eight states that continue to have a flat income tax. While a flat tax might seem fair, at least at first glance, since everyone is taxed the same



**A BETTER ILLINOIS**

percentage of their income, it actually creates gross inequities.

It has been estimated that, in Illinois, low- and middle-income people pay two to three times as much in combined state and local taxes as the 1% pay. For instance, a typical household earning \$10,000 a year pays about 14 cents of every dollar in taxes, while a household making \$1.5 million pays only about 5 cents. This is because property taxes and sales taxes fall more heavily on lower income groups, and the flat state income tax does nothing to redress this burden.



Above, IFT President Dan Montgomery kicked off an April 18<sup>th</sup> rally in Springfield by asking, “Do we want justice or injustice? Do we want fairness or unfairness? Let’s get a fair tax now!”

The truth is that our tax system is fundamentally flawed, suffering from what is called a structural deficit. This means that, as currently designed, state taxes can never keep up with increases in the cost of services even at their current level, let alone allow for increased funding to education and other critical areas. (See chart on page 2.) One way to start fixing this is to institute a progressive income tax.

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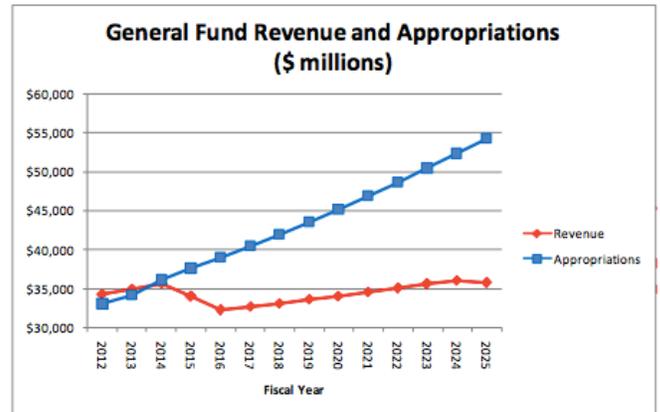
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No one ever said changing our tax system would be easy. One of the hurdles in Illinois is that the flat tax is imbedded in our constitution. Moving to a progressive income tax therefore requires a constitutional amendment, which in turn requires a vote by the legislature followed by voter approval. The bill that was shelved when the Illinois Senate adjourned on April 29<sup>th</sup> was intended to be the first step in that process.

In the meantime, expect the battle over taxes to continue. For one thing, the Illinois income tax rate is scheduled to revert to 3.75% from its current temporary level of 5% by the end of the year, if the legislature does not act. If this should happen, it would place Illinois back at the bottom of the pack – 42<sup>nd</sup> out of 50 states – in terms of the average percentage of income paid in state and local taxes. It would also place the state in even greater fiscal jeopardy than it already faces – with the threat of draconian budget cuts not far behind. This is sure to be the focus of intense debate.

And speaking of debate, let's not forget this is an election year, with gubernatorial and other candidates certain to hammer the tax issue from all sides. ■



Illinois' Structural Deficit: As costs rise with the rate of inflation (top line), taxes will not keep up, as currently configured (bottom line). Without changes, the result will be even greater budget deficits or draconian cuts, or both. Source: Center for Tax and Budget Accountability

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*According to A Better Illinois, the proposed progressive income tax would reduce taxes for 94% of Illinois citizens. The idea is supported by 77% of the public, according to recent polls.*

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For more information, go to: [abetterillinois.org](http://abetterillinois.org) or the Center for Tax and Budget Accountability at [ctbaonline.org](http://ctbaonline.org)

## Union Merger: NTFT + NTSS

On Tuesday, April 29, teachers and support staff at Niles North and Niles West High Schools took a vote to determine whether their unions, the Niles Township Federation of Teachers (NTFT) and the Niles Township Support Staff (NTSS), would merge. The answer was a resounding yes.

With 65% of eligible members turning out to vote, the NTFT approved the merger by 267 to 4, while the NTSS voted in favor by 211 to 7.

For several decades, both unions have cooperated regarding school business. However, up until this point, each had remained independent, holding separate charters with the state, as well as separate

constitutions, bylaws, and elected and appointed officers. Both have been members of Local 1274 -- in fact, among the biggest councils with approximately 400 teachers and 200 support staff.



Given the growing challenges that all unions are facing, the need for solidarity has never been greater. With that in mind, many in the NTFT and NTSS came to feel that the time was right for a merger. As Steve Grossman put it, "One of the main purposes of a union is to give voice to the worker - not just in negotiating contracts, but in workplace decisions large and small. And that voice is more likely to be heard if we speak together as one."

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## A Cautionary Tale from Wisconsin

With the primaries settled, the November 2014 governor's race in Illinois is set. It will be a battle between Democratic incumbent Pat Quinn and Republican Bruce Rauner. Rauner is a mega-rich vulture capitalist with no experience in government – no experience in even managing a corporation – who hopes to use his vast wealth to purchase his way into the governor's mansion.

And he has the resources to do just that. Rauner, who earned over \$54 million last year alone, spent \$15.2 million to eke out a narrow victory in the Republican primary – that represents an investment of \$46 per vote!



This election must be seen as a wake up call to all of our members and indeed to working men and women across Illinois. Bruce Rauner, the ultimate one-percenter, with his anti-union, pro-corporate and wealthy class agenda, poses a real threat to those in the 99%. If that pronouncement seems hyperbolic, just look north to see what has happened in Wisconsin.

We all remember well the intense and passionate battle fought in Madison, Wisconsin in 2011 as protesters crowded the capital building in an attempt to block passage of newly elected Governor Scott Walker's bill to take away bargaining rights from public sector workers. As we know, that valiant attempt failed, as did the subsequent effort to recall Walker from office, and the bill did indeed become law. But how many of us have stayed with that story to understand the real consequences of that legislation?

At a recent AFT conference in St. Louis, I had a chance to sit down with AFT Wisconsin President Kim Kohlhaas to learn first hand what has happened to their union and its members as a result of that law. The core element of Walker's law strips collective bargaining rights from public sector unions. In fact, the only issue that a union can negotiate is salary, but only up to the rate of inflation; to earn an increase over CPI requires a referendum of all voters in a district.

In addition, public sector unions lost the right to have their dues collected through payroll deductions. Unions now have to bill members directly each month to collect dues. Furthermore, unions need to recertify with the state

every year by, among other things, holding elections to demonstrate member support.

Moreover, the law prohibits the very existence of contracts. In Wisconsin, teachers are now merely given some sort of handbook, prepared by the district, detailing all working conditions. And if the district violates the rights of its workers, although the union can still bring a grievance to arbitration the decision by the arbitrator is no longer binding. The school board retains the ultimate power to decide whether it, or its administration, violated its own policy.

So how has this law affected teachers and the teaching profession in Wisconsin? To begin with, AFT Wisconsin – the IFT's counterpart to the north – has seen its enrollment plummet from over 30,000 members to fewer than 7,000. The elimination of collective bargaining and the weakening of the union has led to dramatic reductions – up to 25% or higher in some areas – in salary and benefits for teachers. And teachers are leaving the profession in droves, particularly along the border with states like Minnesota where a more union friendly environment is attracting refugee teachers looking for fair and stable working conditions.



Bruce Rauner has promised to bring that same type of union busting legislation to Illinois if he is elected governor. Don't be fooled into thinking that it cannot happen here. Until recently, Wisconsin had a strong reputation for its progressive politics. And though the Illinois General Assembly currently has Democratic majorities in both houses, their support for workers' rights, especially in the Madigan-controlled House, can be unreliable.

The bottom line is that we cannot take any chances – we must all do whatever we can to defeat Bruce Rauner in November.

In Solidarity,

A handwritten signature in black ink, appearing to be "Steve".



The leadership of the two unions began discussing a merger in the aftermath of the last contract negotiations in 2012. A steering committee of all elected officers from both unions, along with IFT Field Service Director Lenny Nieves, was formed. They prepared for the merger by reviewing the constitutions and contracts of several wall-to-wall unions (those where teachers and support staff are together under one contract) to gain a better understanding of the practical consequences of uniting as one. They studied the guidelines and requirements for a merger as set forth by the Illinois Educational Labor Relations Board (IELRB) that governs such an action.

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*“The merger of District 219 unions will be a good way to enhance services and benefits to its members.” Norma Cochrane, NTSS member*

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Satisfied that they were heading in the right direction, the steering committee presented the proposed merger to a special joint session of the members of both unions and began a petition drive in order to provide the IELRB with proof of the requisite level of interest from members. The required threshold of signatures from 30% of both unions was far exceeded.

With that accomplished, the steering committee submitted required paperwork to the Labor Board, and with everything in order, the Labor Board set the election date for April 29th. ■



The NTFT and NTSS has had a tradition of working together, even before the April 29th merger vote, as shown by a joint campaign to generate public support during contract negotiations in 2012.

## Show Your Union Pride

Union households across Illinois are showing their pride by putting signs reading “Proud Union Home” in their windows or on their front lawns.

You can join this powerful display of solidarity. Just ask your union leader for a sign. But act fast! Quantities are limited.



### 1274 Newsline

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9933 N. Lawler, Suite 222  
Skokie, IL 60077

847-673-1274 Fax: 847-673-6079

#### Officers

Steve Grossman, President  
Lyndy Massoth, Vice President  
Robyn Caplan, Treasurer

#### Field Service Directors

Lenny Nieves and Debra Takehara

#### Retiree Chapter Co-Chairs

Karl DeJonge & Bill Robinson

#### Questions and/or comments?

##### Please contact:

Janet Kelsey, Newsline Editor  
847-424-9117  
janetkelsey51@gmail.com