



1274 NEWSLINE



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

A Fair Tax For Illinois

The future of working families in Illinois depends on fixing our current fiscal crisis, which is having a destabilizing effect on our economy and jobs. Local 1274 and the IFT support Governor Pritzker's Fair Tax Proposal as the best path forward. His plan replaces our flat-rate income tax with a fair tax system that taxes higher incomes at higher rates.

This is a much more equitable system than a flat-tax, which taxes everyone at the same rate regardless of income. Under a flat-tax system, lower and middle-income families carry a heavier tax burden than higher-income families. A progressive tax targets income inequality by making sure the wealthy pay their fair share.

In order for this to happen, Illinois voters will need to approve a constitutional amendment measure in the 2020 election (see page 2 for details). According to a recent poll by the Paul Simon Public Policy Institute, the majority of Illinois residents support a graduated tax system under which higher earners are taxed at higher rates.

The Fair Tax Proposal will keep Illinois competitive with our neighbors and will not cause people to flee the state. In fact, the reason people have been leaving Illinois is because of our financial instability.

There are only two other options for addressing the Illinois fiscal crisis and both are untenable. One is across the board cuts of discretionary spending by 15%, further endangering our schools, social services, and public safety. The other is raising the flat tax from 4.94 percent to 5.95 percent, requiring every family in Illinois to pay higher taxes. The Fair Tax Proposal will generate \$3.4 billion and give the vast majority of Illinois taxpayers a tax break. Clearly the Fair Tax Proposal is the best option for families and workers.



Governor J.B. Pritzker unveiled his Fair Tax Proposal on March 7th.

Three key elements of Governor Pritzker's Fair Tax Proposal

1. 97 percent of Illinois taxpayers will pay the same or less. Only people making more than \$250,000 will see a tax increase.
2. Property tax credit will increase by 20% for nearly all homeowners.
3. Lower and middle-income families will receive a child tax credit of \$100 per child.

Single & Joint Filers		
Marginal Rates	Net Income Level	% of IL Taxpayers
4.75%	\$0 - \$10,000	27.2%
4.90%	\$10,001 - \$100,000	58.9%
4.95%	\$100,001 - \$250,000	11.1%
7.75%	\$250,001 - \$500,000	1.9%
7.85%	\$500,001 - \$1,000,000	0.6%
7.95%	Over \$1,000,000	0.3%

The Legal Process for Moving from a Flat Tax to a Progressive Tax in Illinois

The flat tax system was written into the Illinois Constitution in 1971. Before Pritzker's Fair Tax System can be implemented, three-fifths majorities in each chamber of the legislature must approve a constitutional amendment eliminating the flat tax requirement.

A measure would then be put on the 2020 ballot, where it would have to receive approval from either 60 percent of people voting on that question, or a majority of people voting in the election.

The proposed tax rates would be approved in a separate legislative process and are not part of the voters' referendum.

From the President: Fair Tax Now

Now is the time for Illinois to begin the steps needed to create a fair tax system that will shift the burden from the middle- and lower-classes to those who can most afford it, bring in much needed revenue to adequately fund public education, health care, human services, and public safety, and begin to climb out of the economic hole dug deeper by our former governor.

It is no secret that Illinois is near the bottom of the 50 states when it comes to its economic health. Our financial problems reached a low point under the previous administration when former governor (former - doesn't that sound good!) Rauner held the state's budget hostage for over two years in his attempt to pass union busting legislation. That misadventure created an enormous backlog of unpaid bills, deprived thousands of Illinoisans of needed public services while doing great harm to the livelihood of the providers of those services.

Though creating a fair tax system is not a panacea, it is an absolutely necessary step towards putting Illinois on sound economic footing and the current administration should be applauded for throwing its weight behind such an effort.

So, what do we mean by a fair tax system (see article on pages 1 & 2)? A fair tax – also known as a progressive tax – is one that taxes citizens based on their ability to pay. Illinois currently has one of the most unfair tax systems in the country. We are one of eight states to have a regressive, flat income tax, one that taxes all income at the same rate, currently 4.95%. Why is that unfair? Because it places an undue burden on those who can least afford it. Taking 4.95% from a family earning \$30,000 per year leaves them

with little to live on while someone earning over \$1 million per year will have no change in lifestyle from that same 4.95% tax.

And it is not just middle- and lower- bracket earners who suffer under our current regressive system – the whole state loses. Why? To begin with we are deprived of needed services that the state should provide. 90% of all state spending from the general fund goes to healthcare, public safety, human services, and education. Furthermore, by overburdening its middle- and lower-earning citizens with regressive taxation, the state is choking off the largest driver of its economic engine – consumer spending. With their real, after tax and inflation-adjusted income stagnating or declining, the great majority of Illinoisans have seen their spending power diminish over the years. Meanwhile, during that same time the top 1% has seen their fortunes flourish while our unfair system lets them keep hold of the lion's share of all earnings. It is time for them to pay their fair share in order to save our state. And no, they will not be harmed, and they will not leave the state; a fair tax merely brings things back to the way it should be.

In solidarity,






NTFTSS members packed the March D219 Board meeting to have their say about a teacher layoff proposal. President Tim Miller is shown standing at front and center.

Solidarity in Action!

In last month's special edition of Newsline covering the union advantage, we spoke about the role that unions play in providing workers a voice. That power was on display last month at District 219. Over 100 members of the Niles Township Federation of Teachers and Support Staff (NTFTSS) showed up at the D219 Board of Education meeting to protest a proposed layoff of a teacher. The teacher's position was to be given to an administrator who planned to return to the bargaining unit. Union leadership argued that the administrator's return should not cost an existing member's job. The case was amplified by the strong show of force from membership. Several members came prepared to speak at the open session, but moments prior to the start of the meeting the Board decided not to accept the layoff proposal.

NTFTSS President Tim Miller made the announcement before the Board meeting began. "We spoke in closed session regarding the RIF situation", Miller told the crowd. "The Board has agreed to not go forward with this." This news was met with cheers, smiles, hugs, and high fives by the more than 100 members in their union t-shirts. Victory for the NTFSS!

Despite having less than two days notice, union officers were able to activate members by calling emergency membership meetings at each school and coordinating Board meeting attendees and speakers. Tim Miller said that this collective show of solidarity and unity was clearly influential in the Board's decision. "Most importantly, I'm very, very happy that a talented new individual will be keeping her position at Niles West, and I'm also very proud of the work that the NTFSS leadership team did to communicate with each other and coordinate the

mobilization of our membership," he said. "It is a great example of the strength that our union has; the strength that comes from standing together and working collectively."

Laurie Hall and Katie Weston, building reps at each building, coordinated the Board meeting attendees and speakers. Laurie Hall said that she is "proud that members saw someone in need and took immediate action. The support given to this member proves that our union remains strong and unified. We will continue to stand side-by-side to protect each and every member."

Post-Janus Legal Attacks on Unions

Despite their Supreme Court win in last year's Janus ruling, anti-union conservatives continue their attacks on workers' rights. Soon after the Janus ruling, they filed a wave of lawsuits designed to weaken public unions. These lawsuits are part of a well-coordinated effort from highly funded anti-worker organizations such as the Liberty Justice Center and its affiliate, the Illinois Policy Institute (where Mark Janus now works), the National Right to Work Legal Defense Foundation, and the Fairness Center.

Nationwide, there are 63 cases attacking unions using various legal strategies. Over forty of these cases involve claims for pre-Janus fees and are pending in Federal courts, including three in Illinois. These people will not rest until public workers have no voice in the workplace.

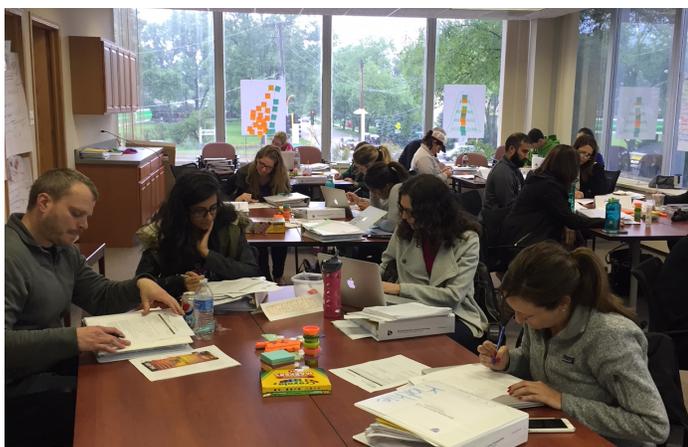
The good news is they recently lost two federal court class action cases. In *Cook v. Brown* (U.S. District Court of Oregon) and *Carey v. Inslee* (U.S. District Court of Western Washington), plaintiffs claimed that unions violated their constitutional rights by charging fair share fees, and they sought refunds from unions for fees paid prior to the Janus ruling. The judges in both cases found that the unions relied in good faith on the law as it existed before the Janus ruling and did not have to return pre-Janus fees. These two rulings reinforce the precedent set in *Danielson v. AFSCME*, a previous case that recognized the good faith defense argument.

Summer PD Courses Offered Through Local 1274

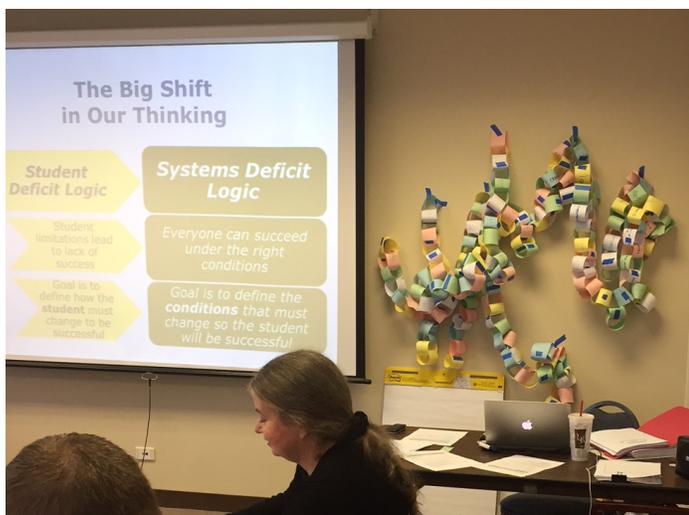
You can count on your union to provide high-level professional development. Local 1274 is proud to once again offer summer courses that are developed by the AFT and taught by our own Local 1274 members.

Local 1274 member Colleen Gogerty taught last summer's *Managing Behavior in School Communities* course. She had previously taken the course and was impressed with the holistic approach to discipline. "It's not all about 'this is bad behavior'. It's more about trying to encourage and reinforce positive behavior and bringing in multiple people and avenues to try to make that change."

All three courses are in June and are tuition free for members (there is a \$30 charge for materials).



Local 1274 members filled the June 2018 *Managing Behavior in School Communities* course to capacity.



A class from last summer's *Managing Behavior in School Communities* course.

Foundations for Effective Teaching I

Examines research-based concepts such as creating a positive classroom environment, increasing student engagement, maximizing learning time, interactive instruction and scaffolding techniques, questioning and giving feedback, and using homework to extend learning. Ideal for new teachers or for anyone looking to invigorate their practice.

(30 professional development hours, option to purchase 2 graduate hours, approved for 3 hours of D219 lane credit)

Taught by Ryan Murphy (D219 Teacher)

June 10-14

8:30 a.m to 3:00 p.m @ NSTU Office

Managing Behavior in School Communities

Provides effective strategies for managing unwanted behavior across a variety of learning environments. Participants leave with information, tools and skills they may need to prevent or eliminate challenging or anti-social behaviors and/or to manage much of this behavior when it occurs.

(30 professional development hours, option to purchase 2 graduate hours, approved for 3 hours of D219 lane credit)

Taught by Colleen Gogerty (D219 Teacher)

June 17-21

8:30 a.m to 3:00 p.m @ NSTU Office

Managing Student Behavior for Support Staff

Designed for paraprofessionals and school-related personnel who have contact with or are responsible for overseeing a large numbers of students outside the classroom setting (cafeteria, school bus, office, playground, school corridors). The course will teach school-related personnel and paraprofessionals about how to manage large groups of students as well as difficult and disruptive students.

(20 professional development hours for teaching licenses)

Cathy Peach (District 39 Support Staff)

June 24-27

12:30 p.m to 3:30 p.m. @ NSTU Office

Sign up at tinyurl.com/nstu2019classes

Contact Steve Grossman with questions:
stevegrossman@nstu.org

TRS Accelerated Annual Increase Program

Teachers retiring under the TRS Tier 1 retirement program are now faced with a new option based on a law passed in 2018. Known as the Accelerated Annual Increase program, or AAI, it offers retiring teachers an option to accept a reduced annual increase in their annuity in exchange for a lump-sum payment equal to 70% of the estimated difference between the value of current annual annuity increase and the optional lower formula. That lump-sum payment can be a significant sum of money but so is the difference in lifetime earnings between the current annual increase and the reduced option. Members should consult with a financial advisor and TRS before making their decision.

To be more specific, TRS Tier I members (those hired into the system prior to January 1, 2011) earn a 3% compounded increase in their pension – often referred to as a cost-of-living-adjustment, or COLA - throughout their retirement years. Those who take the AAI option will be accepting an annual increase of 1.5% that is non-compounded, meaning that it is always based on their initial pension. In other words, if one's original pension is \$80,000, under the AAI option his or her annual increase would be \$1,200 per year – 1.5% of \$80,000. The chart below shows how that reduced annual increase compares to the current 3% compounded COLA for a starting pension of \$80,000:

Years in Retirement	Current Annual Increase: 3% Compounded	Reduced Annual Increase: 1.5% of Original Pension	Difference
1	\$82,400.00	\$81,200.00	\$1,200.00
2	\$84,872.00	\$82,400.00	\$2,472.00
3	\$87,418.16	\$83,600.00	\$3,818.16
4	\$90,040.70	\$84,800.00	\$5,240.70
5	\$92,741.93	\$86,000.00	\$6,741.93
6	\$95,524.18	\$87,200.00	\$8,324.18
7	\$98,389.91	\$88,400.00	\$9,989.91
8	\$101,341.61	\$89,600.00	\$11,741.61
9	\$104,381.85	\$90,800.00	\$13,581.85
10	\$107,513.31	\$92,000.00	\$15,513.31
11	\$110,738.71	\$93,200.00	\$17,538.71
12	\$114,060.87	\$94,400.00	\$19,660.87
13	\$117,482.70	\$95,600.00	\$21,882.70
14	\$121,007.18	\$96,800.00	\$24,207.18
15	\$124,637.39	\$98,000.00	\$26,637.39

Total Difference over 15 Years: \$188,550.50

As you can see, after 15 years in retirement, those opting for AAI will have earned \$188,550.50 less than those sticking with the current 3% compounded increase. Of course, those taking the AAI option will be offered a significant upfront payout in exchange for the reduced increases in retirement.

Here are some other important considerations:

Opting for AAI is an irrevocable decision; once one has accepted the reduced annual pension increases they may not go back to the 3% compounded COLA.

The upfront buyout money is not guaranteed by TRS. By statute, that money comes from the state's sale of bonds. There is no guarantee that those bonds will sell and that the funding will be there to provide for all members opting for AAI with the lump-sum payout.

The Union offers no advice on whether to take the AAI option. That decision is based on each member's individual circumstances so please consult a financial advisor and TRS before deciding.



Administrative Professionals' Day Wednesday, April 24

Thank you to all school secretaries and administrative assistants! Our schools could not function without your hard work.



A Governor Who will Work with Unions, Not Against Them

Governor Pritzker has appointed several IFT leaders to two key transition committees. Our own Dan Montgomery -- IFT President and former Local 1274 President -- serves on the 17-member Budget and Innovation Committee. IFT Secretary-Treasurer Jane Russell and IFT Vice President John Miller serve on the 35-member Education Success Committee.

1274 Newsline

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9933 N. Lawler, Suite 222
Skokie, IL 60077
847-673-1274, nstu.org

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