



A Union of Professionals

Dear Legislator:

Education employees are prepared to work with you and your legislative colleagues on fixing our state's fiscal mess, but it is imperative that we all understand the current reality, including how we got into this situation as well as who lived up to their obligations to the state pension systems and who did not.

Let's begin by agreeing that the state's failure to pay for new programs as they were added, and the penchant for using state employee pension funds to balance past state budgets instead of raising taxes, was an unsustainable approach that led to our fiscal and pension crises.

Let's also agree that, while the current economic recession has hit our pension systems hard, this downturn in the markets, like all those that preceded it, is a temporary situation.

Finally, let's acknowledge that members of the Teachers' Retirement System and the State Universities Retirement System pay among the highest contribution rates in the nation for benefit plans that are at best considered average when compared to other states' plans in their peer groups.

So, to summarize, we are faced with a dire financial situation, caused largely by the lack of fiscal responsibility shown by past legislatures and governors and exacerbated by the temporary decline in the stock market. That is why we want to make the following crystal clear:

We, and the 220,000 members we represent, consider Gov. Quinn's pension proposal of March 18 to be totally unacceptable.

- It would punish our members, who have always paid their share of their retirement costs.
- It would make education a far less attractive career option for top quality college graduates by reducing pension benefits and forcing teachers to remain in classrooms well past their physical prime.
- It calls for permanent pension plan changes to address temporary problems resulting from the downturn in the market.

However, we also recognize our obligation, as citizens, to work toward a reasonable and fair solution to the problem.

The 220,000 members we represent, along with our members' families and friends, believe in shared sacrifice. That is why:

- We strongly support Gov. Quinn's proposal to increase the income tax despite the impact on our members.

- We believe the proposed changes in tax exemptions, despite the positive impact they would have on many of our members, should be reconsidered in light of the huge state deficit and the pension shortfall.
- We are open to proposals of additional revenue generators, such as an expansion of the sales tax that is more in line with the policies in neighboring states.

There are some inconvenient truths about the state pension systems and the projected savings the governor says will result from enacting his budget plan. We hope the enclosed “myths and facts” sheet will help the members of the General Assembly gain a better understanding of the current status of our plans and **what the unions have already agreed to in order to make them more affordable for the citizens of our great state.**

The state’s debt is enormous, but there are responsible ways to make the debt more manageable for our taxpayers and the members of the pension plans.

Both the IFT and the IEA look forward to working with you to find the best solutions to manage our current fiscal crisis.

Sincerely,



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