

## UNIVERSITY PROFESSIONALS OF ILLINOIS Local 4100, IFT, AFT, AFL-CIO

Western Illinois University Chapter

530 Currens Hall

1 University Circle

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309-298-3223

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President Jack Thomas Western Illinois University Macomb IL 61455

President Thomas,

We are deeply troubled by Western Illinois University's recent and ongoing legislative actions. By joining with other University presidents to advocate in support of the pension cost-shift and unilateral cuts in pensions, you are advocating to increase tuition, raise local property taxes, and to fiscally harm current employees and retirees.

With years of state funding cuts to public higher education, your proposal to encourage additional and escalating funding cuts through a cost shift amounts to advocating on behalf of self-inflicted harm to Western Illinois University. While the immediate impact of this shift may be minimal, the long-term cost will quickly become significant and will force the University to both increase future tuition rates and/or significantly compromise the institution's mission. In fact, projections indicate that every 1% shift in pension costs will result in a 2% increase in tuition for students. Consequently, you are lobbying for an almost 20% tuition increase for future students - a scenario that harms access to public higher education. Given the University's mission and focus on first-generation college students, WIU's support for this proposal is perplexingly self-defeating.

Further, the pension cost-shift will significantly strain community college budgets including Spoon River College and Black Hawk College. These schools will be forced to either increase tuition which is contrary to the mission of a community college or increase property taxes. One of the biggest economic challenges in western Illinois remains the high property tax rates. By supporting the cost-shift, you are in effect demanding that community colleges continue to seek increases in property taxes which will further strain the local economy.

Your advocacy on behalf of the ideas in the pensions cutting Senate Bill 2591 and the University President's testimony before the General Assembly's conference committee on pensions directly harms Western Illinois University employees, retirees, and the whole community. This bill proposes a unilateral cut to tier one pensions by guaranteeing that pensions will always lose value with a COLA that is ½ the cost of inflation. The bill ensures that those who have dedicated themselves to Western Illinois University and public higher education will find themselves in an insecure financial situation. Additionally, the bill radically alters the money purchase formula and further reduces your employees' retirement security. While we applaud efforts to improve tier two pensions, these improvements should not be at the expense of all retirees and tier one employees.



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The proposed pension cuts contained in SB2591 and the testimony before the conference committee amounts to a unilateral cut in retirement security for employees and a significant economic hardship for the local community. Already, in anticipation of these unconstitutional cuts, retirees and current employees are delaying home improvements, cutting local entertainment expenses and general purchases, and cutting back on charitable giving (including gifts to the University). Our local business community will feel the impact of your actions for many years.

We request that you discontinue your advocacy of these legislative initiatives that harms your students, employees, and community. While we realize that many of these cuts will not impact you directly since your employment compensation package includes an independent retirement annuity, we believe you have a responsibility to advocate on behalf of, and not contrary to, the interests of your students, employees, and community that comprise Western Illinois University.

Sincerely,

The WIU UPI Local 4100 Executive Board

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