

32nd Annual Illinois Public Sector Labor Relations Law Conference



IIT Chicago-Kent College of Law
ILLINOIS INSTITUTE OF TECHNOLOGY

Continuing Legal Education

Beyond the Elections: Implications for Illinois Public Sector Collective Bargaining



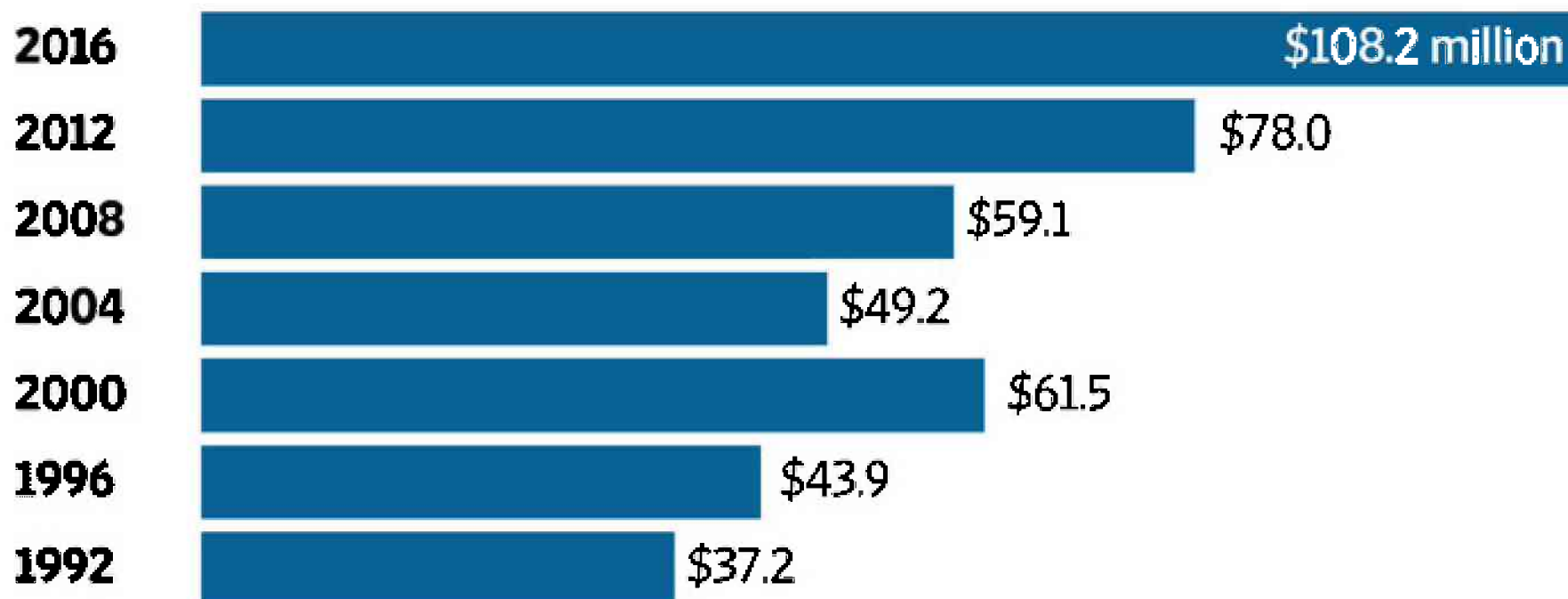
R. Theodore Clark
Founding Partner
Clark Baird Smith LLP



Joel D'Alba
Senior Managing Shareholder
Asher Gittler & D'Alba Ltd.

Unions' Political Muscle

Labor union campaign spending in presidential election cycles



Note: Figures are through August of each cycle.

Source: Center for Responsive Politics

THE WALL STREET JOURNAL.

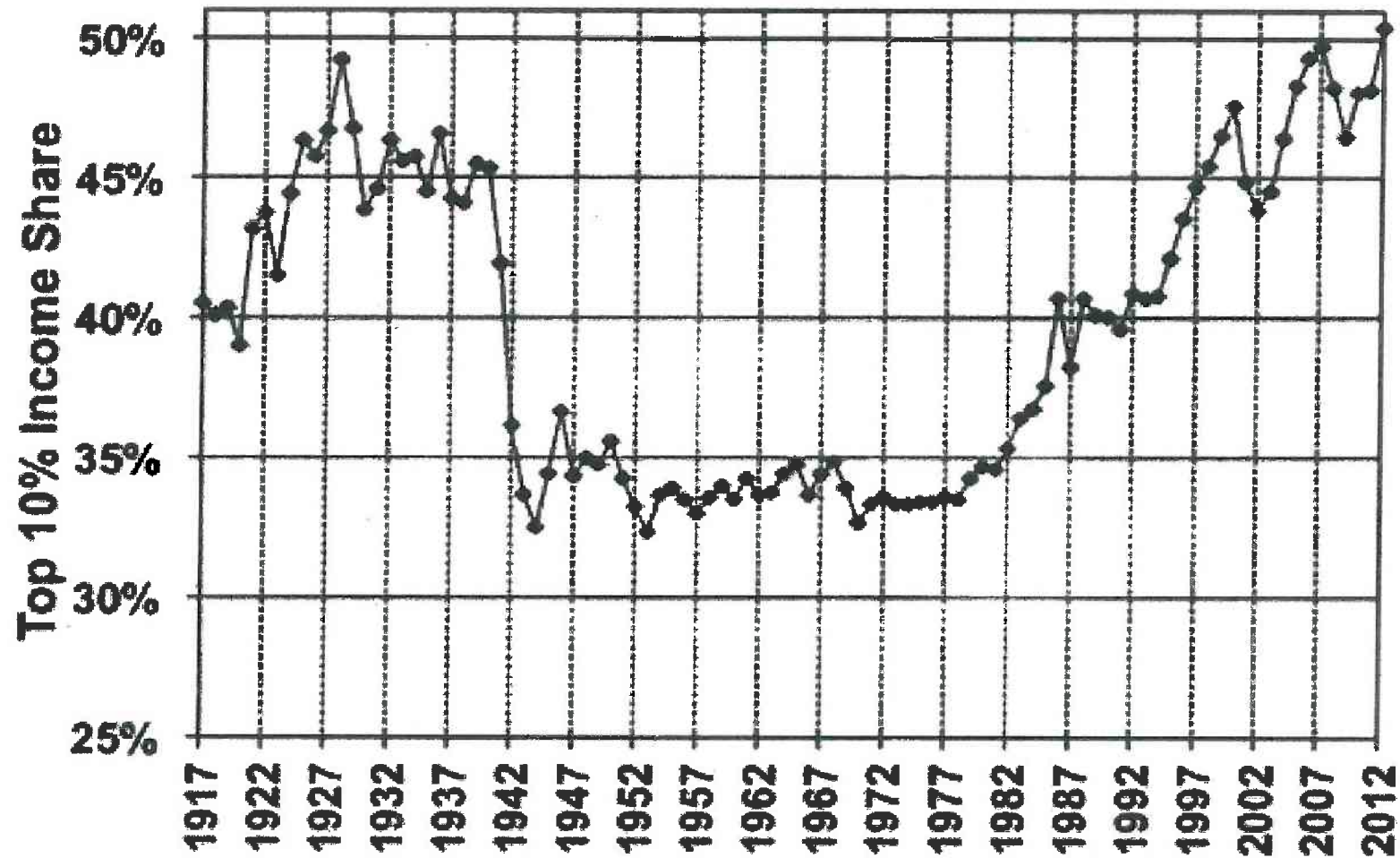
UNIONS AND THE 2016 PRESIDENTIAL ELECTION

- Despite sending a reported \$100 million dollars on the 2016 elections, unions don't have much to show for it
- “Exit polls show that 43% of voters in union households went for Mr. Trump, just 8 percentage points behind Mrs. Clinton.” Wall Street Journal, 11/19-20/16, at p. A8.
- Prior to “the 2010 elections, 54.5% of all state legislators were Democrats, giving the party majorities in 60 of the 99 chambers.” *Id.*
- Now the Democrats have “majorities in just 31 of the 99 legislative chambers, having lost 958 seats since Mr. Obama took office.” *Id.*

**It's The Economy, Stupid, and
Changing Collective Bargaining
Rights Can Be Perilous**

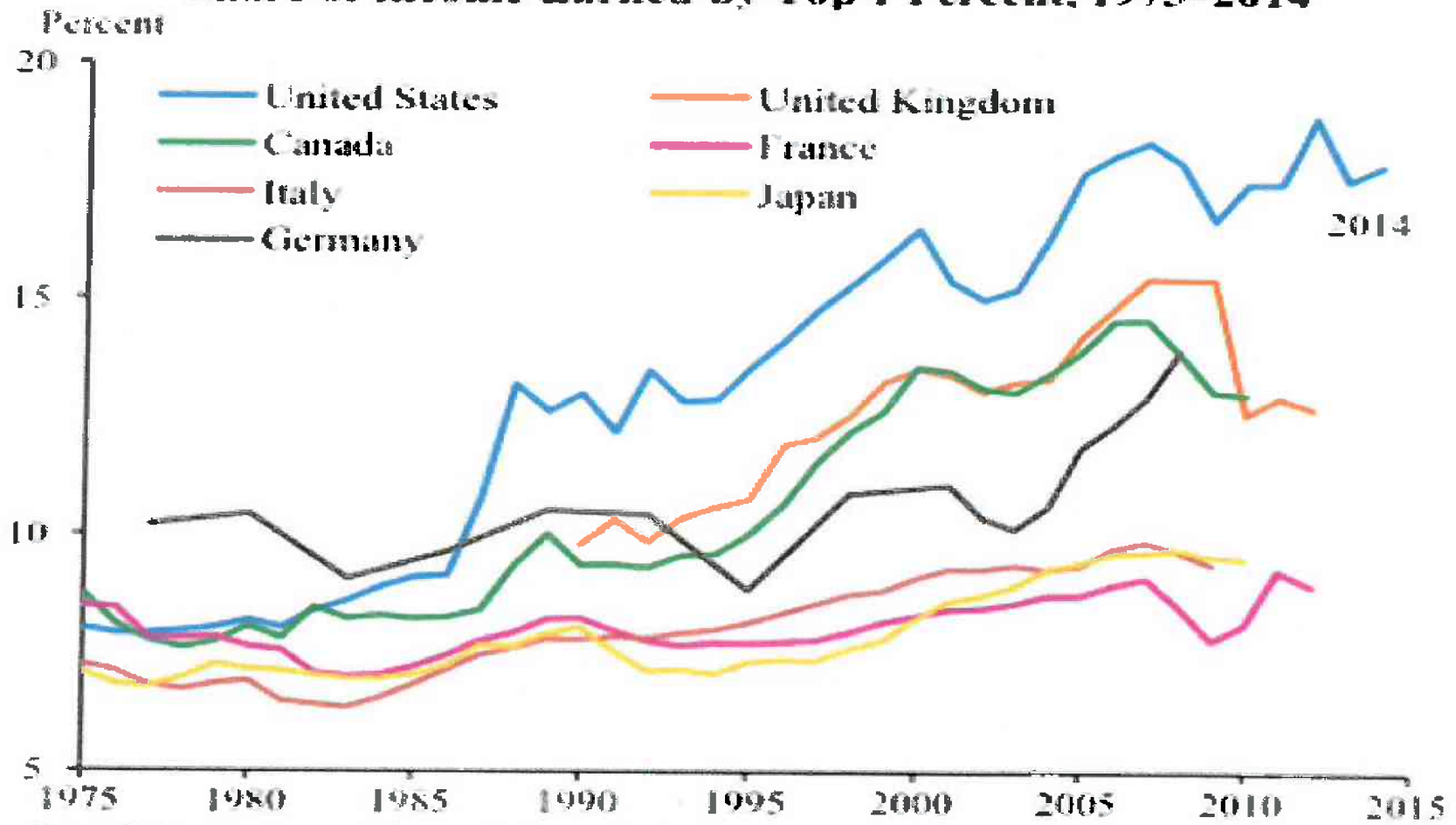
INCOME INEQUALITY CHART

Top 10% Pre-tax Income Share in the US, 1917-2012



Source: Piketty and Saez, 2003 updated to 2012. Series based on pre-tax cash market income including realized capital gains and excluding government transfers. 2012 data based on preliminary statistics

Figure 1-1
Share of Income Earned by Top 1 Percent, 1975–2014



Note: Data for all countries exclude capital gains.

Source: World Top Incomes Database (Alvaredo et al. 2015).

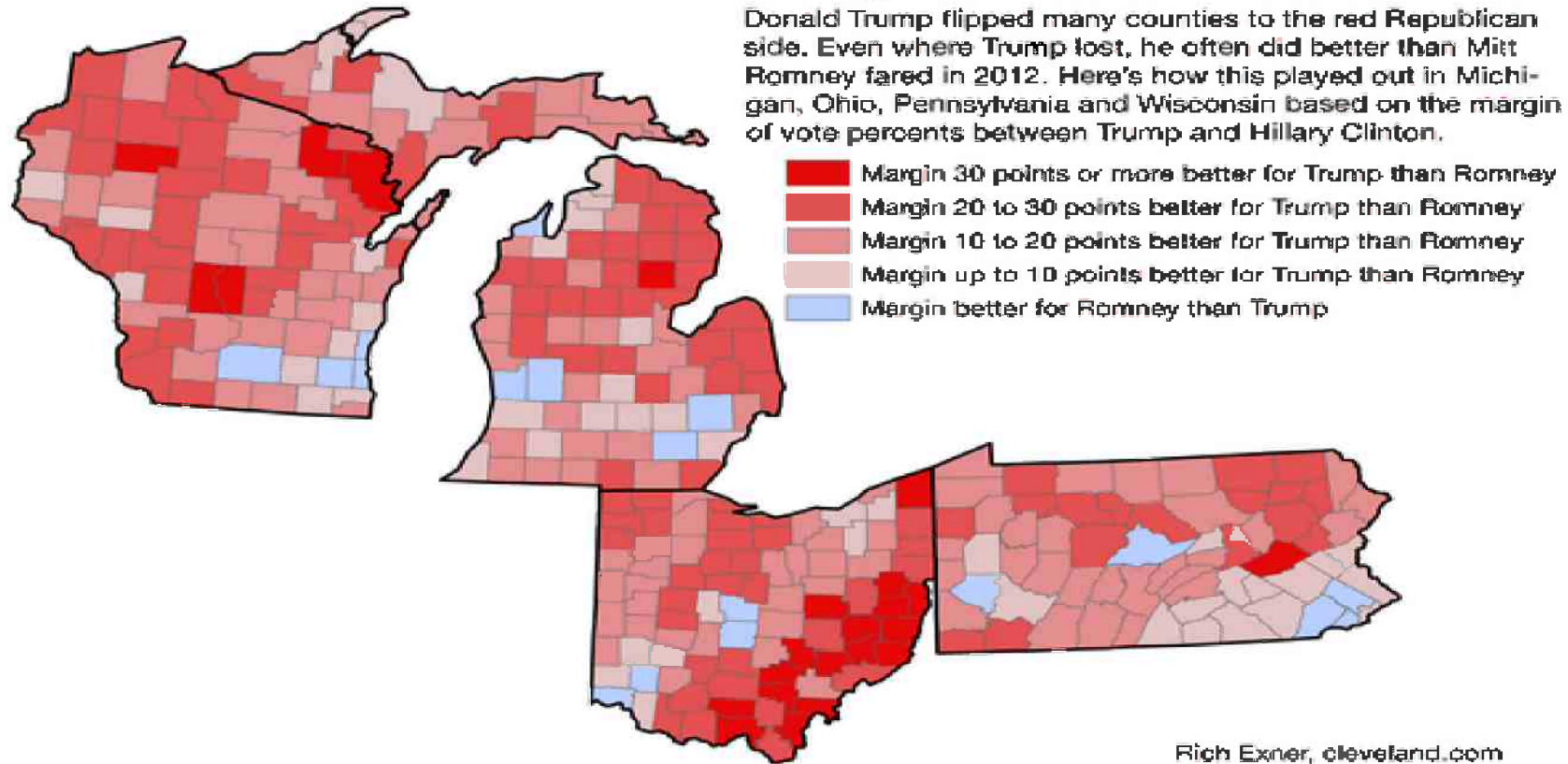
TRUMP'S INTERVIEW WITH THE NEW YORK TIMES

“[T]hey call it the Rust Belt for a reason. If you go through it, you look back 20 years, they didn't used to call it the Rust Belt. You pass factory after factory after factory that's empty and rusting. Rust is the good part, 'cause they're worse than rusting, they're falling down. These people are really angry. They're smart, they're workers, and they're angry. I call them the forgotten men and women.

RUST BELT VOTING PATTERNS 2016

Turning the Rust Belt red

Donald Trump flipped many counties to the red Republican side. Even where Trump lost, he often did better than Mitt Romney fared in 2012. Here's how this played out in Michigan, Ohio, Pennsylvania and Wisconsin based on the margin of vote percents between Trump and Hillary Clinton.



Rich Exner, cleveland.com

Election Results by Region and Local Unions - 2016 Teamsters Election

**Election Results
(Not Certified)**

To find the results for specific Local Unions click on the appropriate IBT Region below.

Results last updated Friday, November 18, 2016 9:00 PM

REGION	HOFFA	ZUCKERMAN	TOTAL
Eastern	33927	27091	61018
Central	26378	37109	63487
Southern	8351	10925	19276
Western	23969	18332	42301
Canada	9776	2920	12696

GENERAL PRESIDENT						
	East	Central	South	West	Canada	TOTALS
Fred Zuckerman	27091	37109	10925	18332	2920	96377
James P. Hoffa	33927	26378	8351	23969	9776	102401
GENERAL SECRETARY-TREASURER						
	East	Central	South	West	Canada	TOTALS
Tim Sylvester	26631	36588	10730	18094	2894	94937
Ken Hall	34046	26511	8468	23959	9718	102702
VICE-PRESIDENT AT LARGE						
	East	Central	South	West	Canada	TOTALS
Sandy Pope	26856	36755	10759	18214	2947	95531
John Thyer	25856	35462	10403	17293	2721	91735
Stan White	26203	35991	10535	17615	2859	93203
Willie Ford	26305	35980	10561	17724	2836	93406
Jerry Yarbrough	26083	35817	10539	17466	2763	92668
Carlos Lizarraga	25915	35518	10420	17698	2745	92296
Joe Darmento	26146	35711	10458	17527	2797	92639
Greg Floyd	33339	25922	8222	23376	9628	100487
George Miranda	33212	25811	8172	23556	9619	100370
John F. Murphy	33554	26088	8263	23473	9643	101021
Fred Potter	33178	25938	8183	23296	9646	100241
Fred Simpson	33211	25968	8252	23356	9635	100422
George Tedeschi	33153	25787	8142	23268	9566	99916
Steve Vairma	33008	25665	8123	23306	9586	99688
INTERNATIONAL TRUSTEE						
	East	Central	South	West	Canada	TOTALS
Dave Bernt	26167	35858	10526	17625	2790	92966
Dave Loobie	26016	35756	10444	17481	2799	92496
Todd Anderson	26598	36457	10752	18077	2890	94774
Denis Taylor	33397	25966	8245	23572	9679	100859
Kevin D. Moore	33661	26320	8353	23741	9643	101718
Jim Kabell	33206	25865	8187	23380	9599	100237

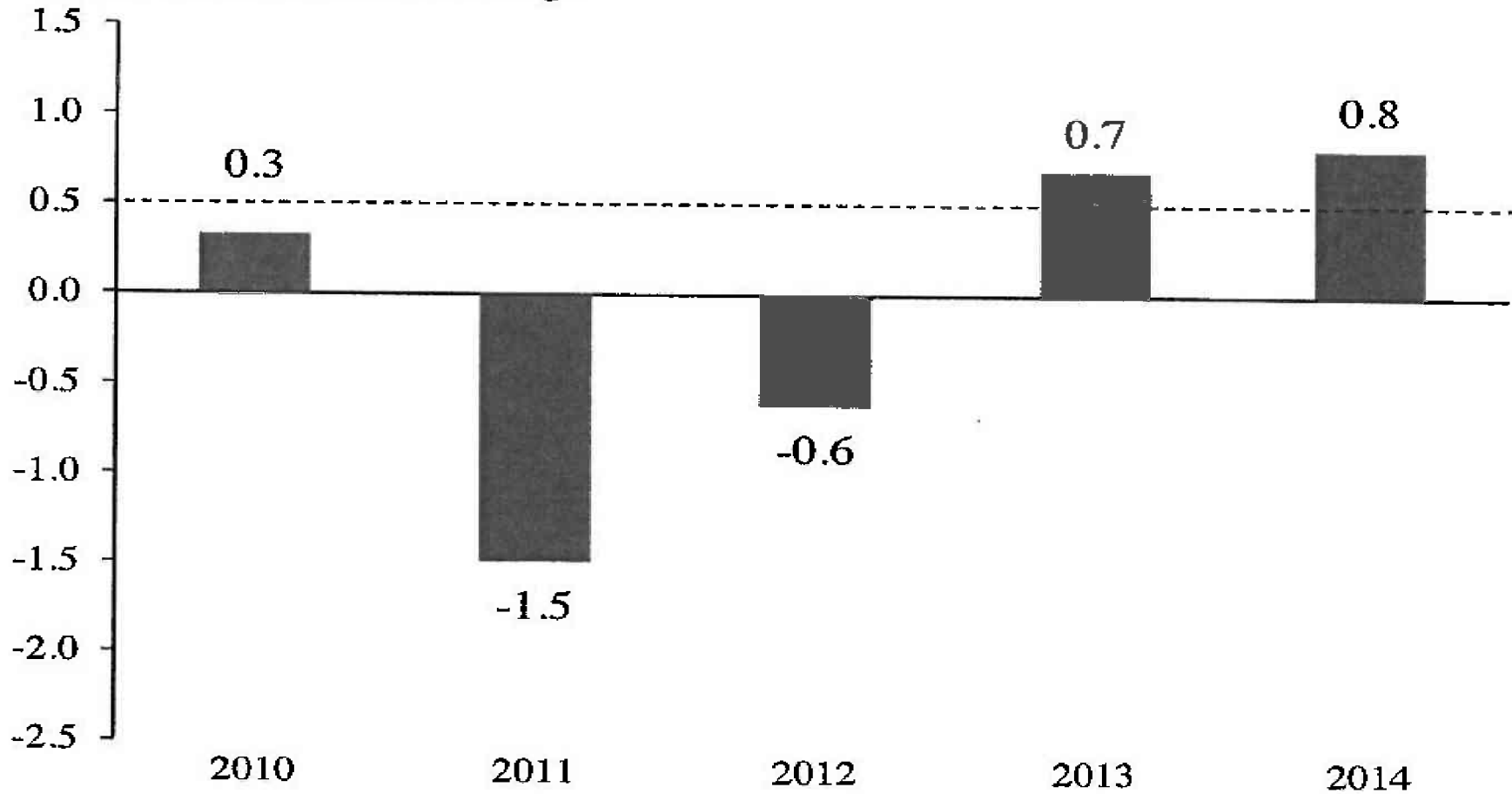
The surprising irony of a wealthy businessman winning this election can be explained in part by support from white working-class voters in Rust Belt States such as Ohio, Pennsylvania, Michigan and Wisconsin.

Democratic congressman who won in these states have listened to the voters and showed them they are on their side. For example, U.S. Representative Matt Cartwright, a Democrat from the area around Scranton, Pennsylvania was reelected with 54 percent of the vote and about 40,000 Trump voters crossed over to back him he stated, “I know the pain out there. When I talk to voters, jobs is always my No. 1 message, and I tell them exactly what I’m doing to get more jobs back to the districts.”

Blue Collar Democrats to Party: It’s Still the Economy, Stupid, Huffington Post, November 27, 2016.

Figure 1-4
Real Hourly Earnings,
Production & Nonsupervisory Workers, 2010–2014

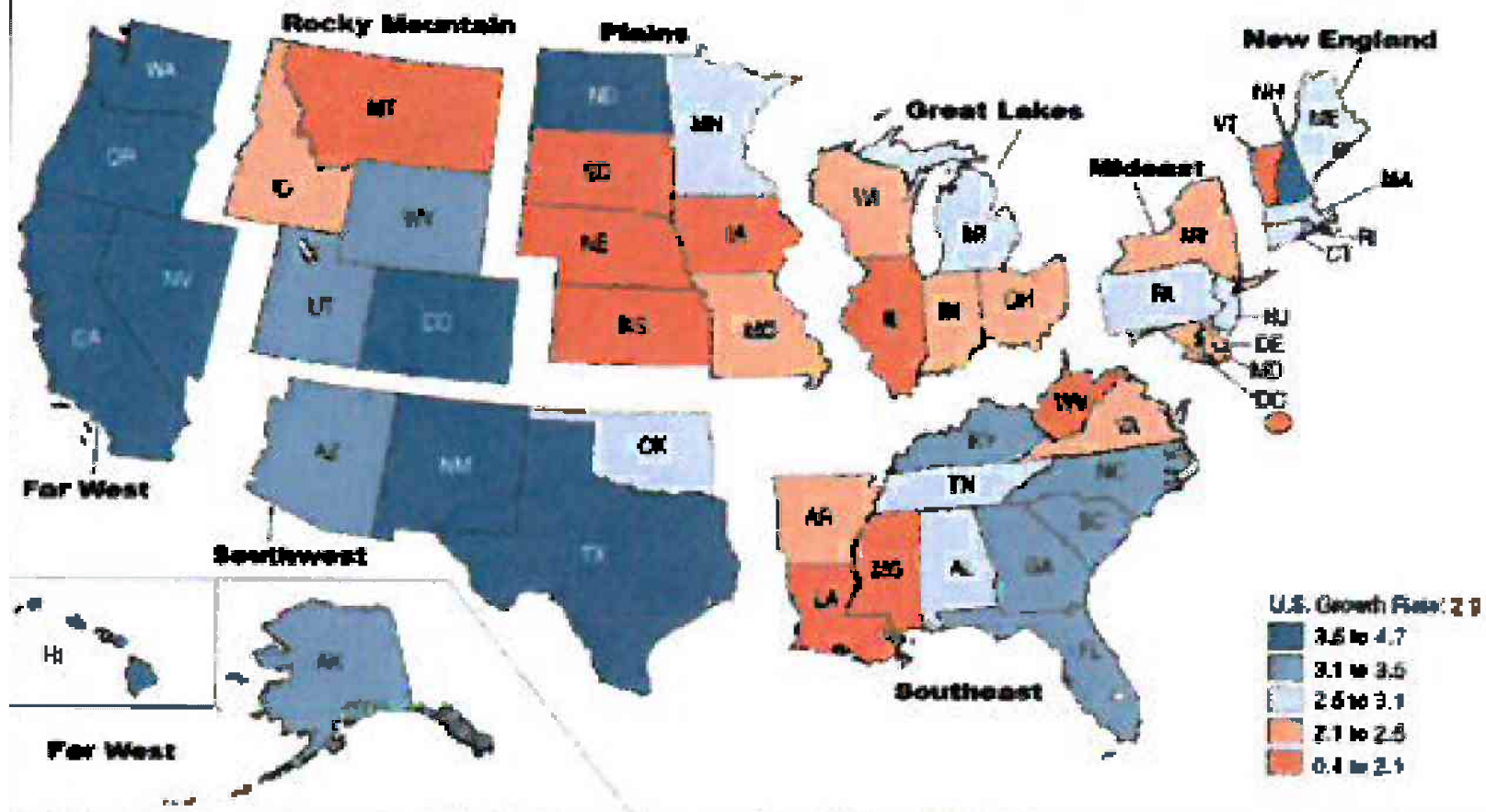
Percent Growth, Annual Average

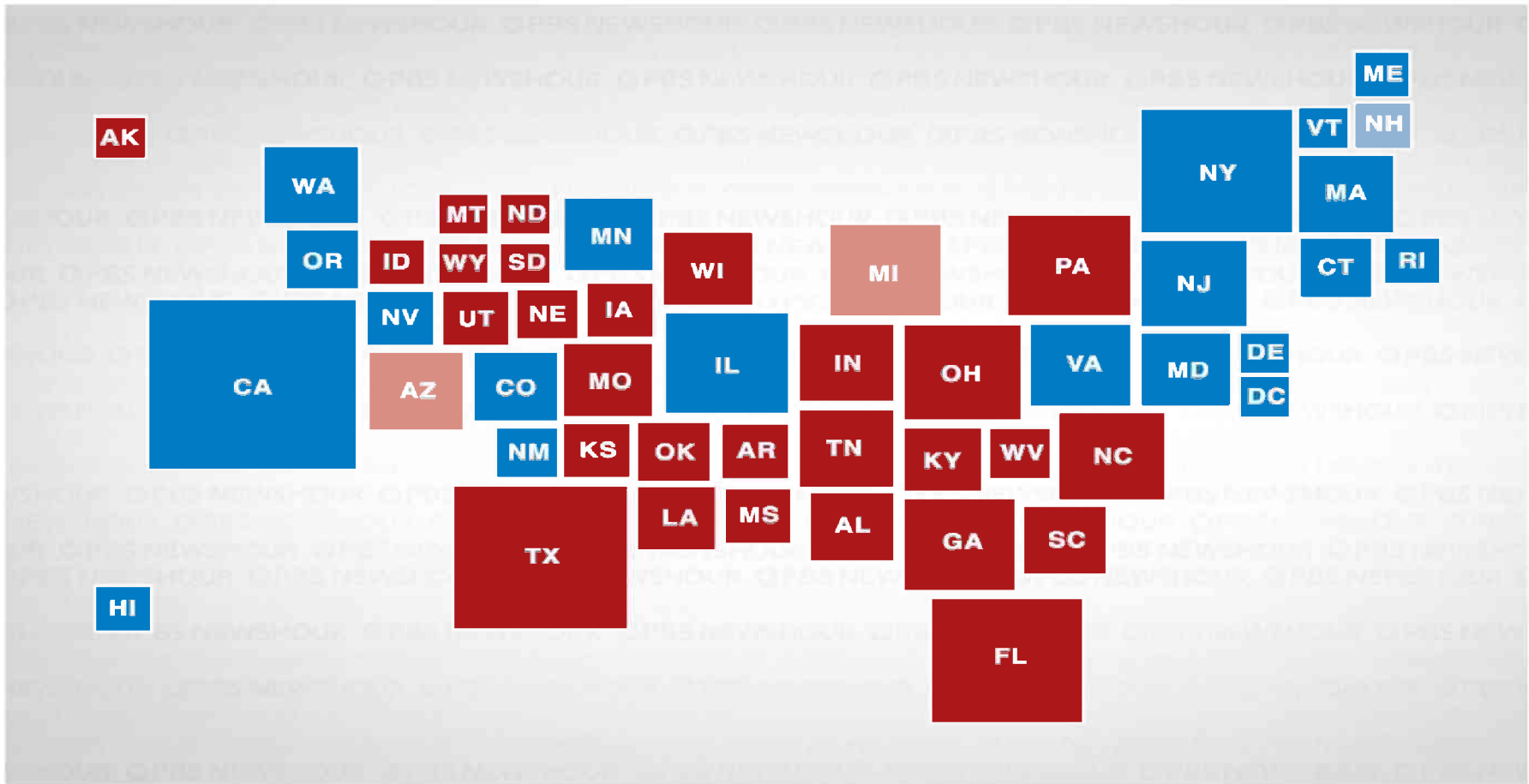


Note: Dashed line represents 2001-2007 average.

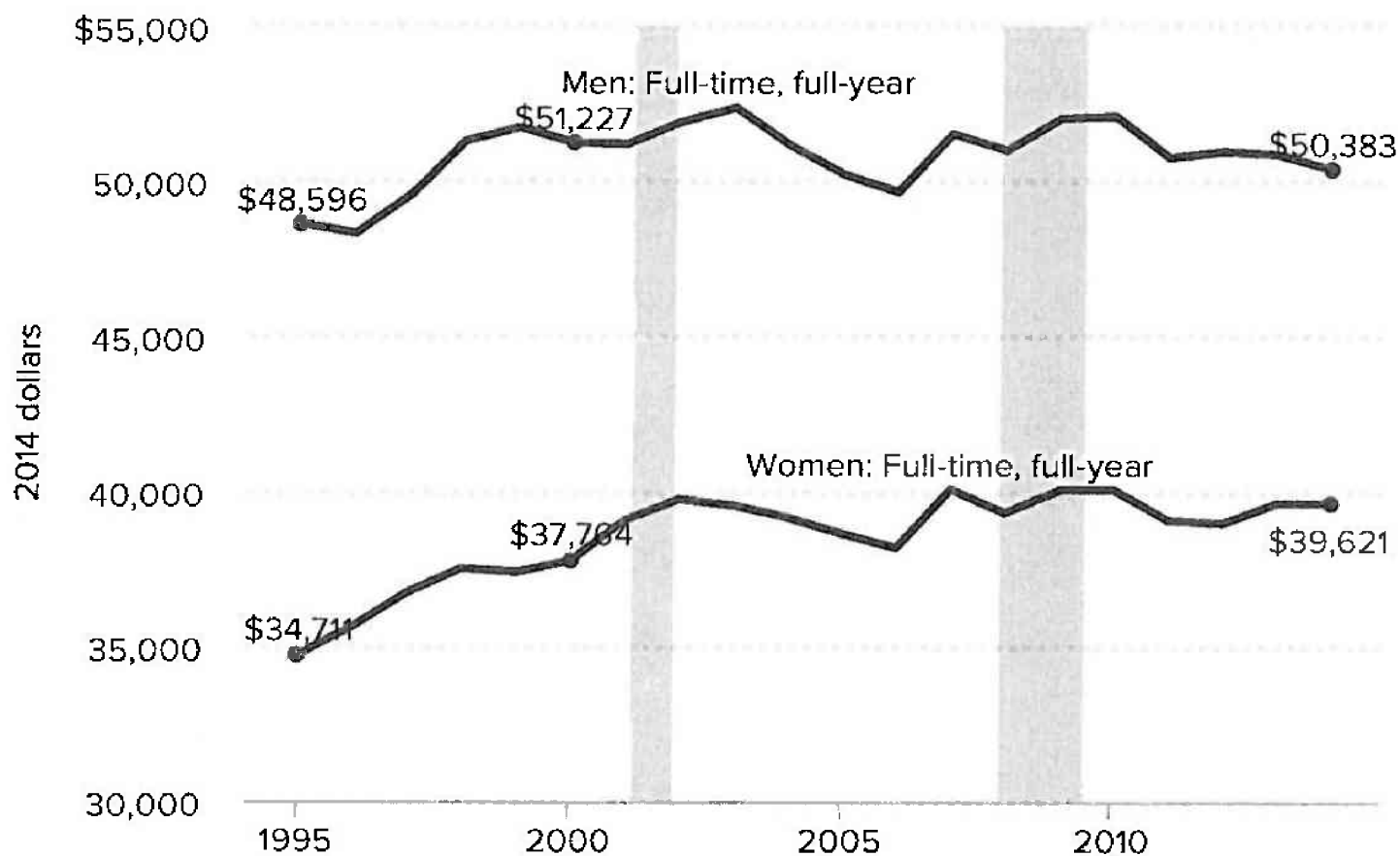
Source: Bureau of Labor Statistics, Current Employment Statistics; CEA calculations.

Real Personal Income for States: Percent Change, 2013-2014



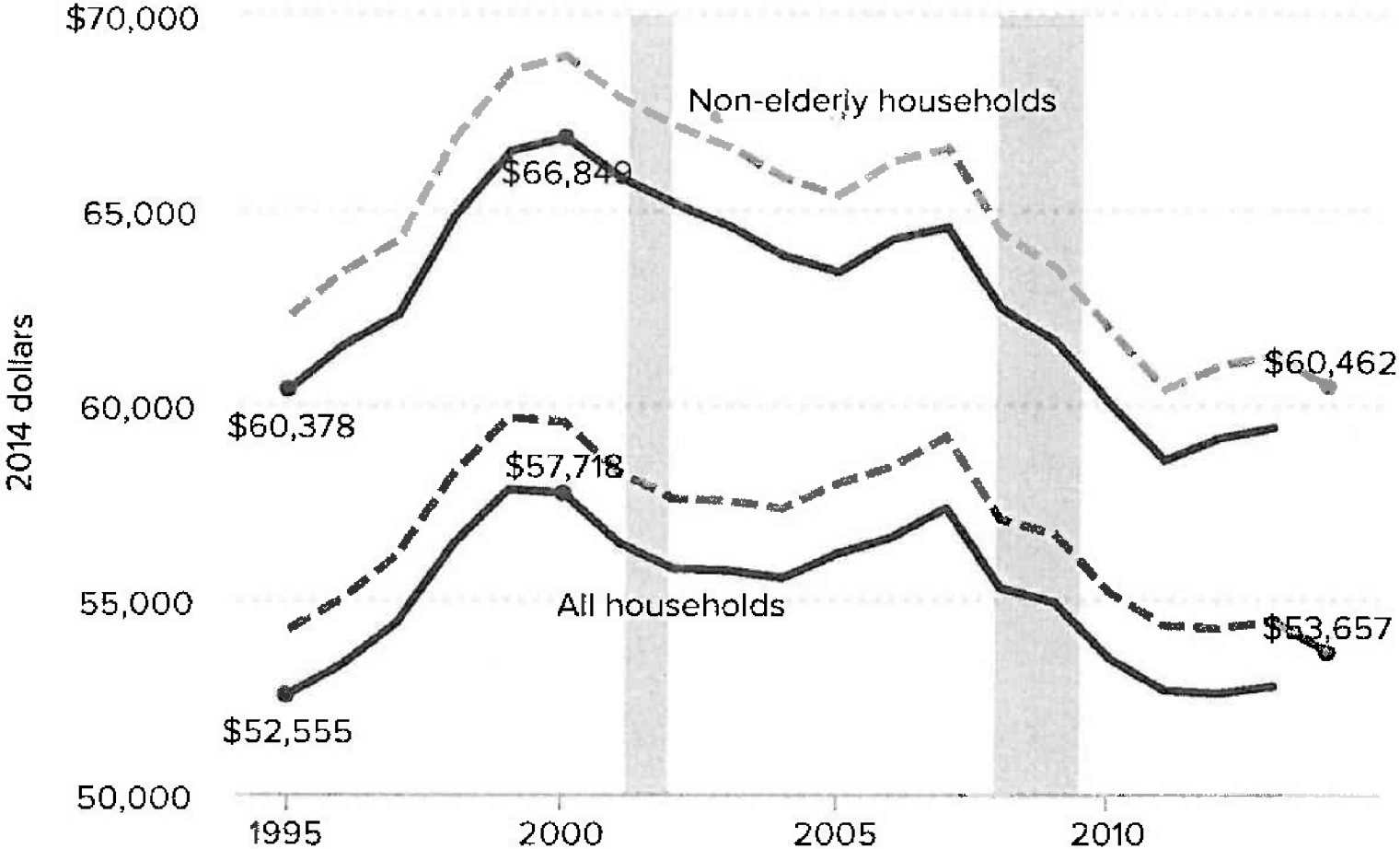


Real earnings of full-time, full-year workers, by gender, 1995–2014



Source: Economic Policy Institute – Working Economics Blog, Sept. 16, 2015, Michel and Davis

Real median household income, all and non-elderly, 1995–2014



Source: Economic Policy Institute – Working Economics Blog, Sept. 16, 2015, Michel and Davis.

States With Republican Governors and Democratic Governors – Major Shift of Political Power in the States

Republicans entered 2016 with 31 governors and gained two statehouse seats in the November election. Republicans will hold 33 governorships in 2017 – something that has not happened in 94 years. The North Carolina race for governor is bitterly disputed, and the vote tally is not final because provisional and absentee ballots are still being counted.

State Control of Legislatures by Republicans

Republicans now control 66 or 98 partisan Chambers in the state legislatures and as a result Control both of the legislative chambers in 32 states. Three legislative chambers switched from Democratic to Republican control: Kentucky House, Iowa Senate and the Minnesota Senate. The number of states controlled by Republicans is actually 33 because Nebraska has a non-partisan, single legislative chamber that votes more in line with the Republicans.

Before the November 2016 election, Republicans controlled both legislative chambers in 30 states. As recently as 2010, Republicans controlled as few as 14 state legislatures.

**In a four cycle long string of electoral victories,
Republicans have gained control in State
legislatures that have cost over 1,000 seats to
switch from one party to another.**

Democrats control both legislative chambers in 13 states and one chamber in four others. One chamber is tied, Connecticut, and the New York Senate vote is still undecided. In the Most recent election cycle, Democrats gained a majority in the New Mexico House and both chambers in Nevada.

Four chambers switched from Republican to Democratic control in the November 2016 election: New Mexico House; Nevada Senate and Nevada Assembly; Washington Senate (Republicans will have functional control, as one Democrat will caucus with the Republicans). The Alaska House will be governed by a coalition that gives Democrats functional control of the chamber, even though the Republicans lead the chamber numerically.

State Legislation Likely to be Considered in the 2017 Legislative Sessions

Right to work and pay check deception:

Applies to public and private sector workers and would require unions to get consent from members before unions dues could be used for political purposes. Colorado.

Michigan, right to work extended to police officers and firefighters. H.B. 4312 and 4311.

Minnesota, H.B. 3585

Missouri H.B. 3585 – bars payroll deduction from union’s dues.

Pennsylvania S.B. 501- bars payroll deduction for union’s dues.

Public Education and Charter Schools

Colorado -S.B. 187 and 188 – requires property tax to be shared with public charter schools.

Kentucky – Governor cut funding for state colleges and universities by 4.5 percent.

Maryland – Budget bill includes a provision to create a 5 million fund for school voucher programs to pay for private school scholarships to be managed by the Maryland Department of Education

Massachusetts- B.S. 2203 – increase funding for charter schools

Michigan – H.B. 5385, H.B. 5296, H.B. 5387 – restricts collective bargaining

Detroit Education Plan – Creates a new state funded community school district that would operate the schools.

Mississippi – S.B. 2161 – local school district students allowed to attend charter schools

Oklahoma – S.B. 1187 – exempt school districts from state requirements

Tennessee – H.B. 2229 and S.B. 1707 – bars payroll deductions by school districts for union dues.

**The Secretary of Education designee,
Betsy DeVos, is a champion of
private and charter schools and will
encourage these state efforts.**

WAGE AND SALARIES

- Idaho – H.B. 463 – preempts municipal minimum wage law.
- Kentucky – Repeal of prevailing wage law for schools, university dorms and hospitals.
- Minnesota – H.B. 3585 – bars negotiations on retroactive wage increases.
- Missouri – S.B. 606 – repeal prevailing wage.
- North Carolina – H.B. 2 – preempts municipal wage laws.
- Virginia – H.B. 1371 and S.B. 606.

Collective Bargaining and Union Activity Restrictions

Michigan – S.B. 713 – strike penalties
S.B. 714
S.B. 715
H.B. 4311

Missouri- S.B. 806 and H.B. 1722 - recertify union
representatives every two years

Ohio - S.B. 152 – prohibits project labor agreements

Release Time Activities for Union Representatives

Michigan - S.B. 279 would prohibit members of the Michigan Public School Employees Retirement System from accruing service credits during an employee's organization leave or release time.

S.B. 280 would prohibit public employers from providing release time for union activities if the time is paid by the employer. Municipal police officers, firefighters and county corrections officers would be exempt.

Federal Sector Reforms Considered by President-Elect Trump

- **Reduce size of the government work force-now at 2.1 million civilian employees, which is the smallest number since President Reagan left office**
- **Erode job protection**
- **Longer probation period for employees**
- **Grind down benefits**
- **Ease rules for terminating employees**
- **Change the retirement system by shifting to a 401(k) type system for new employees**
- **Shut down the Department of Education**
- **Hiring freeze**
- **Elimination time off with full pay and benefits for the time that union representatives perform their duties**

Source: The Washington Post, November 22, 2015

ELECTION'S IMPACT ON THE U.S. SUPREME COURT

- Currently there is one vacancy
 - Senate delayed consideration of President Obama's nominee—Judge Merrick Garland
 - This could change after the election
- Two or more vacancies could occur during the next 4 years
- President-elect Trump's appoint(s) will could have a profound impact upon the Court

MAJOR SUPREME COURT ISSUE: FRIEDRICHS v. CALIFORNIA TEACHERS ASSOCIATION

- **Issue:** (1) Whether [*Abood v. Detroit Board of Education*](#) should be overruled and public-sector “agency shop” arrangements invalidated under the First Amendment; and (2) whether it violates the First Amendment to require that public employees affirmatively object to subsidizing nonchargeable speech by public-sector unions, rather than requiring that employees affirmatively consent to subsidizing such speech.
- Petition for Certiorari granted June 30, 2015
- Following oral argument on January 11, 2016, virtually all commentators predicted that a majority of the Supreme Court was strongly leaning toward overturning *Abood*. As the headline in the New York Times the next day reported, “Supreme Court Seems Poised to Deal Unions a Major Setback”

MAJOR ISSUES: FRIEDRICHS v. CALIFORNIA TEACHERS ASSOCIATION

- But before the Court's decision was issued, Justice Scalia died on February 12, 2016, leaving the Court with only eight sitting Justices
- On March 28, 2016, the Court issued its one sentence ruling: "The judgment [of the 9th Circuit] is affirmed by an equally divided court."

WHETHER ABOOD REMAINS THE LAW OF THE LAND IS VERY MUCH IN DOUBT FOLLOWING TRUMP'S ELECTION

- During the pre-election campaign, Trump said that he would appoint Supreme Court Justices in the mold of Justice Scalia
- Assuming President Trump appoints such a justice and that appointment is confirmed, it would strongly suggest that *Abood* may very well be overturned

WHETHER ABOOD REMAINS THE LAW OF THE LAND IS VERY MUCH IN DOUBT FOLLOWING TRUMP'S ELECTION

- Tom Goldstein, a veteran Supreme Court litigator and publisher of a widely acclaimed Supreme Court blog, at a November 2016 address at an ABA CLE meeting, said that the Court with a new Trump appointee would “almost certainly” overturn *Abood*
- He noted that a reversal of *Abood* will have “downstream effects on all public sector unions”
- Any number of cases are being litigated in lower federal courts that raise the same issue, i.e., is *Abood* still good law?

MAJOR ISSUE: HEALTH INSURANCE IN A TRUMP PRESIDENCY

- The Affordable Care Act, aka “Obamacare,” will almost certainly be replaced and the full details of what it will be replaced with are not presently known
- However, Trump has said the he will retain the “no pre-existing conditions” requirement, as well as coverage for dependents until age 26
- The so-called “Cadillac Tax” will most likely be repealed; in the pre-election campaigning, both Trump and Clinton stated their opposition to it

- **DOL Overtime Rule**

- **DOL overtime rule expands overtime eligibility to those earning up to \$47,476 per year.**
- **U.S. District Court enjoined the rule on November 22, 2016. Twenty-one States brought a law suit along with company groups, Nevada, et al v. U.S. Department of Labor, E.D. Texas, Case No. 16-cv-0731.**
- **The States argued, National League of Cities v. Usery, 426 U.S. 833(1976) should be reviewed and that Garcia v. San Antonio Transit Authority, 469 U.S. 528(1985) should be overturned. The court declined to do this.**
- **The Court focused on the definition of exempt employees working in an executive administrative and professional capacity and concluded that the DOL did not have congressional authority to supplant the duties test with a minimum salary test.**
- **Many companies have planned for a Dec. 1, 2016, implementation date of the rule by raising employee salaries or by re-designating exempt employees to nonexempt status. This decision has major implications for public employees if Garcia is overturned, especially with police and fire.**

DOL Silica Rule

On June 23, 2016, The DOL rule to decreased Silica exposure limits to be beryllium took effect. There is a two year compliance schedule for general industry. This rule deals with first responder issues such as the contaminants in the air after the World Trade Center disaster. See NIOSH Hazard 3 on breathing dust, and JAMA, Dec. 19, 2012 Vol. 308, No. 23. IAFF has a major interest in the enforcement of this rule. How will Trump deal with it. The rule has not been changed since 1971.

**Department of Justice Law
Enforcement Consent Decree**

The Chicago Sun-Times November 27, 2016, editorial suggested that the new administration “will back the civil rights probe of the Chicago Police Department.” That could lead to changes in the investigation discipline, record keeping, anonymous complaint and video viewing provisions of the FOP – Chicago collective bargaining agreement.

IMPACT OF THE ILLINOIS ELECTION RESULTS

YEARS	DEMOCRATS	REPUBLICANS	COMMENTS
2015-16 -- HOUSE	71	47	Super majority – veto proof
2017-18 -- HOUSE	67	51	Majority, but not veto proof
2015-16 -- SENATE	39	20	Super majority – veto proof
2017-18 -- SENATE	37	22	Super majority – veto proof

TRANSPORTATION AND FEES LOCKBOX AMENDMENT

- A legislatively referred constitutional amendment
- **Purpose:** To prohibit the [Illinois Legislature](#) from using transportation funds for non-transportation related projects
- On the 11/8 ballot; required passage by 60% of those casting ballots to pass
- Passed by a vote of 78.9% in favor, 21.1% opposed
- **Impact:** Limits legislative flexibility to appropriate funds for other exigent needs

Major Issue: The State Budget Crisis

- With no budget in place on 7/1/16, the start of the State's fiscal year, courts ordered that the State continue to fund Medicaid, pay employee salaries, meet consent decree obligations.
- By law, the State also made payments on State debt into State-funded pension systems

The State Budget Crisis

- Earlier this year, the General Assembly approved and Governor Rauner signed what is now known as the “stopgap budget”
- Funds some areas of government not previously funded, including higher education, for 6 months until 12/31/16, i.e., until after the November elections



Indicia of Illinois' Budget Crisis

- In June 2016 Moody's and S & P downgraded the state's General Obligation Bonds one level from Baa1 to Baa 2, commenting:
“The state's structural budget gap equals 15% of general fund expenditures, if the state's underfunding of pension contributions is included. If this gap continues into a significant portion of the coming fiscal year, it will put pressure on operating fund liquidity and add to an already sizable bill backlog....The potential for economic underperformance or unplanned liquidity demands heightens the risk of further financial weakening.”

Indicia of Illinois Budget Crisis

- As of August 31, 2016, the State Employee Group Insurance Program had a backlog of \$3.53 billion in unpaid claims from various insurance providers.
 - “Through one-third of the fiscal year, base receipts are down \$449 million, reflecting growing concern with revenue performance for the first part of FY 2017. In particular, both personal and corporate income taxes have disappointed and federal sources to the general funds are on pace for yet another poor fiscal year.”

Source: Commission on Government Forecasting and Accountability,
Monthly Briefing for the Month Ended: October 2016.

Comments on the “Stop Gap” Budget

- “A stopgap spending plan that lawmakers approved to address Illinois’ lack of a state budget for a second straight year is quickly draining the state’s ‘rainy day’ fund, focusing more attention on the state’s unique and long-running financial management problems.”
- “Financial watchdogs and at least one major credit rating agency say Illinois’ move to drain the \$275 million [rainy day] fund to pay for items such as food and medicine for people in state-run facilities in the 16-month absence of a full budget means that when – not if – a recession hits, new taxes or spending cuts will have to be even more draconian.”

– **SOURCE:** Sara Burnett, Associated Press, 8/14/16.

Impact of the Budget Crisis

The huge backlog of unpaid bills

- The Comptroller's office projected that as of 11/30/16, the bill backlog stood at \$10.351 billion
- Without any action to reduce the backlog, it is projected to be \$14 billion by 6/30/17, the end of the current fiscal year



SEVERITY OF BUDGET CRISIS HIGHLIGHTED BY THE STATE'S UNFUNDED PENSION LIABILITIES

RETIREMENT PLAN	ASSETS AS OF 6/30/16	LIABILITIES AS OF 6/30/17	FUNDING RATIO
TRS	\$45.25 billion	\$118.63 billion	38.1%
SERS	\$15 billion	\$45.5 billion	33%
SURS	\$17 billion	\$40.92 billion	41.5%
JUDGES	\$840 million	\$2.55 billion	33%
GENERAL ASSEMBLY	\$49 million	#363 million	13.5%

SEVERITY OF THE STATE'S UNFUNDED PENSION LIABILITIES

- Overall, the State's unfunded pension liabilities stand at \$129.8 billion as of 6/30/16
- Represents an increase of 16.9% from the fiscal year ended 6/30/15
- The aggregate funding ratio for the State's five pension plans is 37.6%, down 4.3% from the prior fiscal year
- The State's pension contributions are estimated to rise to \$8.9 billion in FY18, up \$7.9 billion in FY17

SOURCE: *Special Pension Briefing*, Illinois Commission on Government Forecasting and Accountability (November 2016)

MAJOR ISSUES: THE BUDGET CRISIS—IMPACT OF POSSIBLE SOLUTIONS ON LOCAL GOVERNMENT

- Possible/Probable lost of Local Government Distributed Funds (LGDF)
 - The State collects sales taxes and income taxes, of which a portion by statute are paid to units of local government
 - Last year Rauner proposed reducing LGDF by 50%
 - Since LGDF may make up as much as 10% or more of most local governments' annual revenues, any sizeable cut in the LGDF would have an significant impact on local governments

MAJOR ISSUES: BUDGET CRISIS—IMPACT OF POSSIBLE SOLUTIONS

- In May of this year, Illinois House passed HB696 that would be applicable to all non-home rule taxing bodies beginning with levy year 2015
- It would reset the Property Tax Extension Limitation Law (PTELL) annual escalator from 5% or the CPI, whichever is lower, to 0%
- If enacted into law, property taxes would be frozen for all non-home rule taxing bodies unless a referendum passed approving a property tax increase
- Current status—Pending in the Senate where it is sponsored by Senate President Cullerton
- Earlier, the House mustered a 6majority but not the 60% needed for passage for an identical measure (HB 695) that would have been applicable allto taxing bodies, both home rule and non-home

MAJOR ISSUES: STATUS OF STATE NEGOTIATIONS— BACKGROUND INFORMATION

- By law, all of the State's contracts covering 41 different bargaining units expired on June 30, 2015
- Of the State's approximately 46,000 employees, 93% are union represented, with AFSCME represents approximately 35,000
- A number of State's smaller bargaining units have settled contracts for the next four years

MAJOR ISSUES: STATUS OF STATE NEGOTIATIONS—SETTLED CONTRACTS

- Trade Union Contracts
 - Four year contracts
 - Cover trades employees represented by the Operating Engineers, IAM, and Plumbers and Pipefitters
 - According to the Governor’s press release, the parties “pledged to form a long-term relationship to improve employer-labor relations in state government”
- Teamsters contracts covering 4,600 employees statewide:
 - Four year contracts
 - Four year wage freeze, i.e., all employee pay levels frozen at current rate as of 7/1/15 for duration of contract
 - New performance stipend agreed to

MAJOR ISSUES: AFSCME NEGOTIATIONS—SB 1229

- Introduced at the behest of AFSCME and passed by the General Assembly
- As passed by the General Assembly, SB 1229 contained the following basic provisions:
 - State collective bargaining agreements expiring on or after June 30, 2015 but before July 1, 2019 that are not resolved by the expiration date shall be resolved through mediation or, if not successful, by interest arbitration under Section 14 of the IPLRA
 - Expired State contracts would remain in full force and effect could not be changed by action of either party without the consent of the other until a successor agreement is adopted
 - The right to strike is considered waived until the convening of the arbitration hearing.

MAJOR ISSUES: SB 1229 VETOED AND VETO IS NOT OVERRIDEN

- Vetoed by Governor Rauner on 7/29/15
- Veto overridden in the Senate by a vote of 38-15 on 5/19/15,
- But the motion to override the Governor's veto failed to muster the necessary 3/5th votes in the House by two votes on 9/2/15

INTEREST ARBITRATION *DEJA VU*

- Early in 2016 a new bill that would have accomplished the same interest arbitration goal as SB 1129 was introduced—SB 580
- Passed by both the House and Senate, but vetoed by Governor Rauner on May 16, 2016
- Despite two attempts to override the veto, first on 5/25/16 and then on 5/31/16, the House failed by 2 votes and 3 votes, respectively, to override the veto

State of Illinois v. AFSCME

Two consolidated ULP cases

S-CB-16-017 (1/15/2016) -- Issues according to State:

- AFSCME violated 10(b)(4) by failing to bargain in good faith by:
 - Violating of Tolling Agreement by AFCME by failing to submit impasse dispute to ILRB
 - AFSCME violated Act by insisting on bargaining after parties reached impasse.

State of Illinois v. AFSCME

S-CA-16-087 (1/22/2016) -- Issues according to AFSCME:

- State violated 10(a)(4) by bargaining in bad faith
 - Failure to provide information;
 - Direct dealing
 - Refusal to bargain
 - Insistence on mandatory subjects and illegal subjects
 - Surface bargaining

ALJ's Recommended Decision

After almost 1 month of hearings:

S-CB-16-017: No violation, complaint dismissed

S-CA-16-087: Among key findings --

- Parties reached “partial impasse”
- State unlawfully failed to provide requested information
- No surface bargaining or direct dealing

THE ILRB'S DECISION

At its public meeting on November 15, 2016, the ILRB made its decisions

- Affirmed the ALJ's decision that the State had not bargained in bad faith or by direct dealing
- Board rejected the ALJ's approach of looking at whether the parties were at an impasse on an issue-by-issue basis and instead adopted the NLRB's "single issue" test, i.e., are the parties deadlocked on a single issue of such importance that bargaining on the remaining issues (ones where there was still movement) would be pointless
- Viewed thusly, the Board held that the parties were at an impasse on subcontracting
- By a 3-2 vote the Board found that the State violated its duty to provide information to the union, but that this failure did not affect its determination that the parties were at impasse.
- Although the State's position that insurance for State employees was not a mandatory subject of bargaining, the Board did not rule on this issue because it was not fully developed and, in any event, was not necessary to its impasse decision.

NOTE: While the Board made its decision, the written decision that can be appealed has not yet been issued/

THE STATE TROOPER'S CASE: IS HEALTH INSURANCE FOR STATE EMPLOYEES A MANDATORY SUBJECT OF BARGAINING?

- Another major case is awaiting decision by the ILRB, i.e., the State Troopers case involving whether health insurance for state employees is a mandatory subject of bargaining given the provisions of the State Employees Group Insurance Act
- Regardless of the decision in this case, health insurance for non-State employees will remain a mandatory subject of bargaining

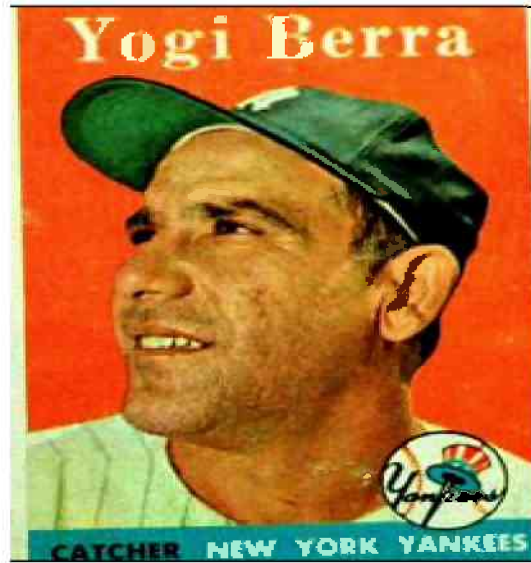
RAUNER'S "TURNAROUND AGENDA"

As originally put forth, included such items as:

- Major pension reform that would affect virtually all of the State's Pension Systems, the key elements included for new hires a new Tier 3 would be established with hybrid benefits, i.e., a combination of defined benefits and a 401(k)-style defined contribution and the consolidation of the states some 600 downstate police and fire pension systems under IMRF "for investment efficiency"
- Establishment of "Right to Work" zones
- Prevailing wages—exempt all units of local government, including school districts
- Governmental consolidation
- Workers Compensation reform
- Amend the IPLRA and IERLA to permit public employees to exclude the many topics from negotiations, including the insurance and staffing

RAUNER'S "TURNAROUND" AGENDA—CURRENT STATUS

- Just this week it was reported that the legislative leaders in the Senate were focusing on three issues:
 1. Workers Compensation reform
 2. Governmental consolidation, and
 3. Pension reform
- When asked if there was progress on the budget, Senate President Cullerton said, "We're talking about 'reforms,'" before they "talk about the budget."



“IT AIN’T OVER, TIL IT’S OVER.”