

SNG-Rauner to win on labor conflict-3-14-16

Rauner may notch win in labor conflict

By Jim Nowlan

While Gov. Bruce Rauner and Illinois House Speaker Mike Madigan continue to joust selfishly, and to the great harm of our state, over an unresolved state budget from 2015, the governor appears to be on track to notch a win over the state's major public employee union.

Both Rauner and the American Federation of State, County and Municipal Employees Local 31 (AFSCME), which represents 37,000 state workers, recently filed complaints with the Illinois Labor Relations Board (ILRB) in which they charge the other party with failure to bargain in good faith.

If ILRB, with a majority of members appointed by Rauner, finds the 14-month negotiations over a new contract to be at an impasse (a legal term of art), as the governor contends, then he can impose his last, final, best offer.

AFSCME could then strike, but it won't. I don't believe the public would stand for it. In addition, many union members would stay on the job, and Rauner could begin hiring permanent replacements for striking state workers.

First, some background.

Former Republican governor Jim Thompson signed the state's collective bargaining law in 1984, which provides a right-to-strike with the exception of employees essential to public safety and health (prison guards, for example).

During the 2000s, former Democratic governors Rod Blagojevich and then Pat Quinn inked sweetheart contracts with AFSCME.

During that decade, union pay went up about 50 percent, which includes wage increases, automatic longevity “step” increases and compounding.

Average pay for Illinois state employees in 2012 was \$63,000 versus \$57,000 for state workers nationwide, according to a report by the Pew Charitable Trust,

Almost 9,000 of the state’s 77,000 workers earn more than \$100,000.

Those state workers employed prior to 2012, when state pensions for new hires were trimmed, also have excellent pensions and pay about 15 percent of their health insurance premiums.

At the same time, pay for non-union “merit compensation,” generally supervisory, employees actually went down. Their pay was frozen during the period and merit comp employees were required to take unpaid furlough days.

So what happened? As you might imagine, supervisory employees joined the state unions in droves, and today about 95 percent or more of state workers belong to unions.

The sweetheart contracts also strengthened the unions’ hold over state government management. As I have noted before, state agency directors find it almost impossible to hire from the outside, because union employees get first crack at job openings and can qualify through training even if they don’t bring the skills needed in the first instance.

In effect, through union rules, grievances, and arbitrators who generally find that fired employees should be kept on the job, the unions largely run state agencies day to day.

In negotiations thus far, Rauner has proposed a freeze in any wage or step increases for four years, a boost to 40 percent in employee’s share of health care premiums, increased right to subcontract out state work, and merit pay awarded by the executive equal to 2 percent of base payroll.

AFSCME responded by proposing second and third year pay increases of 2.25 and 3 percent and little change otherwise in the expired contract.

The union is probably willing to negotiate on the pay increases but not on much else.

Rauner appears non-negotiable on his major points, although a release from his office points out 19 other concessions he has offered during negotiations.

I would say they are at an impasse.

If the ILRB agrees (a majority of the five-member panel has been appointed by Rauner), then the governor can impose his last, best, final offer.

AFSCME has been trying desperately to get the legislature to override, for a second time, Rauner's veto of a bill that would require arbitration of the differences. I think that effort will, again, fail in the House by a vote or so.

It looks to me like AFSCME is between a rock and a hard place here. The outcome could break, or dramatically weaken, the public union.

Regardless, it is time to overhaul the Illinois Personnel Code that governs employment. Job descriptions are way out of date, tortured by past administrations to take care of their favorites.

In addition, the personnel system needs to be professionalized so that Illinois state government becomes an attractive place for talented men and women to develop careers, something it is definitely not now.