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DIRECTOR'S REPORT

Who's really "overtaxed"?

A fair tax would lower rates for most while meeting the state's needs



BY
HENRY BAYER

ILLINOIS HAS A HUGE BUDGET HOLE THAT CAN'T BE FILLED WITH HOT AIR AND PHONY RHETORIC

I am overtaxed. Well, not me exactly, but my patience.

THE STATE HAS A BACKLOG OF UNPAID BILLS AND AN EVEN BIGGER BACKLOG OF UNMET NEEDS: roads that need repair, schools that need help, public safety that needs improvement, and more assistance for the elderly and people with disabilities.

Yet we have a lot of politicians and editorial writers insisting that the answer to the state's problems is to cut income taxes.

That's like telling someone steeped in debt with a leaky roof and a kid in college to cut their income.

The ridiculousness of their claims reached new heights in response to House Speaker Michael Madigan's proposed tax surcharge of 3 percent on annual incomes of more than \$1 million.

The anti-taxers said this would lead to a "millionaire migration" as rich folks left the state to avoid paying their fair share.

There's no evidence to back that prediction.

To the contrary, a study done of New Jersey when the state raised its top tax rate to nearly 9 percent on incomes over \$500,000 found that the number of millionaires actually grew after the tax took effect.

Other studies have demonstrated that tax policy has little bearing on mobility. In reality, jobs, family, housing and climate are key factors in the decision to move from one state to another.

But facts are something the anti-taxers assiduously avoid because the facts just aren't on their side.

Opponents of fairer taxes consistently claim that the Illinois income tax puts us at a competitive disadvantage with our neighbors. Yet even at its current level of 5 percent, the top Illinois income tax rate is less than that of Iowa, Ken-

tucky, Missouri and Wisconsin, where the right wing's demigod, Scott Walker, reigns.

In fact, at 3 percent, Illinois had the lowest top marginal tax rate in the country. If we left it at its current 5 percent level, we would be tied for 10th lowest.

The anti-taxers also like to claim Illinois has a spending problem, but don't mention that when it comes to per capita state general fund expenditures, the Land of Lincoln is in the bottom half, 28th to be exact.

Wisconsin, Walker's Wonderland, ranks well above us at 15th in spending. Even Indiana, which Bruce Rauner wants us to emulate, ranks higher than Illinois at 25th.

To sum up, Illinois' tax rate on its highest income residents is lower than those of most of our neighbors, and we spend less per capita than bordering states. The naysayers ignore these statistics because they belie their claims.

Yet while the state is not profligate in its spending and its income taxes are on the low end, our tax structure places its heaviest burden on low and moderate income families. The poorest among us pay, proportionally, almost three times more of their income, and middle income folks pay twice as much of theirs than the wealthiest individuals.

There is a plan to undo this unfairness. It would charge people with higher incomes (above \$150,000 annually) more while the overwhelming majority (94 percent of Illinois families) would pay less than they do now. This should make the anti-taxers happy.

But putting it into effect requires amending the state constitution, which now only allows a flat tax with the poor and the wealthy paying at the

same rate.

Amending the constitution requires a direct vote by the electorate. But in order for the question to be put before the voters in November, 3/5 of state legislators have to approve putting it on the ballot. A legislator doesn't need to be in favor of a fair income tax, only willing to allow voters to express their wishes on the issue.

Many of those same politicians say they don't want to cut spending for education, that they're concerned about the elderly and veterans. The fair tax would provide revenue for both kids and seniors.

Other politicians claim they want to reopen shuttered prisons and mental health centers. A fair tax would provide money for that, too.

Illinois has a huge budget hole that can't be filled with hot air and phony rhetoric. It takes real dollars and those dollars should come from those who can best afford it. A fair tax would do just that.

Bruce Rauner, the Republican gubernatorial nominee, is leading the charge for tax cuts - and strongly opposes higher taxes on billionaires like him.

At the same time, he's going around making speeches about the need to spend more money on education, from pre-kindergarten all the way to college. So far his only plan to raise the revenues needed to pay for such programs is to cut the pay and eliminate the pensions of public employees. That's not only grossly unfair, but also ridiculously misleading. Even massive reductions in pay and retirement costs wouldn't be enough to fund major expansions in education.

Putting both the fair tax and the millionaire's tax on the November ballot would give us the best of both worlds - a fair tax structure to meet the needs of Illinois citizens and a guarantee the wealthiest among us would pay their fair share.

On the Move

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Local government workers beat back pension attack

Local government employees outside of Chicago and Cook County participate in the Illinois Municipal Retirement Fund, one of the best-funded pension plans in the country.

BUT THE FUND'S SOLVENCY DIDN'T PREVENT GROUPS LIKE THE ILLINOIS POLICY INSTITUTE, BANK-ROLLED BY CORPORATE INTERESTS, FROM LAUNCHING AN ALL-OUT ATTACK ON THE BENEFITS ITS PARTICIPANTS RECEIVE.

The Illinois Policy Institute is closely allied with Republican gubernatorial candidate Bruce Rauner, who wants to entirely eliminate all public employee pension benefits.

The IMRF benefit includes a "13th check" that was established in the early 1990s after local government employees



and retirees fought for some form of protection against inflation. Unlike the pension funds for state and university employees, IMRF benefits increase only through a "simple" cost-of-living adjustment that is not compounded over time.

Since the COLA for IMRF

beneficiaries remains the same year after year, it gradually becomes less potent. The 13th check helps address this problem.

"The right wing would like people to believe this payment is some kind of bonus, when in reality it addresses the basic

need for pension payments to keep up with rising costs," said Martha Merrill, Council 31's director of research and employee benefits. "It provides a modest amount of money to retirees and in no way threatens the pension fund's overall health."

Still, that modest monthly payment – which averages \$343 – was enough for the corporate elite and its political allies to latch on to. Since then, groups like the IPI have gone on the attack, bashing not just the 13th check, but the IMRF as a whole (see related story below).

Some legislators followed suit. Rep. Deb Conroy (D-Villa Park) introduced legislation to abolish the 13th check, which passed out of a House committee by a bipartisan vote of 10-0.

AFSCME and other unions quickly put out alerts to union members and retirees in cities, counties and school districts all across the state. Calls began to flood in to legislators' offices – especially Conroy's.

She clearly got the message. Within days Rep. Conroy agreed to withdraw her bill (HB 3898) from consideration.

"We won this round," Merrill said, "but you can be sure that the corporate-backed Illinois Policy Institute will continue its efforts to eliminate all public pensions in the state of Illinois."

Union members expose Illinois Policy Institute deceptions

The attack on pensions is happening in more places than the halls of the state Capitol.

RIGHT-WING GROUPS ARE BEGINNING TO SHOW UP AT CITY COUNCIL MEETINGS TO CONVINCING local governments that pensions are too costly to sustain – even though they have little evidence behind their claims.

The good news is that AFSCME staff and members aren't letting these claims go unchallenged.

"They want to turn our pensions into 401(k)s and have them subject to the stock market without any guaranteed money," said Brent Prosperini, president of

Local 3417 in Springfield. "We don't want 401(k)s. We want to be able to plan our retirement and know what we'll be getting when we retire."

Prosperini and other members of his local, which represents City of Springfield Streets and Public Improvement employees, made sure they had a strong presence at a February 25 city council meeting where the Illinois Policy Institute (IPI), one of the state's most prominent right-wing think tanks, tried to urge the city to drop pensions for public employees.

The IPI had been invited to speak by an anti-union member of the council about the "stress" placed on the city's government by pensions for police officers, firefighters and other public employees, including AFSCME members who would receive pension

payments from the Illinois Municipal Retirement Fund (IMRF).

"They're launching a road show to present their so-called findings to local governments," Council 31 regional director Jeff Bigelow

said. "We got short notice of them being there, but we were able to get AFSCME members there to demonstrate their opposition."

As the meeting unfolded, it became clear the IPI hadn't done its homework. For

example, the institute's report repeated the familiar right-wing attack on "higher taxes" even though the city's property tax rates haven't risen in 30 years.

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State pension lawsuit to be heard in Sangamon

IN THE FIGHT TO HAVE SB 1 OVERTURNED, THE WE ARE ONE ILLINOIS UNION COALITION WON A SIGNIFICANT PROCEDURAL VICTORY WHEN THE ILLINOIS SUPREME COURT RULED THAT ALL LAWSUITS CHALLENGING THE NEW LAW SHOULD BE HEARD IN SANGAMON COUNTY.

"We agree with the Illinois Supreme Court's consolidation order in Sangamon County, and our coalition filed a motion with the Illinois Supreme Court to achieve this outcome," We Are One Illinois announced. "Sangamon County houses our state capital, the headquarters of the statewide officeholders and retirement systems named as defendants, and the legislature that passed Public Act 98-0599. Sangamon County is also geographically central, and three of the four cases were filed there initially."

After close primary, Rauner tries to “re-brand”

After spending nearly a year – and millions of his own dollars – spreading lies about labor unions and their members, Bruce Rauner’s out with his biggest whopper yet: He’s not anti-union.

THE REPUBLICAN NOMINEE FOR GOVERNOR IS NOW TRYING TO ERASE HIS MONTHS OF BLASTS against working people and their unions after a surprisingly close primary election that saw a coalition of unions prove Rauner wasn’t the invincible juggernaut many in the media had believed.

Rauner’s post-election assertion that he’s actually “pro-union” was met with disbelief – not only by labor unions but also by impartial political observers who had covered Rauner’s bid for the state’s

highest office, expecting him to waltz to victory.

“Rauner himself insisted yesterday that he’s not anti-union... The candidate’s record clearly speaks otherwise, however,” wrote Rich Miller, author of the influential Capitol Fax blog, two days after the March 18 primary. “He kicked off his campaign with a widely published newspaper op-ed in which he called for legislation to allow individual counties to approve their own so-called ‘right to work’ laws. Rauner has also repeatedly demanded that Illinois follow the lead of states like Michigan, Indiana and Wisconsin, which have all passed anti-union laws.”

“He can’t run away from his record”

“THE REALITY IS THAT UNION MEMBERS have Bruce Rauner worried,” said Council 31 Executive Director Henry Bayer. “He realizes that if working people know his aim is to destroy unions, he won’t make it to the

governor’s mansion.”

Candidates often try to move toward the center after winning a primary, but Rauner’s “pro-union” pivot is drastic enough to cause whiplash, Bayer said.

“Bruce Rauner staked his entire campaign on attacking union members and it almost cost him a win in the Republican primary,” Bayer said. “Now he’s scrambling to find another message for the general election. But he can’t run away from his record.”

That lengthy record is convincing evidence of a candidate determined to eliminate public employee unions and weaken the middle class in Illinois. It includes:

Bringing Scott Walker’s war on unions to Illinois: Rauner has repeatedly expressed admiration for Wisconsin Gov. Scott Walker, who won passage of legislation stripping public employees of their bargaining rights, as well as Michigan Gov. Rick Snyder, who supported that state’s right-to-work (for

less) bill.

Or maybe Mitch Daniels’ war: More recently, Crain’s Chicago Business, which endorsed Rauner in the primary, noted that the Republican nominee has a “man crush” on former Indiana Gov. Mitch Daniels who, with the stroke of a pen on day one of his governorship, repealed all collective bargaining rights for Hoosier state employees.

Barring public employees from politics: Rauner has said AFSCME and other public employee unions represent “pay-to-play politics at its worst.” He has said the political contributions of unions – which come from income earned by union members – amount to bribery using taxpayer dollars. He’s claiming that all public employee income is “taxpayer money” and so public employees should not be allowed to participate in the political process.

A pledge to eliminate pensions and reduce wages:

Rauner believes the pension cuts in SB 1 don’t go far enough. He wants to eliminate pensions entirely, forcing public employees onto 401(k)-style plans, and he has repeatedly expressed the view that Illinois’ public employees are overpaid.

Reducing the minimum wage: Rauner wants to literally take money from the pockets of workers who are already on the edge of poverty. He’s on tape saying “I will advocate moving the Illinois minimum wage back to the national minimum,” which would mean a \$1/hour cut.

“These words are going to haunt Bruce Rauner all the way from now until November,” Bayer said. “He might want voters to forget them, but supporters of unions and the middle class are going to make sure that doesn’t happen.”

Achieving the “almost impossible”

AFSCME AND OTHER UNIONS came together in the weeks before the primary to back state Sen. Kirk Dillard, who was the candidate best positioned to defeat Rauner.

That effort fell just short – Rauner defeated Dillard by a little more than 2 percentage points, just days after reports that Rauner was running away with the nomination.

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City of Chicago pension benefits on the line

As On the Move went to press, a battle was still being waged at the State Capitol over the Emanuel administration’s efforts to cut the pensions of City of Chicago employees and retirees. The city’s plan is the very definition of a raw deal: Give more now, get less later.

THE PLAN WENT FROM CONCEPT TO LEGISLATION IN A MATTER OF DAYS – WITH KEY POLITICAL leaders uniting to try to rush it through the General Assembly with little opportunity for examination or deliberation.

The bill (HB 1922 HA4), which makes steep cuts to the

pensions of participants in the Municipal and Laborers pension funds, got a big boost when a number of unions agreed to give it a green light. But AFSCME, along with the Chicago Teachers Union and the Illinois Nurses Association were firmly opposed and immediately went to work to lobby against the bill in Springfield and to mobilize grassroots pressure from union members and retirees.

Those efforts succeeded in defying expectations that the bill would sail through the General Assembly in 24-48 hours. Instead opposition began to emerge from a number of quarters and the bill’s anticipated turbo-charged ride never materialized.

There were several points of controversy, including the scale of the benefit reductions, particularly for lower-wage employees and retirees. But few legislators seemed willing to take on the bill’s most glaring flaw: its failure to pass constitutional muster.



Union members in the We Are One Chicago coalition, including AFSCME members, crowded the Capitol rotunda Feb. 19 to protest plans to cut pensions for City of Chicago employees and retirees.

“Passing cuts to state and university pensions has opened the doors of the state Capitol to more pension-busting legisla-

tion,” said Council 31 legislative director Joanna Webb-Gauvin. “Too many lawmakers seem to have no problem ignoring the

state constitution’s clear language that pension benefits can’t be reduced.”

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Union votes, volunteers propel pro-worker candidates to victory

The union vote did more than alter the landscape of the race for governor.

UP AND DOWN THE MARCH 18 PRIMARY BALLOT, AFSCME MEMBERS MADE THEMSELVES heard and proved beyond a doubt that people power can trump machine politics.

Victories came in Chicago, the suburbs and downstate in races ranging from the General Assembly to multiple county boards.

"When union members vote, pro-union candidates win," said Jason Kay, Council 31's political director. "This primary showed that candidates who stand with workers win, and those that don't may find their careers cut short."

Multiple candidates endorsed by Council 31 at January's PEOPLE Legislative and Endorsement Conference were victorious in their primary races:

- Will Guzzardi, who is likely to become the next state representative for the 39th District on Chicago's North Side, handily defeated incumbent Toni Berrios, who was heavily backed by the city's political elite.
- Ann Callis won the Democratic primary in the 13th Congressional District, which stretches from Urbana to Metro East. She will face Republican incumbent Rodney Davis in November.
- State Rep. Kate Cloonen survived a primary challenge in the 79th District, thanks in part to AFSCME efforts.
- Lauren Staley-Ferry won the Democratic primary for the 9th District seat on the Will County Board, defeating incumbent Diane Zigrossi. Zigrossi had refused to stand with county employees in Local 1028 during their strike last year.

Other victories came in races for the state House, Lake County sheriff and county boards in Cook, Champaign, Kankakee and Knox counties.

"We took on entrenched incumbents and won," Kay said. "Our success was fueled by members' PEOPLE contributions and achieved by people who were willing to work the phones and walk the street getting out the vote."

Talking the talk, walking the walk

IN THE WEEKS LEADING UP TO primary day, AFSCME members canvassed neighborhoods and participated in phone banks that helped turn out the vote for pro-worker candidates.

Some were longtime veterans of political volunteering. Others were first-timers, driven to participate by the threat posed by gubernatorial candidate Bruce Rauner, the legislature's passage of pension cuts, or other attacks on organized labor.

"I felt it was important to support someone who supports workers," said Kevin Roth, a Department of



Healthcare and Family Services employee in Local 2854 who visited dozens of homes on primary day to get out the vote for Will Guzzardi. This cycle marked the first time he had volunteered for political work.

Roth said Guzzardi's victory was encouraging and will hopefully encourage others to volunteer their time.

"I think it shows that union members are waking up and seeing they're under attack and they're starting to

"When union members vote, pro-union candidates win."
— Jason Kay

fight back and this is what can happen," he said. "I really enjoyed volunteering and I would do it again."

Maurice Taylor, president of Local 900 in Champaign County, said he felt it was his duty to help get the right peo-

ple in office.

"It's important, as union members, that we show candidates we'll stand behind them," he said. "We made calls and talked to our members. When we do that, we have a

good chance of winning anything."

Members of Local 1028 in Will County had more motivation than most to get out the vote after seeing how elected officials treated them during

the local's 16-day strike. Alex Kokas, one of the local's stewards, said Zigrossi's refusal to support striking county employees pushed him to knock on doors and plant lawn signs.

"We needed a change on the county board," he said. "I didn't agree with how she handled the strike. That aggravated some people and didn't sit right with me. That's why I decided to get motivated and get someone in there who would stand with us."

Two budgets present a clear choice: Growth or devastating cuts

During his annual budget address on March 26, Gov. Pat Quinn offered two budgets – and two drastically different prospects for public employees and the services they provide.

ONE BUDGET OFFERS STABILITY AND EVEN GROWTH IN JOBS AND SERVICES AFTER YEARS OF decline. The other offers a nightmare of cuts, closures and layoffs.

Which one will become a reality will be determined by whether the General Assembly decides to make the temporary income tax increase permanent.

“If the temporary tax increase is allowed to expire, the damage would be catastrophic,” said Anne Irving, Council 31’s director of public policy. “People who rely on services would be left with nowhere to go. Thousands of people would be put out of work, draining millions of dollars from our state’s economy.”

With many services already cut to the bone, the stark difference between the two budgets makes it clear that Illinois has a revenue problem. Making the tax increase permanent, while not a perfect solution, is the best way to prevent the state from falling off a fiscal cliff.

“We’d prefer to see the state constitution amended to allow for an income tax that provides the revenue Illinois needs while ensuring the wealthy and big corporations pay their fair share, with lower rates for the middle class,” Irving said. “If that can’t happen this year, though, we need to keep the tax rates we have now.”

The better budget

QUINN’S RECOMMENDED BUDGET – one that assumes the temporary tax increase is made permanent – would take steps to reverse years of cuts that have left state agencies critically short of staff and state employees struggling to do their jobs.

New hires: About 1,400 new frontline employees

would be hired across state government, with the departments of Corrections, Human Services, Public Health, Natural Resources and Juvenile Justice receiving badly needed help.

Back wages paid: The recommended budget includes several supplemental spending requests, including the \$112 million in back wages owed to employees in DOC, DJJ, DHS, DPH and DNR. (See related story on facing page.)

Reopening facilities: Reversing years of closures, the recommended budget would also reopen IYC-Joliet, converting it to an adult correctional facility for inmates with mental illnesses. IYC-Murphysboro would reopen as a correctional facility for DWI offenders. Unfortunately, the budget still assumes the closure of Murray Developmental Center, which AFSCME and the parents of Murray residents continue to fight in federal court.

Higher direct support wages: In a major victory, the recommended budget would provide additional funding for non-profit direct support providers to increase wages by \$1 an hour midway through the fiscal year. AFSCME and its partners in the Care Campaign have lobbied the governor and the General Assembly

for the past year to increase wages for DSPs, who provide vital assistance to people with developmental disabilities, yet must struggle to get by on poverty-level wages.

The “bad news” budget

IF THE TEMPORARY INCOME TAX increase is allowed to expire, nearly all sectors of state government would be devastated.

Layoffs: In state government, some 6,800 positions

would be eliminated. While some number of those would be vacant, undoubtedly thousands of employees would lose their jobs.

University cuts: Without an extension of the tax increase, every public university in Illinois would see a 14 percent budget cut, almost certainly requiring layoffs as well as higher tuition costs for students.

Local governments: Only now starting to recover from

the Great Recession, local governments and school districts would likely see grants and K-12 funding slashed, which could result in layoffs, service cuts and increased property taxes.

Cuts to developmental disability services: Instead of increasing wages for direct support workers, the “cuts” budget might actually require layoffs or wage reductions at these agencies.

The revenue question

BOTH HOUSE SPEAKER Michael Madigan and Senate President John Cullerton have signaled they favor making the temporary income tax increase permanent. But Republican leaders are already agitating against the tax extension.

AFSCME helped lead the charge to pass the income tax increase in 2009 and argued at the time that it should be permanent. Now the union is renewing that call.

“Public services, fair wages and thousands of jobs are on the line,” Council 31 Deputy Director Roberta Lynch said. “There’s no better advocate for strong public services than the front-line employees that provide them. AFSCME members should call and write their representatives now and urge them to keep the tax increase in place.”

Legislative



Update

Fair tax or millionaires’ tax? Why not both?

Illinois’ tax structure – which applies the same tax rate to middle class families as it does to millionaire CEOs – is fundamentally unfair.

Rates that were lower for people with lower incomes, and higher for people with higher incomes, would provide relief to middle class families and allow the state to address its priorities even more effectively.

Unfortunately, a House committee voted down a constitutional amendment that would allow for such a plan, known as a fair tax. AFSCME is part of a broad coalition, A Better Illinois, which has been pushing to have that amendment placed on the November ballot. The coalition is now working to have the Senate pass the amendment and put pressure on the House to follow suit.

The same committee did approve a constitutional amendment proposed by Speaker Michael Madigan that would allow for a higher tax rate on millionaires. AFSCME is also urging the General Assembly to put that amendment before voters this fall.

“The fair tax is the best public policy – and the one most Illinois residents prefer,” Council 31 Deputy Director Roberta Lynch said. “But in the absence of the fair tax, we have to encourage legislators to make current tax rates permanent and put the millionaire’s tax before voters this fall.”

Anti-union forces look for backing from Supreme Court

Will public employees in this country continue to have the same workplace rights that employees in the private sector have? That's a decision now in the hands of the U.S. Supreme Court.

FOR DECADES THE NATIONAL RIGHT TO WORK COMMITTEE, A FAR-RIGHT ORGANIZATION, HAS BEEN WAGING LEGAL BATTLES TO RESTRICT THE RIGHTS OF WORKERS TO UNION REPRESENTATION.

With ties to a vast network of anti-worker organizations, including the Koch brothers' Americans for Prosperity, the committee has now taken its

quest to annihilate unions all the way to the nation's highest court.

The case is *Harris v Quinn*, which originated in Illinois when the state declared that personal care assistants who aid disabled individuals in their homes and are paid from state Medicaid dollars would be treated as employees of the state for collective bargaining purposes.

One of these personal care assistants, Pamela Harris, agreed to become a plaintiff in a lawsuit initiated by the National Right to Work Committee's legal arm that sought to argue that these employees should not be able to form a union. Even though both an Illinois circuit court and the appellate court ruled against National Right to Work's argument, the U.S. Supreme Court agreed to hear the



appeal that was filed.

The suit contends that it is unconstitutional for unions to represent employees in the public sector if the employees don't want union representa-

tion – even if they are in a bargaining unit in which the majority chose to be represented by a union. Any employee in the bargaining unit who so chooses, the suit argues, should

be able to refuse to pay any dues or fair share fees – even if that employee is receiving all the benefits of union representation.

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Union strength – every member counts

Anti-union forces are trying to use the legal system to effectively eradicate labor unions in the public sector. With a Supreme Court heavily tilted against working people, they have their best chance in decades to succeed in that goal.

FOR AFSCME MEMBERS, THERE'S AN EASY WAY TO HELP STOP THEM: MAKE SURE YOU'RE a full dues-paying member – and that everyone at your work-site is as well.

Currently state laws like those in Illinois that give public employees the right to collective bargaining can also require that all represented employees either pay union dues as member or pay a "fair share" fee to cover the cost of union services as non-members.



Local 805 executive board member Stephanie Darnell (left) helped Niki Ruscitto become a full dues-paying member after she learned she only had "fair-share" status. Ruscitto has since become an activist within the local.

The National Right-to-Work Foundation is attempting to prohibit all such laws – requiring unions to represent non-members without requiring those employees to contribute anything toward the cost of representation (see related story on this page).

"The reason it's called a

'fair share fee,'" said Council 31 associate director Mike Newman, "is that it's just not fair for union members to have to pay the cost of representation for non-union members. That fee makes sure that everyone who benefits from what the union does contributes their fair share to paying the cost.

state make valuable gains."

More full members can also mean a stronger local.

"It's important for us to all be on board to show that we all stand in solidarity," said Stephanie Darnell, an executive board member of Local 805 in Springfield. "We all want fair

pay. We all want affordable health insurance, vacation days, sick time, and everything else we've earned. People need to remember that these things were negotiated and they could be taken away."

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From fair-share to activist

SOME EMPLOYEES MAY HAVE "fair-share" status without realizing it. That's what happened to Niki Ruscitto, a member of Local 805 who, concerned about unpaid back wages and the status of contract talks, attended her first union meeting only to find out she wasn't a full member.

That soon changed – Ruscitto saw the value of paying full dues and is now an enthusiastic activist within her local.

"My voice gets heard and I get to be part of the change," she said. "I get to be part of the business of figuring things out. If you're a full member, you can share your concerns. Your vote is going to get counted."

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LONG-RUNNING BATTLE

BLOOD, SWEAT AND TEARS – AND VICTORY

After more than seven years of struggle, Red Cross employees have accomplished their primary goal: a union contract.

Along the way, the blood services workers at the Red Cross' Heart of America region in Peoria endured obstacle after obstacle: multiple labor law violations by management, a paralyzed labor board, firings, anti-union meetings, impounded ballots and, after a successful election, contract negotiations that were repeatedly hampered by management's stalling tactics.

Finally, on February 28, the first contract went into effect.

"The wheels of justice are slow, but they do turn," said Scott Evans, a collection technician. "A big weight has been lifted from people's shoulders."

The inaugural contract addresses the primary concerns of employees: wages and safety. Employee pay will increase and language will encourage management to ensure work shifts are no less than 11 hours apart. If an employee's shifts are scheduled closer than 11 hours, the worker will be compensated for the inconvenience.

That provision was crucial because the Heart of America region provides staff for blood drives in three states, requiring long travel times.

The contract also contains provisions aimed at ensuring the safety of Red Cross vehicles used by employees while on the job.

"We now have a fleet manager in place," said Candy Hellyer, a team lead and steward. "The members are not going to drive unsafe vehicles. They have to maintain them or we won't drive them."

The contract also includes enhanced protections of paid time off and clear language on disciplinary procedures.

"I think a lot of people wanted to see this done because of the way some of the staff had been mistreated over the year," Evans said. "People were looking for consistency."

PERSISTENCE AND PATIENCE

Red Cross employees first came to AFSCME in late 2006, already having tried multiple times to have organized a union, only to see their efforts fall short in the face of aggressive anti-union tactics employed by management.

When AFSCME began organizing workers, Red Cross management attempted to misclassify workers as supervisors. When the National Labor Relations Board ruled the workers were eligible to organize, management exhausted every appeal to slow the process. When an election became inevitable, workers were inundated with anti-union propaganda. Workers were even interrupted during blood drives, forced to listen to anti-union spiels.

The tactics didn't work – by a 2-to-1 margin, employees chose to have AFSCME represent them in 2007. More management appeals, however, resulted in ballots being impounded. Then, a lack of a quorum on the NLRB prevented the ballots from being counted, a problem that wasn't resolved until President Obama took office and made appointments to the board.

The election was certified, but management remained stubborn when it came to negotiating a contract.

"Once we got to the table, the Red Cross took the position that they were going to hire an anti-union law firm and we got absolutely nowhere," Council 31 staff representative Tim Lavelle said.

In the meantime, many workers who were part of the original organizing push had left. But, Hellyer said, spirits and unity remained high.

"We voted in 2007 and a lot of those people are gone, but we just kept coming to the table," she said. "We stood together. We wanted a safer and better workplace. We wanted more time with our families. That's what kept us all on the same page, along with the importance of what we do – we know the need for blood and that kept people going."

Even once the two sides came to a tentative agreement, pending unfair labor practice charges had to be resolved before the new contract went into effect – a process that lasted months.

Finally being under a contract will take some getting used to, Evans said, but employees are glad they can finally focus entirely on their work.

"Employees will feel better about the job we do now," he said. "We all understand the importance of the job and we're looking forward to continuing that."



Red Cross draws blood with anti-union campaign

Red Cross workers choose AFSCME



Red Cross workers take to the streets to demand a contract

TITLES BEAR FRUIT



VICTORIES ADDING UP AT HEARTLAND HUMAN SERVICES

A succession of wins before the National Labor Relations Board has given employees at Heartland Human Services hope that their fight for union recognition is turning a corner.

The victories are only the latest chapter in a struggle that has lasted more than six years at the non-profit mental health facility in Effingham. While they don't signal the end of the battle, they do show that Local 3494 is making vital progress.

In October, the National Labor Relations Board found that Heartland management acted in violation of the union contract when it stopped giving employees raises on their anniversary dates, and, without notice, changed the 401(k) plan and increased health insurance premiums. The board ordered Heartland to rescind all changes and pay employees any wages owed.

That was followed in February by another ruling that found management acted improperly when it tried to unilaterally make other health insurance changes, including a \$3,500 increase in deductibles. Heartland was ordered to backtrack on this change as well.

Management is appealing those decisions, but employees are still pleased to see the labor board siding with them.

"I've been so excited I can't sleep at night," said Anna Beck, the local's president. "It really brought our morale up. It was like a huge, huge weight off our shoulders. People believe in our union."

Heartland management, however, has tried to pretend the union doesn't exist. In March 2013, the NLRB had to order management to recognize the union and abide by the contract after Heartland issued letters to employees noting that it had withdrawn recognition, blocked wage increases, refused to attend labor-management meetings and refused to move forward with contract bargaining.

TUMULTUOUS HISTORY

These ups-and-downs have been common at Heartland since 2006, when employees first voted to organize with AFSCME. Heartland refused to bargain in good faith, resulting in a strike and then a lockout.

After employees returned to work, management pushed for a decertification election in 2012 that

was marked by intimidation, threats and surveillance used against employees. The election resulted in a tie, which would have ended the union, but AFSCME charged that management's activities tainted the result. The NLRB agreed, throwing out the election and ordering a new one that has yet to take place.

Management's single-minded opposition to the union has had a negative impact on care at the facility, Council 31 regional director Jeff Bigelow said.

"Heartland Human Services spent over \$500,000 to fight against its employees' first efforts to get a union, the strike and the lock out. They have spent much, much more since then," he said. "Instead of agreeing to basic rights for the employees who provide services to the community, Heartland chose to fight the workers and raise the cost to community members seeking mental health services. Now it's time for Heartland to reverse itself and make the community and the staff who provide services the priority."

Heartland employees want to focus fully on providing those services – instead of constantly looking over their shoulders.

"It gets you stressed out at times and then you're constantly thinking about whether you're going to get anywhere," said Jane Carlock, a residential case manager. "You're always wondering whether you're going to get fired for something."

Dixon Turner, another residential case manager, said pro-union employees are often singled out by management.

"They know I'm union and anything they can try to pin on me or get me in trouble for, they do," he said. "I have to make sure all my t's are crossed and I's are dotted. I'm called in to the office for every little thing, for things that other people aren't."

Beck said management is still trying to divide employees and take advantage of high turnover by persuading newcomers to oppose the union – despite that, she said, spirits are high.

"We've strayed strong. We've even recruited new members while waiting for this decision to come down," she said. "We believe in what we're doing with AFSCME and AFSCME has always stood behind us."

Six-year battle for a union at Heartland Human Services

Heartland strikers' fire not cooled by frigid weather

Facing tough choice, Heartland workers don't back down

Anna Beck (1957-2014)

On March 29, several days after being interviewed by On the Move, Local 3494 President Anna Beck passed away following complications from surgery. She was 56.

Anna was born on Dec. 25, 1957, the daughter of Virginia Williams and stepdaughter of Jack Williams. Anna is survived her children, Kimberly Beck, Kyle Ellis, Kayla Ellis-Heart, Chavez Ellis, and stepdaughter, Vicky Beck Miller, as well as her six grandchildren. She was preceded in death by her parents; husband, James Beck; and sister, Kay Goens.

Anna was the president of the AFSCME Local 3494, representing employees at Heartland Human Services in Effingham, where she worked as a mental health case manager. Beginning in 2005, when management cut benefits and pay for those who provide vital services to the mentally ill, Anna led the fight for justice. Along with other workers she formed a union with AFSCME to seek basic rights. When manage-

ment refused to recognize their union, they went out on strike – and two years later they won. That was a measure of the workers' collective strength and Anna's commitment and perseverance. Later when management illegally withdrew recognition of the union – twice – Anna took on the leadership role challenging management's actions.

Anna spoke at mass rallies in Chicago, huge conventions in Springfield and meetings around the state to make others aware of the struggle for union rights at Heartland. She was always a voice for fairness and justice. Anna was always upbeat and believed that if you fight for what is right, you will win. Outside of her work she loved cooking, reading, and writing poetry. She never met a stranger and had a great sense of humor. She was a very caring person who loved helping others.



College football players have union rights

IN A RULING THAT SHOOK UP BOTH THE LABOR COMMUNITY AND COLLEGE ATHLETICS, A NATIONAL Labor Relations Board official determined that Northwestern University football players under athletic scholarships are considered employees who have the right to form a union.

The ruling opens the door to fairer treatment for college athletes in a system that currently sees universities, administrators, coaches and TV networks profit immensely off their work while granting them few rights in return.

Northwestern's players are seeking the right to organize and be represented by the College Athletes Players Association, which has received significant backing from the United Steelworkers.

Contrary to some portrayals in the media, the players are not seeking to be paid for their sport. Instead, CAPA is primarily seeking health coverage for former players with sports-related medical issues, independent concussion experts on sidelines during games and greater assistance for former players who want to complete their degree.

Peter Sung Ohr, the regional director of the NLRB's Chicago office, focused much of his opinion on the degree of control the football program has over the players' lives. During the football season, various games, practices, meetings and other required events take up 40-50 hours per week. Even during the offseason, players spend about 20 hours per week on football-related activities.

The long hours and arduous work Northwestern's football program required of its scholarship players were far different from requirements placed on normal students, making them employees of the school, Ohr found.

Ohr's ruling will be appealed, perhaps all the way to the Supreme Court, and only applies to private universities. However, if upheld, it is widely expected to have an impact on scholarship athletes at public universities since the state labor boards that have jurisdiction over them often look to the NLRB for guidance.

Politicians sabotage UAW organizing effort in Tennessee

IN THE WAKE OF THE UNITED Auto Workers' failed bid to organize workers at a Volkswagen plant in Tennessee, there's mounting evidence that Republican politicians engaged in a coordinated effort to keep the union out of the Chattanooga plant.

Even before the February 14 election, it was clear GOP officeholders wanted the organizing effort to fail.

In the days leading up to the vote, Sen. Bob Corker, R-Tenn., said he was told that if workers voted against organiz-

ing, "Volkswagen will announce in the coming weeks that it will manufacture its new mid-size SUV here in Chattanooga." Volkswagen management flatly denied Corker's claim.

A Republican state legislator, Sen. Bo Watson, said that if workers at the Chattanooga plant voted to join the UAW, tax incentives for



Volkswagen would "have a very tough time passing the Tennessee Senate."

Had such words come from a Volkswagen official, they would have been considered an attempt to taint a union election and an unfair labor practice.

Those rules don't apply to Corker and Watson, but that doesn't mean their claims didn't hurt the organizing effort.

"Sen. Corker entered into the fray just to intimidate workers," UAW President Bob King told MSNBC's Ed Schultz. "I've

never seen a campaign where politicians have threatened workers and the company."

In the weeks following the election, news reports have uncovered evidence that Tennessee's Republican governor, Bill Haslam, offered \$300 million in tax incentives to VW that were tied to a rejection of the UAW.

Nashville's Newschannel 5 found evidence that Haslam and Corker were both in contact with anti-union organizers prior to the election. Due to this interference by politicians, the UAW has asked the NLRB to order a new election.

Nun fired during organizing campaign wins job back

A NUN AND REGISTERED NURSE who was fired for her efforts to organize a union won her job back after her dismissal sparked protests and widespread media coverage.

Sister Barbara Finch, a registered nurse at the Allegheny County Jail in Pennsylvania, lost her job after expressing concerns about staffing, safety issues and patient care during meetings with management. Finch was working to help the United Steelworkers (USW) organize health care workers at the jail.

In response, the USW filed an unfair labor practice charge against Corizon, the company that manages health care services at the jail.

"This is a clear case of intimidation and union-busting at its worst," United Steelworkers International president Leo W. Gerard said in a statement. "Sister Barbara has been an outspoken advocate of change for these courageous workers and their patients, and this kind of illegal and unjust action, unfortunately, is par for the course with Corizon."

Following news coverage by Pittsburgh media outlets, a protest by workers outside Corizon's headquarters and an organizing election that saw workers vote overwhelmingly in favor of a union, Corizon and the USW negotiated to have Finch reinstated.

"We're very excited that we were able to get Sister Barbara her job back," Maria Somma, a USW organizer, told the Pittsburgh Post-Gazette.

UPS fires drivers for supporting union activist

UNITED PARCEL SERVICE IS attempting to dismiss 250 drivers in Queens, N.Y., who protested in support of a fellow employee and union activist who was fired.

The drivers walked off the job for 90 minutes in February in support of Jairo Reyes, a 24-year veteran of the company, who was dismissed following a dispute over his hours. Reyes was an active and vocal member of Teamsters Local 804, which represents the drivers.

Twenty drivers were dismissed immediately on March 31. UPS plans to dismiss the remaining drivers after their replacements have been trained.

"UPS's actions this week were a heartless attack on drivers and their families," the local posted on its website. "The company fired a group of drivers to try to divide us, create panic, or try to get Local 804 to cave in and sell out. That is not going to happen."

UPS now finds itself in a difficult situation because many members of the New York City Council are strong allies of organized labor. Some on the council have said UPS' treatment of its drivers could threaten the company's lucrative contracts with the city, as well as its eligibility for a program that partially compensates UPS for parking tickets received during deliveries.

"They took a grievance with one employee and turned it into notices of termination with 250 workers," New York City Councilman Jimmy Van Bramer told The Queens Courier. "That's outrageous. These are good, hardworking employees who have a contract for UPS. To try and break this contract, break this union, is something that is unacceptable and we can't tolerate."

The city's Public Advocate, Letitia James, is also supporting the dismissed drivers.

"These are middle class jobs that sustain families, and we can ill afford to have (so many) adversely affected by a rash decision," James told the New York Daily News. "We've given UPS breaks, particularly as it relates to this (parking) program. They should not treat workers in this manner."

Members flood the phone lines for pay justice



Local 2073 members distributed flyers and held on-site phone banks (below) to generate phone calls to lawmakers urging them to champion legislation to pay state employees \$112 million in back wages.

The General Assembly's spring session is underway, and thousands of AFSCME members have made it clear that pay justice should be a top priority for state lawmakers.

IN MARCH THE UNION RENEWED THE LEGISLATIVE BATTLE FOR PASSAGE OF LEGISLATION (HB 3764/SB 2603) that would appropriate \$112 million for wages still owed to state employees in the departments of Corrections, Juvenile Justice, Public Health, Human Services and Natural Resources.

The keystone of that campaign was a two-day stretch of calls from members to their representatives in the General Assembly, urging them to not only support paying the owed wages, but also to champion the cause of workers, many of whom are owed thousands of dollars.

"Lawmakers need to not only tell me what I want to hear, but take actions to make it happen," said Shaun Dawson, President of Local 2073, which represents employees at Logan Correctional Center. "Are you willing to stand up, willing to tell your leaders that this needs to be brought to the floor?"

The union has been fighting for pay justice since 2011, when Gov. Pat Quinn declined to pay wage increases required by the union contract.

Council 31 took the matter to arbitration and won. When the state appealed that ruling to a circuit court, the union scored another victory with the judge ruling the contract must be honored – and

owed wages must be paid.

As part of the resolution of the current state master contract, the Quinn administration agreed to support paying those owed wages. All employees were brought up to their appropriate placement on the pay scale and all available lapsed funds were used to pay back wages owed in most state agencies. However, there were not sufficient funds available to five agencies – DHS, DOC, DJJ, DNR and DPH – and employ-

ees in those agencies are still owed all or a portion of their back pay.

That's why a supplemental appropriation is needed.

Region by region

AS THE GENERAL ASSEMBLY'S spring session neared, Council 31 targeted specific legislators to let them know that unpaid wages weren't just another bill in the state's backlog: They were a matter of serious importance to their constituents.

"We wanted to make sure this matter hits home for members of the General Assembly," said Council 31 legislative director Joanna Webb-Gauvin. "Lawmakers need to understand there are constituents in their own districts who have earned this money and deserve it."

Along with contacting lawmakers, the union also spread the message in the media. Newspapers across the state ran articles detailing the amount of money owed to state employees in their communities.

For example, in Eastern Illinois, more than \$4.6 million is owed to 714 employees. Southern Illinois employees are due more than \$21 million.

"This isn't just about paying state government's oldest unpaid bill, it's about putting money into each region's economy," Council 31 Executive Director Henry Bayer said. "That's going to make a positive contribution when it's spent in local stores

and small businesses."

Springing into action

LOCAL 2073 GOT PLENTY OF members making calls to lawmakers thanks to an aggressive approach that relied heavily on the local's Member Action Team.

Team members stood outside entrances distributing flyers and erected large posters in prominent locations. The goal was to not only make sure every member got on the phone with their representatives, but also to build the local's activist base, even beyond Logan's walls.

"Just from our facility alone we made about 133 calls to representatives," Dawson said. "We also distributed flyers to get family members to call at home."

Dawson singled out the contributions of the local's Member Action Team leaders – Jim Fitzgerald, Mike Williams, Meredith Manning, Jerry Jones, Andrew Snyder and Dave Brainard – for ginning up enthusiasm about the call-in days.

"They went out of their way to make sure there wasn't a single person who didn't know what was going on," he said. "This was the first time the MAT team at our facility has come together and I couldn't be more proud of the turnout and the reaction they had."



ON THE LOCAL LEVEL



Members of the Local 2452 bargaining team (left to right): Teresa Holmes, Barbara Janowitz and Michelle Maxey.

Winchester House employees overcome obstacles, win new contract

WHEN LAKE COUNTY OPTED TO privatize its nursing home, Winchester House, in 2011, members of Local 2452 feared the worst.

For some time, those fears were realized: The nursing home's new management, Health Dimensions Group, initially recognized the union but eventually engineered a de-certification election and engaged in behavior requiring the union to file several unfair labor practice charges.

But when workers rejected the decertification push by a 3-to-1 margin, management realized it was time to sit down and negotiate a new contract.

"They finally felt we meant business," said Barbara Janowitz, the local's secretary-treasurer. "When they first came in they weren't too concerned about the union, but once they realized the employees were united, it went a lot quicker."

As a result, employees were able to win a new, two-year contract that includes a 2.5 percent increase split up over the first year, with a wage reopener in the second year. The contract also reverses management's practice of counting major holidays against paid time off accrued by employees.

"Management got rid of sick leave, holiday pay and vacation time and put it all into PTO and they cut the amount by 14-24 days per year," Council 31 staff representative Matt LaPierre said. "We reversed that and were able to get some paid holidays back separate from PTO."

The agreement also includes longevity bonuses that include time worked at the facility before it was privatized.

"Some of us have been here for more than 25 years, before Winchester House switched hands," Janowitz said. "People wanted their years of service honored by this company."

Janowitz said the facility's privatization, once a cause of fear and anxiety, eventually resulted in a stronger union that incorporated ideas from both veterans and newcomers.

"We had new negotiating members for the first time in a while. It was good to get some fresh ideas from new people," she said. "We were in limbo for a while. Now, I think people feel more stable and secure in their job."

The bargaining team included LaPierre, Janowitz, Teresa Holmes and Michelle Maxey.

Victories on contract, grievance for Springfield Head Start employees

MEMBERS OF LOCAL 2217, which represents Head Start employees at the Springfield Urban League, recently won not only a new contract, but also a grievance that will help both workers and children.

The contract will see wages rise by 6 percent over three years and includes improved language on leaves of absence, disciplinary procedures, and health insurance. It also ensures that all members of the bargaining unit will be union members, improving worker solidarity.

"We've got more people standing up," local President Alberta Daniels said. "We've

got more people wearing union shirts and even when new employees come in they're wearing them."

When management initially balked at including wage increases in the contract, the union

went into action.

"We engaged them in a fight on the ground," Council 31 staff representative Erik Hostetter said. "When we asked for information and didn't get it, we filed an Unfair Labor Practice charge. At the 11th hour, when the labor board was hammering them to provide what we wanted, they called us to negotiate and we got everything done in one night."

Management also sought to settle a grievance regarding its practice of temporarily assigning Special Needs Assistants to be Teacher Assistants. Abuse of this practice meant staff was stretched thin and children weren't getting the attention they needed.

With arbitration looming, management agreed to hire four new Teacher Assistants and end the use of temporary assignments.

"It feels wonderful to win these battles," Daniels said. "We're going to fight for our union and what's right."

The bargaining team included Daniels, Hostetter, Amanda Brimberry, Cristol Tiller, Anita Strong, Tiara Harris, Carolyn Morgan, Sara Wells and Marla Robson.

Decatur Township employees win back what was once lost

WHEN MEMBERS OF LOCAL 674, who work for the Township of Decatur, headed into contract negotiations, one of their top priorities was to make up for the previous agreement, which included a 3.25 percent wage cut.

The local ended up doing that and more – the first year of the three-year agreement will see wages rise 8.25 per-

cent, followed by 3 percent increases in each of the following two years.

"When we actually sat down it was pretty straightforward," said Jim Pollard, a member of the bargaining team. "We got back what they had taken away and got what they had given the rest of the township employees."

The relatively smooth negotiations were a stark contrast from talks over the previous contract, when management initially wanted to make deep cuts to wages.

The new contract also adds titles to the bargaining unit. Joining Nestler and Pollard on the bargaining team was local President Barb Jackson.

DeWitt County employees outperform expectations

DEWITT COUNTY HIGHWAY Department employees in Local 1296 will see wages rise by 9 percent under a new, three-year contract ratified last fall.

"We got most of the things we were asking for and got a decent sized raise that we weren't really expecting," said Ron Harvey, the local's president. "The negotiations were pretty easy in terms of the back-and-forth between us and the county's attorney."

The new agreement also will provide employees with a \$500 annual stipend to purchase clothing and equipment.

"Previously we had to pay for our own safety equipment and cold weather equipment," Harvey said. "This way we get \$500 at the beginning of every year to replenish anything that needs to be re-equipped."

The contract also stipulates that work performed on Thanksgiving, Christmas Eve and Christmas will be paid at double time, along with normal holiday pay.

The bargaining team included Harvey, Council 31 staff representative Chris Hooser and Nakoa Trimble.

Layoffs avoided in Rock Island County

ROCK ISLAND COUNTY EMPLOYEES were faced with a choice when they began negotiating a two-year extension of their contract: Put off a scheduled wage increase or accept layoffs.

Their decision: The wage increase will be deferred until

November and all employees are guaranteed to keep their jobs.

"We sat through the budget meetings with the county and saw they were looking at 20 layoffs with a year left on our contract," Local 2025 president Jeff Stulir said. "We decided to sit down with them to come up with a deal."

The extension also includes a 2 percent wage increase in the second year, helping explain why the plan was overwhelmingly approved by membership.

"By deferring one year's wages, we locked in another two years," Council 31 staff representative Dino Leone said. "It saves the county money now, but locks in raises for employees down the road."

Leone, Stulir and Kelly Webber negotiated the contract extension.

Tight budget limits St. Clair DSPs

THE DIRECT SUPPORT PROVIDERS at St. Clair Associated Vocational Enterprises in Belleville face the same limitations as employees at other state-funded community disability agencies: Funding to significantly increase employee wages isn't coming through from state government.

That's why Council 31, direct support providers and their employers have formed the Care Campaign to urge the state to increase funding for non-profits that assist individuals with developmental disabilities. The campaign recently persuaded Gov. Pat Quinn to include more funding in his fiscal 2015 budget.

But that budget has yet to make it through the General Assembly. For now, members of Local 1831 will see some bonuses under their new, three-year contract, as well as language improvements on grievance procedures and the handling of unused vacation time.

Local President Dawna Pruitt said even the small bonuses employees get are contingent on private donations, illustrating the need for more funding from the state.

"There's just no money here," she said. "Our buildings are falling down and old. Our buses are falling apart."

Joining Pruitt on the bargaining team were Council 31 staff representative Steve Joiner and Cindy Rehg.

Union strength

Continued from page 7

She now actively encourages other fair-share members to take the plunge into becoming full union members.

"The biggest thing is I tell them what I've been through. You want to know what's going on and where your money is going to," she said. "A lot of our new employees that come in, when they hear my talk, they don't have a problem signing up. Even with people who are older and more settled, they're receptive."

Ruscitto said the entire union benefits from having a high percentage of full members.

"If we don't have unity and solidarity, who's going to fight the battle?" she said. "People say the union's going to fight for them, but the fact is you are the union. You're the person that needs to

fight."

It's especially important to have one-hundred percent union membership when it comes to a battle with management, such as a contract fight.

"Some people here thought of it as a financial hardship," said Peggy Netznik, a steward with Local 370 at the Southern Illinois University School of Medicine. "I found out over half the people just in my building were only fair-share and I said, 'Well this just isn't going to work.'"

Netznik and others in the local worked to sign people up as full members, which helped send a strong message to management.

"When it came to contract time I worked hard to make everyone understand that they have to be there to back us," she said. "If you don't, management isn't going to listen."

AFSCME accepting applications for Jerry Clark scholarship

AFSCME is now taking applications for the Jerry Clark Memorial Scholarship, which awards \$5,000 annually to the children of two AFSCME members for their junior and senior years of college.

THE SCHOLARSHIP IS AVAILABLE TO THOSE INTERESTED IN PURSUING A CAREER IN POLITICAL activism and includes the opportunity to intern at AFSCME's national union headquarters in Washington, D.C., in the Political Action department. Scholarship winners may also be eligible for a six-month job placement with AFSCME after graduation.

To be eligible to apply, a student must be in her or her sophomore year of study and enrolled in a full-time, four-year degree program at an accredited college or university and must have an AFSCME

member as their parent, legal guardian or financially-responsible grandparent. Applicants must also have a 2.5 or higher grade-point average and a declared major.

To apply, download an application at www.afscme.org/members/sc

scholarships/jerry-clark-memorial-scholarship. Applications must include an official college transcript and proof of a parent or guardian's AFSCME membership.

Applications must be postmarked no later than May 30.

The scholarship honors Jerry Clark, who led AFSCME's Political Action department for two decades. He worked tirelessly to keep union-busting, anti-worker politicians away from public office and worked on behalf of candidates who stood by public employees.



Supreme Court

Continued from page 7

It goes even further, not only seeking to prevent a union from negotiating on behalf of everyone in a bargaining unit, but also seeking to severely limit the issues that can be negotiated.

All public sector bargaining is intrinsically political, the Right-to-Work lawyers claim, since it affects state budgets. And if public sector bargaining is a kind of political speech, no state can order anyone to pay for it.

Council 31 Deputy Director Roberta Lynch said that argument is absurd on its face.

"Fair wages, affordable health care, safe workplaces and fair treatment aren't political issues. They're the basic things every worker in America should expect," she said. "If they are consigned to the realm of political debate, it's very dangerous for all public employees."

A range of rulings are possible, but the court could go so

far as to entirely outlaw fair share fees, which would force unions to devote resources toward representing employees who contribute no dues or fees.

"Dues allow the union to be a strong advocate for its members. Dues and fair share fees are the only revenues that unions have," Lynch said.

Without that income, unions would be greatly weakened – which, of course, is just what the National Right to Work Committee wants to see happen.

"The labor movement in the public sector would be profoundly damaged if it is required to represent employees who do not contribute anything toward that representation," Lynch said. "We're very proud in AFSCME Council 31 that we have such a high proportion of members. But if the Supreme Court rules in favor of the National Right to Work Committee, our union's future will depend on every represented employee being a dues-paying member."

Chicago pensions

Continued from page 4

Higher contributions, lower benefits

UNDER THE EMANUEL ADMINISTRATION'S plan:

- The annual cost-of-living adjustment (COLA) that protects against inflation would be reduced for all current employees and retirees. Currently the COLA is 3 percent compounded annually. Under the new plan, it would be 3 percent or one-half the Consumer Price Index, whichever is less – and it would not be compounded.
- The COLA would be frozen (i.e., there would be no increase) for all retirees in the years 2017, 2019 and 2025.
- In addition, all current employees would lose the first COLA they are due after they retire.
- All employees would be required to pay an additional 2.5 percent of salary toward their pension.
- The city would increase its contributions to the pension

fund.

AFSCME analysts estimate that these changes would result in all current and future retirees losing 20-30 percent of the value of their pensions over two decades of retirement – more than \$200,000 in many cases. Many retirees would be pushed into near-poverty.

AFSCME and other unions had been in talks with the Emanuel administration regarding possible changes to the terms of the Municipal Employees' Annuity and Benefit Fund (MEABF) and the Laborers Annuity and Benefit Fund (LABF). The nearly 50,000 active and retired participants in the MEABF include virtually all members of AFSCME. The talks ended with unions divided about the city's proposal.

"It is highly unfortunate that some unions have agreed to go along with Mayor Emanuel's pension cuts," Council 31 Associate Director Mike Newman said. "However, AFSCME members should

know that we rejected this proposal right away and are standing with the We Are One Chicago coalition to fight it."

Fighting back

WHILE EMANUEL'S PLAN HAS, sadly, divided the labor movement, the unions that are fighting the cuts represent a strong group of frontline employees Chicago citizens interact with and rely upon every day for vital services.

But high visibility is only helpful if it comes with a voice. That's why the union is encouraging all active and retired City of Chicago employees to contact their representatives and urge them to vote against another unfair and unconstitutional "pension theft" bill.

"Legislators need to hear from active and retired city employees," Newman said. "They need to know that employees – and their unions – are strongly opposed to these cuts."

RETIREE NOTES

Retirees step up for primary election

ILLINOIS MEDIA PUNDITS AND political insiders thought that hedge fund mogul Bruce Rauner would win the Republican primary in a landslide. No one counted on just how influential AFSCME Retirees could be when their hard-earned benefits are at stake.

Angered by Rauner's continual demonization of public sector retirees, AFSCME retirees from Chicago to Marion manned phone banks to spread the word about Rauner's dangerous agenda to destroy unions and wipe out pensions.

The final result? A predicted Rauner "landslide" ended up being a narrow victory, with Rauner winning by less than 3 percent of the vote. This was a shock to political observers statewide since Rauner spent \$14 million on the primary and was ahead by 30 percent in the polls leading in to the final weeks of the election.

"Working together with Council 31 and other unions, Retiree Chapter 31 members mobilized and helped to turn a 'landslide victory' into a very close vote," said David Amereson, Chapter 31 Retiree Coordinator. "The takeaway from all of this is clear: Retiree involvement can make a big difference in any election. That's why we need every member involved in the coming months."

Retiree member steps up for PEOPLE

DENNIS PATRICK IS NOT JUST taking it easy in his golden years. The retired Illinois corrections supervisor, who now lives in Tennessee, is making a difference in his community, and the country, by attending local political meetings and contributing in a big way to AFSCME's political action program, PEOPLE.

His latest contribution is his biggest yet – a \$500 check to Public Employees Organized to Promote Legislative Equality (PEOPLE). That's on top of the monthly \$4 that he sends to PEOPLE. It also tops the \$100 extra contribution he made last year.

What motivated Patrick, a member of AFSCME Retiree Subchapter 73, to make such a generous contribution to PEOPLE?

"I think that you have to be politically involved," says



AFSCME retirees worked the phones in the lead-up to the March 18 primary.

Patrick, 70. In addition to supporting PEOPLE, he contributes to local candidates who support issues that he cares about, including workers' rights, health care for all, women's rights and support for social safety net programs like Medicaid.

Writing a larger check to PEOPLE seemed the right thing to do, he says, since anti-worker lawmakers attack workers and their unions in a big way. "If you don't contribute now, and they cut your retirement and health benefits, and you stand on the sidelines, then you are just as responsible for that as the idiots that did it to you," he explained.

In a letter that accompanied his \$500 check to PEOPLE, Patrick wrote he hoped "the members and retirees of AFSCME know how important the fight is to their pensions and health care benefits. If they cannot give a monetary donation they should volunteer at phone banks or do whatever they can to help."

President takes chained CPI off the table

A PROPOSAL THAT WOULD HAVE lowered the annual increase to Social Security benefits has been taken out of President Obama's 2015 budget proposal.

Known as "chained CPI," the benefit reduction was touted by Republicans as a more "accurate" way to measure inflation. However, this argument has been debunked

by several economists and major newspapers.

The Los Angeles Times called it a "stealth benefit cut for seniors... dressed up in the faux-finery of economic rigor" pointing out that the proposal could result in a 10 percent cut to Social Security benefits over the course of an individual's retirement. The newspaper concluded that "there are no grounds for the claim" that chained CPI is a more accurate way to measure inflation, and thus would decrease the buying power of Social Security recipients.

But retirees should not assume that chained CPI is gone forever. The president's action only removed it from the 2015 budget proposal, and the failed inflation formula could find its way back into the budget in a future proposal, or under a future president.

House GOP proposes Medicare cuts, vouchering

FORMER REPUBLICAN VICE PRESIDENTIAL candidate Paul Ryan has introduced the House GOP budget, and what it does to seniors is not pretty.

Despite the GOP's repeated promises during the 2012 presidential election that Republicans would not seek to make changes to Medicare for those who are 55 or older, Ryan's budget would do just that.

Besides further lowering tax rates on the wealthy and corporations, the Ryan bud-

get seeks to transform Medicare programs into voucher systems. Republicans familiar with the numbers behind this proposal say that in order for such a system to save any money it would have to also be targeted at those over the age of 55.

The idea of transitioning Medicare into a voucher system is not new. The idea has been consistently rejected due to the fact that it would

require seniors to pay more for preventive health services and prescription drugs, and would essentially end Medicare's guarantee to provide health care to program enrollees.

Another problem is the way the vouchers are structured. In a voucher system, seniors would receive a payment to purchase their own individual health insurance plan instead of receiving Medicare. However, the payment is capped over time to grow no faster than the increase in GDP inflation plus 0.5 percent.

Health care costs are expected to continue to rise at a much faster rate, though. This would force many seniors to choose whether to pay more out-of-pocket each year to receive the same benefit package they got under Medicare or to purchase plans with smaller and smaller benefits each year.

"Moving to a voucher system for Medicare, as the Ryan plan outlines, is just a way of cutting Medicare. It shifts health care costs onto retirees, most of whom cannot afford the changes and wouldn't get the health care they need," said Richard Fiesta, executive director of the Alliance for Retired Americans.

AFSCME retiree leader seated on pension board

AL LATOZA, PRESIDENT OF AFSCME Retiree sub-chapter 93 (Marion) and member of the Chapter 31 Executive Board, has won a seat on the SERS Board of Trustees for a five-year term. The SERS Board of Trustees oversees the pension funds of state retirees and plays a pivotal role in decision-making relating to the administration of those pension funds.

Latoza was the only candidate running for an open seat on the board for annuitants this year and was declared the winner by default.

Latoza said that his priorities for his term on the board will be to "restore solvency to the pension fund, monitor the fiscal health and well-being of its investments, and to ensure SERS annuitants continue to have the retirement security necessary to lead lives with dignity and respect."

The SERS Board is made up of six trustees appointed by the Governor, four trustees elected by current state workers, and two trustees elected by state annuitants. AFSCME Chapter 31 executive vice-president and president of sub-chapter 57 (Kankakee) Shirley Byrd is the other elected annuitant.



Al Latoza

Privatization: Making millions for a few, doing little for everyone else

If you listen to Bruce Rauner and other bashers of public employees, you'll hear a familiar refrain: Public employees are overpaid. They're a drain on the system – a waste of taxpayer dollars.

IN FACT, THERE ARE SOME PEOPLE BENEFITING FROM TAXPAYER DOLLARS WHO PROVIDE VERY LITTLE value – but they're not the frontline public service workers Rauner loves to attack, the men and women who guard prisons, protect abused children, teach students and provide care for the elderly and people with disabilities.

No, the people draining the system are actually the millionaire CEOs heading private firms that take over public services with the promise of savings and efficiency, only to leave behind a trail of waste, incompetence and fraud – along with widening inequality.

A pair of recent studies has put a harsh spotlight on the perils of privatization.

One, from the Center for Media and Democracy, sarcastically labels those leading the privatization charge as "Amer-

ica's highest paid government workers." The list includes leaders of several companies that have attempted to take over work performed by AFSCME members.

Near the top of the list is George Zoley, CEO of GEO Group, one of America's largest for-profit prison firms. The company gets 86 percent of its revenue from public dollars – \$22 million of which

went to Zoley over four years. Zoley and GEO haven't done much to earn that money. The report notes that "the company's cost-cutting strategies lead to a vicious cycle where lower wages and benefits for workers, high employee turnover, insufficient training, and understaffing results in poor oversight and mistreatment of detained persons, increased violence and riots."

The report also highlights



Richard Montoni, CEO of Maximus – a firm that until recently had a contract with the state of Illinois to take over Medicaid eligibility re-determination work that had been performed by public employees.

That contract is now com-

ing to an end thanks to a grievance filed by AFSCME that resulted in an independent arbitrator finding the state's agreement with Maximus violated the union's collective bargaining agreement. The arbitration process exposed Maximus' high error rate and found the state would waste \$18 million a year by using Maximus instead of hiring bargaining-unit employ-

ees. Maximus' bad track record isn't unique to Illinois – the CMD report noted that "Maximus has a history of improper billing." The state of Wisconsin "may be on the hook for tens of millions" due to improper Medicaid billing

procedures recommended by Maximus. In 2007, Maximus "agreed to pay \$30 million to settle a criminal investigation

regarding falsified Medicaid claims."

Despite this damage and waste of taxpayer dollars, Montoni received \$19 million in compensation over four years.

More outsourcing, more inequality

ANOTHER REPORT, FROM THE Colorado Center for Policy Studies, details how the practice of privatization contributes to widening income inequality in the United States.

The report found that "outsourcing to private corporations undermines principles fundamental to our democratic system" by reducing accountability and transparency, creating conflicts of interest and taking decisions away from the public and elected officials.

"Governments cited insufficient savings 52% of the time when ending private contracts," the study found. "Cost savings are often achieved at the expense of reduced wages and benefits for workers."

"Contracting can involve substantially lower wages and benefits for local workers providing services, siphoning dollars away from local economies," the study notes. "Workers making less will spend less in their own communities."



Maximus CEO Richard Montoni



GEO Group CEO George Zoley

Rauner

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What happened? Simply put, union members got out the vote.

"The polls and prognosticators were wrong because tens of thousands of union members and their families and friends took GOP ballots for the first time," Miller wrote. "Changing the landscape of a party primary is almost impossible, but the unions did just that, mainly because they successfully convinced membership that Bruce Rauner is a major threat."

"We may not have defeated Bruce Rauner, but we accom-

plished the next-best thing – we made him vulnerable," Council 31 Deputy Director Roberta Lynch said. "He's going to spend months defending himself, his radical ideas and his shady business practices."

Now, as the general election campaign begins, a candidate whose election was seen as a foregone conclusion by some is now seen as being deeply flawed. As the Chicago Sun-Times put it, "After going unchallenged for most of the early primary season, it turns out that the Rauner campaign bleeds when opponents fight back."

Pension assault

Continued from page 3

City officials also pointed out that the assumptions and calculations done by the IPI were flawed due to a lack of knowledge about the city budget and operations.

"The IPI is relying on cherry-picked statistics and skewed numbers to make a case against the IMRF," said Martha Merrill, Council 31's director of research and employee benefits. "In reality, the IMRF is the state's most financially stable pension plan. Replacing it with a 401(k)-style plan will never achieve the results the IMRF

can achieve for employers and members."

In the end, a large majority of council members agreed with AFSCME's view and criticized the IPI for adopting a confrontational approach.

"The council members thought their numbers were skewed and that they're essentially in cahoots with Bruce Rauner," Prosperini said.

Keep an eye out

DESPITE THE CHILLY RECEPTION in Springfield, the Illinois Policy Institute is expected to

continue its road show, along with a broader assault on pensions.

The IPI is tied into the same right-wing financial networks that fuel groups like the American Legislative Exchange Council (ALEC) and Americans for Prosperity, the Koch brothers' central political organization. It has an essentially unlimited pool of money from which to fund its attacks on unions and working people.

That means public employees will have to tap into their best resource – themselves – to fend off the assault.

"If the IPI shows up in your town, be sure to organize an effective response," Bigelow said. "Tell your elected officials that public employee pensions aren't the problem. The problem is people who want to steer our pension money to Wall Street so it can reap the profits."

AFSCME makes recommendations for SERS trustees

STATE EMPLOYEES WILL VOTE THIS SPRING ON WHO WILL REPRESENT THEM ON THE BOARD OF TRUSTEES FOR THE STATE EMPLOYEES RETIREMENT SYSTEM (SERS).

THE BOARD OF TRUSTEES IS RESPONSIBLE FOR OVERSEEING THE ADMINISTRATION OF PENSION FUNDS, WHICH ARE MANAGED BY THE ILLINOIS STATE BOARD OF INVESTMENT. FOUR POSITIONS ON THE BOARD ARE HELD BY ACTIVE STATE EMPLOYEES ENROLLED IN THE SERS SYSTEM AND ARE ELECTED BY ACTIVE EMPLOYEES.

BALLOTS WILL GO OUT ON MAY 1 AND MUST BE RETURNED BY MAY 31.

A F S C M E R E C O M M E N D S



DAVID MORRIS

has been a member of the SERS Board of Trustees since 2009. A Social Service Program Planner III in the Illinois Department of Children and Family Services, he has 32 years of service with the State of Illinois. He has served as the president of AFSCME Local 805 for more than 10 years and is a member of the AFSCME Council 31 Executive Board.

Morris serves with the AFL-CIO as a Union Counselor for dislocated workers and others in need. He is active in his community, serving on the United Way committee that recommends allocations for local service agencies.

As SERS trustee, Morris has been a firm advocate for protecting the gains that state employees have made and for assuring full funding of the pension system. He believes it is essential to preserve the retirement security that state employees have worked so hard to secure.



PATRICIA OUSLEY

has been a member of the SERS Board of Trustees since 2009. She has worked for the Illinois Department of Employment Security for nearly 40 years, most recently as an Unemployment Insurance Revenue Analyst. She was president of Local 1006 and serves on the AFSCME Council 31 Executive Board.

Ousley is active in her community, serving as a trustee at her church, and as a vice president of Visionary Friends, a nonprofit group that works with inner-city schools in Chicago. The Chicago Federation of Labor named her its 2012 Woman of the Year.

As SERS trustee, Ousley remains a staunch advocate for the interests of state employees on all matters before the board. She is a strong voice for protecting the gains state employees have made and for full funding for the SERS in order to ensure the system's fiscal stability.



CAMERON WATSON

is a Correctional Officer at Jacksonville Correctional Center with 18 years' service to the people of the State of Illinois. He was longtime president of Local 3549 and serves on the AFSCME Council 31 Executive Board.

Watson is a veteran of the U.S. Army and serves as a volunteer firefighter and emergency medical technician in his community.

With our pension benefits under attack as never before, state employees need SERS trustees who will stand up for retirement security. Cameron Watson is a strong leader with a proven track record of effective advocacy, and firmly committed to protecting our pensions.