

## **5 June 2015 Council 31 Retiree Meeting**

### **Retiree Co-Ordinator's Report:**

Dave is taking orders for We support State Employees signs.

There will be informational pickets from June 9-11. We'll need volunteers.

This is an opportunity to build connections with individuals of participating locals. Those connections will help us create the pipeline of new retirees. While the State provides a roster list, the IMRF doesn't.

Lawsuit update: Konerva ruling follow-up on refunds. Some retirees have received state letters and checks. Deadline for the checks is June 15<sup>th</sup>. This will

include a 2.7% deduction for class action attorney's fees.

The Court combined the AFSCME/We Are One suit with several other groups suing the State. While AFSCME lawyers were paid up front, with an hourly wage, other lawyers were retained on a contingency basis. That is why our members are paying extra.

The SRS sent members a letter stating refund checks aren't taxable. Dave advised members to check with their tax accountants and keep documents. This is a big win for our Union. If you do not receive a check-Call CMS with your story.. No action-call Dave.

The SB-1, Pension decision is a big deal. The ISC decision was 7-0. Short and concise. Often in these decisions, justices layout the reasoning of why the law was unconstitutional with suggestions of how a law could be written that would be acceptable. This didn't happen.

Reviving the Dental insurance lawsuit. At this time, Dave has no answer.

With SB-1 finished, our union lawyers could raise the issue.

The bill awarding back pay passed the House and Senate. It goes back to the House for votes on amendments attached by the Senate.

Cook County Pension reform bill was defeated. It would have affected worker and retiree COLA's.

City of Chicago pension/health insurance case:

On July 9<sup>th</sup>, AFSCME lawyers will ask the judge for a summary judgment, declaring us the winner.

Since the legislature passed the City's pension reform bill, the city has been phasing out health insurance coverage for retirees. It costs \$649.00 a month for coverage under the new plan. When the bill passed, AFSCME asked for an injunction, but didn't get it. On June 26<sup>th</sup>, AFSCME will make it's case for throwing out the City's pension law.

Dave warned about the tendency of court activity to de-activate retirees. He pointed to Rich Vogel's loss in the trustee election. Given the structural deficit in Illinois budgets, we must always prepare for attacks on our pensions and benefits.

Members should get their information from AFSCME, AFL-CIO, CFL websites. Leaders should never assume members are in agreement when we say Rauner is endangering our retirement security.

Have people check Ilgov.org for Rauner's agenda. He is after an amendment referendum on the 2016 ballot that would eliminate the pension protection clause.

We have to be aware of the long term consequences of the agenda of Rauner and his allies, i.e., amend the constitution and reduce pensions. IPI and Reboot Illinois are arguing for an exception clause interpretation to the pension amendment. Rauner is advocating for the appointment of Supreme Court judges instead of election.

You see the motive playing out in his budget. He is reducing state costs for employee benefits by moving current employees to ACA bronze plans. Platinum plans pay 90% of expenses. Bronze-40% Currently, Illinois' offers Platinum plan. This is the actuarial standard. Other states offer platinum, 2 offer gold plans. We aren't out of line in state government employee health coverage.

The 2014 Election: There was a 40% turnout. 20+% of eligible voters elected Rauner. We elected Democratic super majorities in the GA. We helped pass the referendums for the Millionaire's tax and for minimum wage increases.

Rauner's RTW initiative has been a flop. The districts that have rejected it represent 95% of voting population. Rauner has been telling legislators and local elected officials to support RTW or lose state grants. This is why retirees need to be building relationships with state legislators and local government leaders.

RTW appears to be ending. Rauner sees contract bargaining as his best hope



for leveraging power. Dave is circulating a master list of state Facilities. We will be asked to have retirees support informational pickets. He asks us to use the next 90 days to build relationships with legislators and their staffs. Ask for commitments. Demand Yes or No responses. Our members need to tack local government actions as well. Read The Turnaround Agenda. Some of it is anti-IMRF(the bankruptcy option). Everyone knows a civil service retiree. Reach out.

Legislative Director's report:

Joanna suggested we go back to the union's organizing model. Begin conversations by listening to family, friends and neighbors.

The Cook County pension bill was stopped in court. IL state's attorney says the bill is un-constitutional. The politicians might try to put a constitutional amendment on the 2016 ballot. After SB1 was defeated, Senator Cullerton tried to revive interest in his "consideration theory" of a optional swap to control health care costs. After Conerva, AFSCME maintains premium free healthcare is also protected.

Don't take comfort in the Court's decisions. With a budget fight, we don't know how this will end. Newspaper editorials give Rauner's election more credit than it deserves. The voters hated Quinn. The media is friendly to Rauner (Defender of the middle Class). Meanwhile, Rauner's friends have raised large sums for 3 PACS. We know what that means for the middle class but we cannot take it for granted our members know what these actions imply.

**(In organizing, meet the members where they are-take them to where they should be. Retirees need to respond by using what works: one to one.)**

The Rauner effect:

Remember a Sun-Times reporter, Dave McKinney? Dave asked Rauner a lot of probing questions during the campaign. Rauner got him suspended from the Sun-Times. McKinney resigned. Rauner had him blacklisted.

In the Capitol:

Things are getting intense. The GA is nervous, waiting for Rauner to fire a first shot. There is a \$2 billion hole in the budget. Rauner is asking for \$700,000 in healthcare savings from AFSCME as a concession. Administration officials have testified to this request. AFSCME won't agree to this.

Democrats in the GA are saying we have to raise revenue to balance the budget. Right now there is a motion to either re-consider the budget or to

send it to the governor and let him make the cuts. Rauner is proposing a swap, his turnaround agenda for revenue. His request is for workman's comp reform.

Meanwhile the budget negotiations are being worked out in secret working groups made up of admin staff and legislators.

In the GA, downstate Republicans are frightened about RTW. When the Democrats called a bill, the Republicans voted present.

Rauner's local government agenda:

He's asking the legislature for a property tax freeze. His budget cuts the LGRF in half. This resulted in Springfield meetings where mayor after mayor spoke of pension payments that were hurting local government budgets. Rauner wants legislation that will allow local governments to declare bankruptcy. This threatens government retiree & worker pensions, especially those funded through the IMRF.

State contract negotiations:

Bargaining is going badly. Privatizing is an issue. Rauner wants to sell off state government functions.

In negotiations, there is usually equal pressure from each side of the table. Rauner is pushing for a strike. We responded by pushing a bill for impasse arbitration in the GA. The Senate has approved it. Rauner apparently went bat-shit when he got the news. It means that either side can ask for 30 days of mediation. After that. Either party can file for impasse arbitration.

The GA members are nervous. Rauner is apparently drawing a line in the sand over contract negotiations. He appears to have 2016 aspirations and wants to out-Walker, Governor Scott Walker.

We want to get state services back to work. Rauner has handed out checks to Republican legislators. After July 1<sup>st</sup>, to get an override on a veto we will need 71 votes in the house. We need to double down in the house. Last session, we only had 68 votes.

This will be a summer of member activity. We need to be reaching out to our former locals, other affected organizations. ILARA leadership wants us to attend local government meetings to help stop RTW and other Rauner agenda items. ILARA had a convention meeting 5/31, in Chicago.

They are now a 501(c4), which means they can do political lobbying and make endorsements in 2016. The Chicago Federation of Labor is working with member locals and the ILARA to form sub-chapters with their retiree tradesmen.