



## Illinois General Assembly

May 26, 2016

Governor Bruce Rauner  
207 State House  
Springfield, IL 62706

Roberta Lynch, Executive Director AFSCME Council 31  
205 N. Michigan Ave. Suite 2100  
Chicago, IL 60601

Dear Governor Rauner and Director Lynch,

It is abundantly clear that the continuation of this stalemate will continue to hurt all interested parties. State employees are particularly jeopardized when considering the impact on their health care costs; and taxpayers lose with continued uncertainty over costs that would be fixed in a new collective bargaining agreement. These outcomes are unacceptable and action must be taken by both parties now.

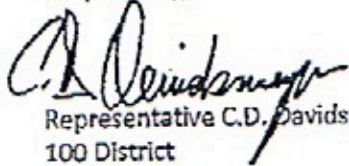
Therefore, we are writing to urge both parties to resume negotiations, with the Governor and AFSCME convened together at the negotiating table with the goal of reaching an agreement on a new collective bargaining agreement that balances respect for taxpayers with the needs of our hardworking, dedicated state employees. It is our strong belief that the Tolling Agreement and Declaration of September 9, 2015 – a joint commitment by the Administration and AFSCME to negotiate in good faith – must be honored to the fullest extent.

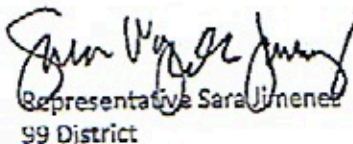
An agreement between both parties will allow all Illinoisans to move forward together, without anyone's ability to negotiate being taken away by an unelected arbitrator or by imposing an unwelcome contract.

The administration has been able to work with 18 separate unions to find agreement on behalf of the people of Illinois. This can only be accomplished by both sides being at the table ready to work. We are confident that meaningful progress can be made toward a collective bargaining agreement when both sides meet in good faith.

As Representatives who serve many of the dedicated state employees and many other hard-working taxpayers, who are all impacted by your interactions, we urge you both to take action to resume good faith negotiations towards a compromise.

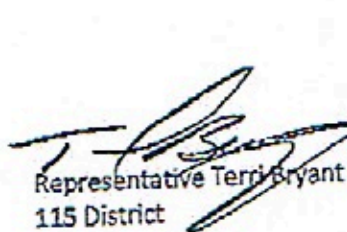
Respectfully,

  
Representative C.D. Davidsmeyer  
100 District

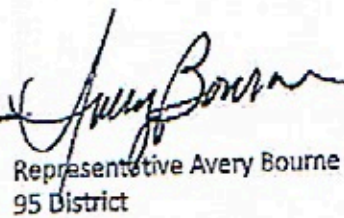
  
Representative Sara Jimenez  
99 District

  
Representative Norine Hammond  
93 District

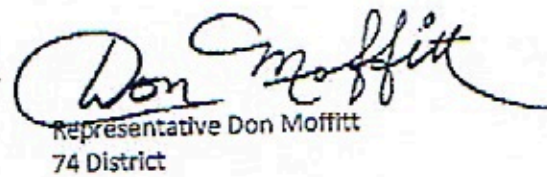
Page 2.



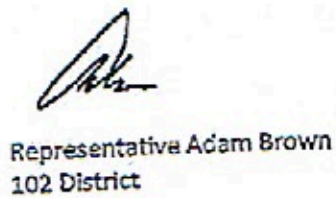
Representative Terri Bryant  
115 District



Representative Avery Bourne  
95 District



Representative Don Moffitt  
74 District



Representative Adam Brown  
102 District





Executive Director

Roberta Lynch

Executive  
Vice Presidents

Lori Laidlaw

Dorinda Miller

Carmen Willis-Goodloe

Yolanda Woods

Secretary

Patricia Ouley

Treasurer

Robert Fanti

Executive Board

Gloria Arsenault

Garry Cacciopaglia

Gary Caccia

Dave DeRose

Selma Fellers

Mark Kerr

Gary Knoeschel

Kathy Lane

Ellen Larrimore

Matthew Lukow

Chris Milton

Steve Mitons

Duane Montgomery

David Morris

Steve Nordtke

Ralph Portwood

Gary Quick

John Rayburn

Kobie Robinson

Ruby Robinson

Yvonne Simonson

Eva Spencer-Chapman

Mike Turner

Trudy Williams

Retiree President

Larry Brown

Trustees

Carlene Ema

Tom Minick

Miguel Vazquez

May 27, 2016

Representative C.D. Davidsmeyer  
Representative Sara Jimenez  
Representative Norine Hammond  
Representative Terri Bryant  
Representative Avery Bourne  
Representative Don Moffitt  
Representative Adam Brown

Dear Representatives:

I am in receipt of the letter you sent yesterday to me and Governor Rauner urging "both parties to resume negotiations".

I can assure you that our union would much prefer to reach a contract settlement with the Rauner Administration at the bargaining table as we have done with every previous administration, whether Republican or Democrat.

We have already notified the governor's representatives—and restate to you again today—that AFSCME stands ready to return to the bargaining table and resume negotiations.

Unfortunately, as I'm sure you are aware, on January 8 the Rauner Administration broke off negotiations and has since refused our requests to return to the bargaining table. Instead, the governor is asking the state labor board to give him the power to impose his own demands on state employees—leaving them with no choice but to work under those terms or go out on strike.

Certainly I would like to hope that your letter would produce a more constructive response from the administration, but I must confess to skepticism on that score.

We share your goal of reaching an agreement that "balances respect for taxpayers with the needs of ... dedicated state employees" and believe that such an agreement can be reached if both parties approach negotiations in good faith, recognizing that compromise is essential to any bargaining process.

In reality, HB 580, the fair arbitration bill, represents the surest path to the kind of reasoned negotiations that you support. Yet each of you chose to vote against the motion to override Governor Rauner's veto of this measure.

07/14



American Federation of State, County and Municipal Employees, Council 31

TEL (312) 641-6060 FAX (312) 861-0979 WEB [www.afscme31.org](http://www.afscme31.org) 205 North Michigan Avenue, Suite 2100 Chicago, Illinois 60601

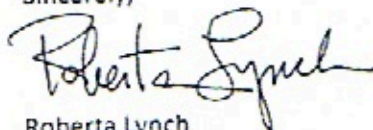
Our union supported passage of HB 580 as a more reliable means to foster the negotiations that you call for. In the public safety units where interest arbitration is already an option, it is well-recognized that the prospect of arbitration often acts as an incentive for the parties to remain at the bargaining table until they reach an agreement. Further, where interest arbitration is invoked, in most instances it spurs the parties to modify the proposals that are ultimately submitted to the arbitrator—leading to the kind of balanced outcome to which you allude in your letter.

Therefore, I would respectfully request that if Governor Rauner fails to respond in the affirmative to your call to resume negotiations with AFSCME, you immediately inform Rep. Chris Welch, the sponsor of HB 580, that you are prepared to support that legislation and ask him to call the override motion again in this session of the General Assembly. I am confident that with your support we could secure the 71 votes needed to override the governor's veto.

Finally, I want to respond briefly to your reference to the "18 separate unions" with whom the administration has reached collective bargaining agreements. I'm sure you are aware that most of those unions represent only a small number of state employees (some with just a few dozen members) as compared to the 38,000 employees represented by AFSCME. However, you may not be aware that those settlements are based on far better terms than the "last, best and final" offer made to state employees represented by our union. Many of the employees covered by those agreements will receive pay increases over the four-year term of the contract, while AFSCME-represented employees would be barred from receiving a single pay increase or even their scheduled step increases. Moreover, employees covered by the Teamsters agreement will receive a significant increase in their health care benefits, as compared to the massive benefit cut—doubling employee costs—that the governor is seeking to impose on the members of AFSCME and other unions that have not yet reached an agreement.

The people of Illinois depend on the vital public services that state workers provide. The men and women of state government who work every day to provide those services deserve fairness and respect. With the public interest and fundamental fairness foremost in mind, AFSCME remains ready to return to the bargaining table. But, of course, that requires Governor Rauner to do so as well. If he continues to refuse to resume negotiations, I hope that you will now take the opportunity to assure the course of compromise that you favor by acting without delay to support a re-vote of the HB 580 override motion.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roberta Lynch". The signature is fluid and cursive, with the first name "Roberta" being more prominent than the last name "Lynch".

Roberta Lynch  
Executive Director



### Anti-worker groups push Federal Legislation to Attack Pensions

Under model federal legislation introduced by an anti-worker "think tank," state legislatures and governors could ignore their own constitution to attack retirees by allowing states to declare bankruptcy for only their pension debt.

While municipalities can use Federal Bankruptcy law under certain circumstances to reduce the pensions of retired municipal employees, states cannot similarly declare bankruptcy.

That would all change under new legislation being pushed by the Manhattan Institute, a think tank dedicated to the abolition of all defined-benefit pension plans nationwide. The group's latest project, entitled: "Empowering Illinois Pension Reform," seeks to amend Federal Bankruptcy Law to allow state legislatures and governors the power to ignore their own state constitution and declare bankruptcy of their pension debt alone.

Under traditional bankruptcy, every creditor is at risk of losing part of what is owed to them. Under this proposed Federal legislation, only retirees would risk having their pensions reduced- while traditional creditors such as wealthy hedge funds and bond owners would lose nothing.

Normally a state government has to follow their own constitution. When that state's constitution includes strong pension protections, as Illinois' does, it makes it difficult to reduce the pensions of state workers .

If a state was allowed to file bankruptcy for its pension debt, as the Manhattan Institute is proposing, then the case would not be subject to state constitutional law, but rather federal bankruptcy law. If the state was able to show that it has an underfunded pension system, it could ask the judge to "restructure" pension payments.

In other words, your state government could ignore its own constitution and reduce your retirement benefits, and the person that would decide the issue would be an unelected Federal judge with a lifetime appointment.

This federal legislation has already been pushed in the pages of the Chicago Tribune and by the Illinois Municipal League.

### **New Rule Requires Financial Advisors to Protect Client's Retirement Savings**

A new rule promulgated by the Department of Labor requires that advisors in the financial services industry act as fiduciaries – that is act “solely in the interest” of clients – when giving advice regarding people’s retirement saving.

It may come as a shock to many, but until this rule was passed financial professionals who give advice to retirees were under no duty to give prudent advice to their clients. Instead, these advisors would often steer retirement savings into high priced, risky investments. This practice would produce big commissions and fees for financial advisors, but would often lead to great losses from workers’ retirement savings.

The new DOL rule curtails this behavior, as these advisors will no longer will be allowed to consider their own compensation in deciding which products to recommend to clients.

Big business lobbyists groups such as the U.S. Chamber of Commerce and Wall Street banks immediately launched a massive effort to repeal the new rule. On April 28<sup>th</sup>, the U.S. House of Representatives vote to repeal the rule along straight party lines. The Obama administration has vowed to veto the legislation however, and it is unlikely the House or Senate will be able to override.

Senator Sherrod Brown (D-Ohio) said of the rule: “Middle-class and working families who are struggling to save and invest for a secure retirement shouldn’t have to worry that their financial advisers aren’t putting their customers’ interest first.”