

ARBITRATOR RULES AGAINST LAYOFFS IN ILLINOIS



Illinois Gov. Pat Quinn had plans to lay off 1,600 workers and close seven state facilities, that was, until an independent arbitrator ordered him to stop. The arbitrator said that doing so would be in violation of an agreement that the state had made with the states largest employee union. In essence he has been stopped from laying off workers and shutting down facilities until at least July 30, 2012. The Arbitrator, one Mr. Edwin Benn, said the state had made "clear and unequivocal promises" to not layoff workers and close facilities in exchange for union members finding \$400 million in concessions, arguing "a party is not excused from previous contractual obligations by claiming that it can presently no longer afford to meet its obligations." He then went on to add that, "The state guaranteed that there would be no layoff of employees represented by the union and no facility closures prior to July 1, 2012," Benn said. "The state did not keep its promises. It must now do so." Benns ruling stated that Gov. Quinn was not able to layoff workers or close facilities until July 1, 2012. All of the impacted workers had to be re-instated with full pay and benefits. In addition the state must also make adequate compensation to any of the laid off workers who lose their homes or cars due to lost wages. Of course, the ruling will only impact the 1,680 union-employees who were in line for lay offs. There were also 288 non-union employees who were also laid off in this arrangement, but the terms of the arbitration will not help them. The union that won the arbitration was the American Federation of State, County and Municipal Employees. While, for the time being this keeps employees in their jobs, there is no chance that it will stand in the long run. The office of Gov. Pat Quinn is expected to make a filing to challenge the ruling in court in the long term. The governors office has posited the argument that the agreement that was made with the American Federation of State, County and Municipal Employees because there is not enough money in the budget to keep government operating, in its current fiscal condition, for a full year. After the ruling he released this statement, "The actions taken by the administration last month are necessary to manage a budget that underfunded the operational and personnel lines in a number of state agencies. This ruling does not change the fact that the money to run all these facilities for the entire year was not appropriated by the General Assembly. We cannot spend money that was not appropriated." The plan in contention would correct that deficit by not only laying off about 1,900 state workers but also by closing seven of the states correctional and mental health facilities. The Illinois state court may come to a different ruling upon appeal, since the arbitrator does not have jurisdiction over any of the Illinois Constitution and statutes that may apply to this case.