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Illinois High Court Delivers Defeat to Union on Back-Pay Dispute.

CHICAGO — The Illinois Supreme Court reversed two lower court rulings on Thursday and held that unionized state workers whose 2011 raises were withheld during a state budget crisis are not entitled to back pay unless the state legislature appropriates the money.

Roughly 24,000 employees in five state agencies aimed to collect \$62 million in unpaid wage increases promised in July 2011 as part of a modified four-year contract that the American Federation of State, County and Municipal Employees (AFSCME) negotiated with the state.

Then-Governor Pat Quinn had budgeted for the increases but was unable to deliver them because the legislature failed to appropriate enough money. The union estimated the affected members, on average, are owed \$2,500 apiece.

AFSCME later won an arbitration ruling ordering immediate payment of the raises despite no specific appropriation from the Illinois General Assembly. A state circuit court and appellate court upheld the decision.

But in Thursday's ruling, backed by six of seven justices, the state's high court overturned the decisions and held that Illinois' constitution requires a legislative sign-off on all spending matters, including union pay raises negotiated with the executive branch.

Justice Mary Jane Theis, writing for the court's majority, justified the stance by noting past court precedent that "when labor representatives bargain with executive agencies, they do so with the knowledge that any agreement reached will be affected by the General Assembly's appropriation power."

AFSCME was disappointed with the ruling.

"The court's decision today raises the troubling prospect that government could benefit from a contractual agreement - in this case, the public services provided by many thousands of men and women - but refuse to fulfill its own obligations under that agreement if lawmakers and the governor do not enact a bill to fund them," AFSCME Council 31 Executive Director Roberta Lynch said.

By REUTERS

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(Editing by Jeffrey Benkoe)