

# Illinois governor prepares attack on state workers

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In the few weeks since taking office, Illinois Governor Bruce Rauner, a multi-millionaire investment banker, has signed a number of executive orders curtailing state spending and the rights of state employees.

In an executive order signed this week, Rauner stopped the payment of agency or “fair share” fees by non-union state employees to the unions that bargain for them with the state. Agency fees are paid by workers who opt not to pay union dues but are still covered by employment provisions resulting from collective bargaining.

The state employs more than 75,000 workers represented by different unions. Rauner’s executive order affects an estimated 6,500 workers who pay agency fees instead of dues. The executive order suspends the payment of the fees to the unions, sending the money to an escrow account. The governor’s office has also filed a declaratory judgment action with the Illinois Supreme Court asking that the “fair share” fees be ruled unconstitutional.

In his February 4 State of the State address, Rauner indicated his broader aim was to suppress all electoral activity by public employee unions, saying, “Government unions should not be allowed to influence the public officials they are lobbying and sitting across the bargaining table from through campaign donations and expenditures.”

Rauner has signaled the intention to transform Illinois, entirely or piece-by-piece, into a “right-to-work” state. Reactionary “right-to-work” legislation has been passed in the neighboring states of Michigan and Indiana under Republican governors in recent years, and Rauner has sought to blame Illinois’s relatively high unemployment on the state’s unionization rate.

The governor proposed local-option “right-to-work” zones in his February 4 address, giving these the Orwellian title of “employee empowerment zones,” although workers in those cities and counties that adopted right-to-work would be deprived of the power to establish a union shop.

The Illinois House and Senate are controlled by large Democratic majorities. Rauner’s executive orders are aimed at circumventing legislative processes in which his proposals would probably fail, because the Democrats prefer to implement austerity policies using the services of the unions, rather than dispensing with them entirely. For that reason Rauner has not proposed a statewide right-to-work law.

In legal papers filed with the state courts in support of his executive order on agency fees, the governor’s office argues that collective bargaining for public sector unions is inherently political activity, and compelling public employees to pay for that activity violates their First Amendment rights. To label all public sector union activity “political” has potentially very broad and very damaging consequences for the workplace rights of public sector workers.

The attacks on workers’ rights go hand-in-hand with direct cuts in state spending. An earlier executive order issued in January froze all “non-essential” spending in state agencies, including hiring, travel and construction, and instructed some facilities to prepare property for auction.

In a list of talking points distributed to legislators after his February 4 address, Rauner also proposed municipalities facing serious budget crises file for bankruptcy protection, a move that would require state authorization.

In the months leading up to his election in November, Rauner campaigned on austerity, touring the state

promising to slash the state's budget, speaking out against a state minimum wage and threatening to effect a government shutdown. At a meeting of the Illinois Farm Bureau in late 2014, he said, "We don't have the time to mess around. We are in deep, deep trouble financially. The next 24 months are going to be rough. And I apologize. I ain't going to be Mr. Popularity for a little while. That's okay. Four years from now I think, though, everybody will appreciate what we did."

Rauner spent more than \$25 million of his personal fortune on his campaign for governor. He is the first Republican governor to be elected in the state in 15 years.

Until November 2014, Rauner chaired private equity firms GTCR Golder Rauner and R8 Investments. Since 1993, GTCR has managed more than \$250 million in pension funds of employees of the state of Illinois, including the Illinois Teachers' Retirement System and the Illinois State Board of Investment, in addition to the pensions and investments for municipalities and states from Massachusetts to California. After making his hundreds of millions on such investments, Rauner is seeking to push Illinois state workers onto 401(k) style plans as a solution to the state's pension shortfall.

The Democrats in the state legislature are unlikely to block Rauner's austerity measures, because they would like him to do the dirty work of savage budget cuts—which they have overseen for years—for them. (See: "Illinois legislature passes bill to cut pensions")

Democratic State Senate President John Cullerton remarked on the agency fees order, "Our legal staff is reviewing the Governor's executive order regarding fair share. At the same time, I look forward to hearing the Governor's budget as we search for common ground to address our fiscal challenges."

Rauner has acted as a close adviser to Chicago Mayor Rahm Emanuel. Both Rauner and his wife, Diana, have been influential donors to Chicago education initiatives involved in expanding and staffing privately-run charter schools.

The bipartisan political consensus for austerity is also reflected in the character of Rauner's transition team, which included investment banker Bill Daley, brother of former Chicago Mayor Richard M. Daley. After leaving JPMorgan Chase, Daley stepped into Rahm Emanuel's role as White House Chief of Staff to Barack Obama in 2010.

Also on Rauner's transition team were Ron Huberman, former Chicago police officer and, later, a Daley appointee to head the Chicago Transit Authority; Caterpillar CEO Doug Oberhelman; former Republican governor of Illinois Jim Edgar; Latinos for Obama Chairman Manny Sanchez, and Glenn Poshard, former Southern Illinois University president and one-time Democratic candidate for governor.



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