

**STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2019

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

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STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

BOARD OFFICIALS

Executive Director	Ms. Kimberly F. Stevens
Chief Fiscal Officer (11/1/17 – Present)	Mr. Aaron M. Itulya
Interim Chief Fiscal Officer (7/1/17 – 10/31/17)	Mr. Aaron M. Itulya
General Counsel	Ms. Helen J. Kim

GOVERNING BOARD CHAIR

State Panel Chair (5/17/19 – Present)	William E. Lowry, Jr.
State Panel Chair (1/1/19 – 5/16/19)	Vacant
State Panel Chair (7/1/17 – 12/31/18)	John J. Hartnett
Local Panel Chair	Robert M. Gierut

GOVERNING BOARD MEMBERS

State Panel Member (3/25/19 – Present)	John S. Cronin
State Panel Member (3/20/19 – 3/24/19)	Vacant
State Panel Member (7/1/17 – 3/19/19)	John Samolis
State Panel Member (5/17/19 – Present)	Kendra S. Cunningham
State Panel Member (3/26/19 – 5/16/19)	William E. Lowry, Jr.
State Panel Member (7/1/17 – 3/25/19)	Keith Snyder
State Panel Member (3/25/19 – Present)	Jose L. Gudino
State Panel Member (3/24/18 – 3/24/19)	Vacant
State Panel Member (7/1/17 – 3/23/18)	Michael Coli
State Panel Member (5/24/19 – Present)	J. Thomas Willis
State Panel Member (4/3/19 – 5/23/19)	Vacant
State Panel Member (3/23/18 – 4/2/19)	Christopher E. Glynn
State Panel Member (3/9/18 – 3/22/18)	Vacant
State Panel Member (7/1/17 – 3/8/18)	Kathryn Zeledon Nelson
Local Panel Member	Charles E. Anderson
Local Panel Member (7/26/17 – Present)	Angela C. Thomas

BOARD OFFICES

The Board's primary administrative offices are located at:

801 South 7th Street
Suite 1200A, 12th Floor
Springfield, Illinois 62703

160 North LaSalle Street
Suite S-400
Chicago, Illinois 60601



Illinois Labor Relations Board

MANAGEMENT ASSERTION LETTER

November 24, 2020

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Labor Relations Board (Board). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Board has materially complied with the specified requirements listed below.

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Yours truly,

State of Illinois, Illinois Labor Relations Board

SIGNED ORIGINAL ON FILE

Kimberly F. Stevens Executive Director

SIGNED ORIGINAL ON FILE

Aaron M. Itulya, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Helen J. Kim, General Counsel

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	2	1
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	0	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-001	9	2017	Untimely Completion of Performance Evaluations	Significant Deficiency and Noncompliance
2019-002	10	New	Inadequate Controls over Agency Workforce Reports	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on November 20, 2020.

Attending were:

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

Illinois Labor Relations Board

Kimberly Stevens, Executive Director
Aaron Itulya, Chief Fiscal Officer

Office of the Auditor General

Megan Green, Audit Manager
Dennis Gibbons, Audit Manager
Christian Cortes, Audit Supervisor

The responses to the recommendations were provided by Aaron Itulya, Chief Fiscal Officer, in correspondence dated November 24, 2020.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

**INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND
ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Illinois Labor Relations Board

Compliance

We have examined compliance by the State of Illinois, Illinois Labor Relations Board (Board) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2019. Management of the Board is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

- D. State revenues and receipts collected by the Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Board's compliance with the specified requirements.

In our opinion, the Board complied with the specified requirements during the two years ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2019-001 and 2019-002.

The Board's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Board's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Board's compliance with the specified requirements and to test and report on the Board's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent,

or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Board's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Board's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Board's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Board management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2017, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
November 24, 2020

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-001. **FINDING** (Untimely Completion of Performance Evaluations)

The Illinois Labor Relations Board (Board) did not complete employee performance evaluations in a timely manner in accordance with internal policy and the Illinois Administrative Code.

During testing, we noted 2 of 8 (25%) employee performance evaluations were performed 7 and 161 days late.

The *Illinois Labor Relations Board Personnel and Policy Manual*, Chapter 2, Section I, requires performance evaluations to be done every 12 months. Further, the Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires the Board to prepare performance evaluations of each certified employee not less than annually. Good business practices require employee evaluations to be performed in a timely manner, which we consider to be 30 days after the employee's anniversary date.

During the prior examination, Board officials indicated temporary peak workloads prevented them from completing all performance evaluations in accordance with internal policy and the Illinois Administrative Code. During the current examination, Board officials indicated evaluations were not performed timely due to human error.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance expectations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2019-001, 2017-001, 2015-001)

RECOMMENDATION

We recommend the Board take appropriate measures to ensure performance evaluations are completed timely.

BOARD RESPONSE

The Board accepts the recommendation.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-002. **FINDING** (Inadequate Controls over Agency Workforce Reports)

The Illinois Labor Relations Board (Board) did not have adequate controls over its Agency Workforce Reports (Report).

During testing, we noted:

- The Board’s Fiscal Year 2017 Report contained four instances and the Board’s Fiscal Year 2018 Report contained two instances where the reported amounts and percentages were not calculated accurately.
- The Board did not file its Fiscal Year 2017 and Fiscal Year 2018 Reports with the Office of the Governor.
- The Board did not timely file its Fiscal Year 2018 Report with the Office of the Secretary of State. The Report was filed 17 days late.
- The Board was unable to provide documentation to support its Fiscal Year 2017 Report was complete and accurate. Specifically, the Board did not retain support for the reported employees and their salaries.

The State Employment Records Act (Act) (5 ILCS 410/20) requires the Board to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed with the Secretary and the Governor by January 1 each year for the preceding fiscal year. Further, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of its essential transactions to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board’s activities.

- The Board inaccurately classified all of its employees as “Professionals” on its Fiscal Year 2017 and Fiscal Year 2018 Reports.

The Act (5 ILCS 410/15(a)(v)) requires the Board to submit a report, including the total number of persons employed within the agency workforce as professionals. The Act (5 ILCS 410/10(e)) defines "professional employee" as a person employed to perform employment duties requiring academic training, evidenced by a graduate or advanced degree from an accredited institution of higher education, and who, in the performance of those employment duties, may only engage in active practice of the academic training received when licensed or certified.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-002. **FINDING** (Inadequate Controls over Agency Workforce Reports) – Continued

- The Board failed to file amended versions of its Fiscal Year 2015 and Fiscal Year 2016 Reports with the Governor and the Secretary after we made this recommendation within the Board’s last compliance examination *Report on Immaterial Findings*.

The Illinois State Auditing Act (30 ILCS 5/3-2.2(b)) requires the Board, within 30 days after the release of a report in which it is reported the Board did not materially comply with the Act, to file corrected reports for all periods of noncompliance identified with the Office Governor and the Office of the Secretary of State.

Board officials indicated the issues noted were due to human error.

Failure to include complete and accurate information on the Board’s reports, submit reports timely, and file amended reports could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce and represents noncompliance with State laws. (Finding Code No. 2019-002)

RECOMMENDATION

We recommend the Board implement controls over its Agency Workforce Reports to ensure they are complete and accurate and supporting documentation is maintained. We also recommend the Board timely submit its reports to the Office of the Secretary of State and the Office of the Governor. Lastly, we recommend the Board file corrected reports with the Secretary of State and Office of the Governor as required by the Illinois State Auditing Act (30 ILCS 5/3-2.2).

BOARD RESPONSE

The Board accepts the recommendation.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES

Appropriations for Fiscal Year 2018

For the Sixteen Months Ended October 31, 2018

Public Act 100-0021 and Public Act 100-0586 FISCAL YEAR 2018	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed October 31
		Expenditures Through June 30	Expenditures July 1 to October 31		
	\$ 1,391,100	\$ 1,247,366	\$ 70,378	\$ 1,317,744	\$ 73,356
	115,700	-	110,423	110,423	5,277
	<u>\$ 1,506,800</u>	<u>\$ 1,247,366</u>	<u>\$ 180,801</u>	<u>\$ 1,428,167</u>	<u>\$ 78,633</u>
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Operational Expenses	\$ 1,391,100	\$ 1,247,366	\$ 70,378	\$ 1,317,744	\$ 73,356
Ordinary and Contingent Expenses	115,700	-	110,423	110,423	5,277
Total General Revenue Fund	<u>\$ 1,506,800</u>	<u>\$ 1,247,366</u>	<u>\$ 180,801</u>	<u>\$ 1,428,167</u>	<u>\$ 78,633</u>

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Board and have been reconciled to records of the State Comptroller as of October 31, 2018.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

Note 3: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board which were submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2019	2018	2017
	P.A. 100-0586	P.A. 100-0021 P.A. 100-0586	P.A. 99-0524 P.A. 100-0021 Court-Ordered Expenditures
APPROPRIATED FUNDS			
GENERAL REVENUE FUND - 001			
Appropriations (Net of Transfers)	\$ 1,639,500	\$ 1,506,800	
<u>Expenditures</u>			
Operational Expenses	\$ 1,313,969	\$ 1,317,744	\$ 928,634
Ordinary and Contingent Expenses	-	110,423	-
Total Expenditures	<u>\$ 1,313,969</u>	<u>\$ 1,428,167</u>	<u>\$ 928,634</u>
Lapsed Balances	<u>\$ 325,531</u>	<u>\$ 78,633</u>	
BUDGET STABILIZATION FUND - 686			
Appropriations (Net of Transfers)	\$ -	\$ -	\$ 100,000
<u>Expenditures</u>			
Ordinary and Contingent Expenses	\$ -	\$ -	\$ 100,000
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net of Transfers)	<u>\$ 1,639,500</u>	<u>\$ 1,506,800</u>	<u>\$ 100,000</u>
Total Expenditures	<u>\$ 1,313,969</u>	<u>\$ 1,428,167</u>	<u>\$ 1,028,634</u>
Lapsed Balances	<u>\$ 325,531</u>	<u>\$ 78,633</u>	<u>\$ -</u>
STATE OFFICERS' SALARIES			
<u>Expenditures</u>			
Board Chairman	\$ 52,179	\$ 104,358	\$ 104,358
Four State Board Members	319,460	346,861	376,111
Three (Two in 2017) Local Board Members	281,778	275,495	197,995
Total Expenditures	<u>\$ 653,417</u>	<u>\$ 726,714</u>	<u>\$ 678,464</u>

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Board and have been reconciled to records of the State Comptroller as of October 31, 2019, and October 31, 2018.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

Note 3: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board which were submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2019

	<u>Equipment</u>
Balance at July 1, 2017	\$ 77,364
Additions	875
Deletions	(1,023)
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u><u>\$ 77,216</u></u>
Balance at July 1, 2018	\$ 77,216
Additions	-
Deletions	(4,795)
Net Transfers	<u>-</u>
Balance at June 30, 2019	<u><u>\$ 72,421</u></u>

Note: The above schedule has been derived from the Agency Report on State Property (Form C-15) reports submitted by the Board to the Office of the State Comptroller.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Year Ended June 30,

General Revenue Fund - 001	<u>2019</u>	<u>2018</u>	<u>2017</u>
Miscellaneous Receipts	\$ 17	\$ -	\$ 17
Prior Year Refunds	186	-	-
Total Cash Receipts per Board	<u>203</u>	<u>-</u>	<u>17</u>
Less - In transit at End of Year	-	-	17
Plus - In transit at Beginning of Year	-	17	-
Total Cash Receipts per Comptroller	<u><u>\$ 203</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Board Functions

The Illinois Public Labor Relations Act (Act) (5 ILCS 315), enacted into law as Public Act 83-1012, effective July 1, 1984, and amended effective January 1, 1987, created both the State Labor Relations Board and the Local Labor Relations Board. On July 9, 2000, the State Labor Relations Board and the Local Labor Relations Board were dissolved in accordance with an amendatory act of the 91st General Assembly. Per the provisions of the dissolution, all powers, duties, rights, property, and obligations succeeded to the Local and State Panels, thereby collectively referred to in all respects as the Illinois Labor Relations Board (Board). The fiscal operations and appropriations of both were consolidated.

The State Panel consists of a chairman and four members who are appointed by the Governor with the advice and consent of the Senate. The Local Panel consists of the chairman who is appointed by the Governor and two additional members, one appointed by the Mayor of the City of Chicago and one appointed by the President of the Cook County Board of Commissioners.

The Act sets forth the rules, regulations, and procedures for labor relations and collective bargaining between public employers and employees in Illinois. The Act regulates the designation of employee representatives; the negotiation of wages, hours, and other conditions of employment; and the resolution of disputes arising under collective bargaining to expeditiously and fairly resolve labor disputes between public employees and employers. The Board is also responsible for determining whether to decertify police officers based on the commission of perjury in a murder case pursuant to Section 6.1 of the Illinois Police Training Act (50 ILCS 705/6.1) (2004), as amended.

Board Planning Program

The Board does not have a formal planning program; however, the Board does meet often and discusses short and long-term planning at the meetings. The overall goal of the Board is to resolve cases promptly, accurately, and equitably. The major determinant in the planning process is the annual budget, which is prepared by the Chief Fiscal Officer, with advice and input from the Executive Director and the Board Chairmen.

Due to the high volume of cases filed and the Board's decreasing headcount, the Board's emphasis has been on streamlining the process for resolving cases. All Board personnel are involved in identifying and resolving any problem areas in the processing of cases. The Board reviews and monitors its planning program in conjunction with the annual budget preparation and when evaluating its performance measures. Since the Board cannot predict the number of cases that will be filed each year, planning beyond the short term is difficult.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Board Statistics

The Act (5 ILCS 315) created a process whereby two general types of cases are filed: representation cases (RC, RM, VR, RD, UC, DD, AC, DE, and SI case categories) which determine what union, if any, will represent employees in specific bargaining units; and unfair labor practice charges (CA and CB case categories) regarding wrongful procedures by employers and unions. The process is controlled by two programs: the petition management program and the unfair labor practice charges program. In addition to these two programs, the Board provides mediation services, issues declaratory rulings, and conducts strike investigations.

Petition Management Program

This program consists of representation cases that can be initiated in several ways. A labor organization seeking recognition as the exclusive bargaining representative of a unit of employees in which no other labor organization has attained recognition rights has two options: it may request that the employer voluntarily recognize it; or it may file a representation petition with the Board. If another labor organization is already recognized in accordance with the Act, a representation petition must be filed with the Board.

The following types of petitions initiate representation proceedings before the Board:

Representation/Certification Petitions (RC cases) are filed by an employee, group of employees, or a labor organization seeking the certification of an exclusive collective bargaining representative for employees in an appropriate unit. Employees indicate whether they desire such representation, and if so, by which organization, by either an election conducted by Board personnel, or by a tally of cards submitted by the employees.

Employer's Representation Petitions (RM cases) are filed by an employer alleging that one or more labor organizations have presented a claim to be recognized as an exclusive collective bargaining representative for a majority of the employees in an appropriate unit.

Voluntary Recognition Requests (VR cases) are requests for certification of a unit without an election where the labor organization demonstrates it has a majority showing of interest in an appropriate unit and the employer voluntarily recognizes them as the unit's exclusive representative.

Decertification Petitions (RD cases) seek a determination as to whether a majority of the employees in an appropriate bargaining unit maintain their desire to be represented by the existing exclusive collective bargaining representative.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Unit Clarification Petitions (UC cases) are filed by an exclusive collective bargaining representative or an employer seeking to clarify or amend an existing bargaining unit through the addition or deletion of a position without an election.

Petitions to Amend Certification (AC cases) are filed by an exclusive collective bargaining representative or an employer seeking to amend its certification whenever there is a change in its name or structure.

Declaration of Disinterest Petitions (DD cases) are filed by an exclusive collective bargaining representative to declare its disinterest in further representation of that bargaining unit.

Designated Exclusion (DE cases) are filed by the Governor of the State of Illinois, or his designee, to exclude certain state employment positions from collective bargaining, pursuant to Section 6.1 of the Act.

Some questions of representation must first be resolved through the hearing process which ends in an Administrative Law Judge's Recommended Decision or a Board Order. Additionally, the Executive Director will occasionally issue an Order Directing an Election after resolving issues or dismiss the petition if it's untimely.

Various Types of Representation Cases Filed

	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>
RC Representation/Certification Petition	102	96	83
RM Employer's Representation Petition	-	-	-
VR Voluntary Recognition Petition	2	3	-
RD Decertification Petition	6	9	17
UC Unit Clarification Petition	191	68	119
AC Petitions to Amend Certification	1	2	8
DD Declaration of Disinterest Petition	13	15	16
DE Designated Exclusion	-	-	-
Total Representation Cases Filed	<u>315</u>	<u>193</u>	<u>243</u>

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Unfair Labor Practice Charges

Section 10 of the Act prohibits employers and labor organizations from engaging in certain enumerated unfair labor practices. An unfair labor practice charge may be filed with the Board by an employer, a labor organization, or an employee. There are two types of unfair labor practice charges:

Charge Against Employer (CA cases) alleges that an employer has violated one of the provisions under Section 10(a) of the Act.

Charge Against Labor Organization (CB cases) alleges that a labor organization has violated one of the provisions under Section 10(b) of the Act.

Unfair Labor Practice Charges Filed

	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>
CA Charge Against Employer	264	248	210
CB Charge Against Labor Organization	91	90	69
Total Unfair Labor Practice Cases	<u>355</u>	<u>338</u>	<u>279</u>

Cost per Case (based on annual caseload)

	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>
Petition Management Program	411	281	301
Unfair Labor Practice Charges	751	669	593
Total	<u>1,162</u>	<u>950</u>	<u>894</u>

	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>
Total Expenditures	\$1,313,969	\$1,428,167	\$1,028,634
Total Case Load	<u>1,162</u>	<u>950</u>	<u>894</u>
Total Expenditures per Case Load	<u>\$1,131</u>	<u>\$1,503</u>	<u>\$1,151</u>

Note: For calculation of cost per case statistics, the Board includes all of the cases processed during the fiscal year. The statistics provided under the Petition Management Program and the Unfair Labor Practice Charges Program only includes cases initially filed with the Board during the fiscal year. The Board does not incur significant expenses in handling mediation cases and in issuing declaratory rulings.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Mediation/Arbitration Cases

Upon request, the Board provides mediation/arbitration (MA) services to parties who have reached an impasse in collective bargaining. A roster of mediators and arbitrators is maintained from which panels are provided to parties requesting such services. The Act prohibits protective services employees (such as security employees, peace officers, and firefighters) from striking. Disputes over their negotiations are subject to mandatory mediation and interest arbitration. Units of non-protective services employees utilize mediation in the event of impasse, and can only use interest arbitration on agreement of the parties. Other services, such as fact-finding, grievance arbitration, and grievance mediation, are provided at the request of one or both parties.

	FY19	FY18	FY17
Mediation/Arbitration Petitions	299	374	315
Grievance Arbitration Requests	17	11	25
Total Mediation/Arbitration Cases	316	385	340

Strike Investigations

If a unit of non-protective services employees engages in a strike that the employer believes presents “a clear and present danger to the health and safety of the public,” the employer may petition the Board for a strike investigation (SI). The Board has 72 hours to determine whether such a clear and present danger exists. The employer may then take the Board’s findings to the Circuit Court to seek to enjoin the work stoppage in a manner that would eliminate the danger. When employees have been enjoined from striking pursuant to this procedure, interest arbitration is used to resolve the issues in dispute.

Declaratory Rulings

Employers and labor organizations may also request the Board’s General Counsel to issue a declaratory ruling (DR) stating whether the Act requires bargaining over a particular subject or subjects. Such requests must be made jointly, unless it involves a protective services employee unit where a request for interest arbitration has been made.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2019 AND 2018

General Revenue Fund - 001

Ordinary and Contingent Expenses

The decrease in expenditures was due to the Board not receiving a separate appropriation in Fiscal Year 2019 for this line item since it was included in the Operational Expenses line item.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017

General Revenue Fund – 001

Operational Expenses

The increase in expenditure was due to the Board receiving a full budget appropriation as well as a supplemental appropriation which allowed the Board to pay its Fiscal Year 2018 operational expenses in addition to prior year costs incurred during the State’s Budget Impasse in Fiscal Year 2016 and Fiscal Year 2017.

Ordinary and Contingent Expenses

The increase in expenditures was due to the Board receiving an appropriation in Fiscal Year 2018 for this line item from the General Revenue Fund instead of the Budget Stabilization Fund as they did in Fiscal Year 2017.

Budget Stabilization Fund – 686

Ordinary and Contingent Expenses

During Fiscal Year 2017, the Board was appropriated monies from the Budget Stabilization Fund due to a lack of appropriation from the General Revenue Fund during the Budget Impasse. No such appropriation was received for Fiscal Year 2018.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

The Board receives minimal receipts. During Fiscal Year 2019, the Board received one receipt for the repayment of jury duty in the amount of \$17 and one prior year refund in the amount of \$186. During Fiscal Year 2018, the Board did not receive any receipts or prior year refunds. Receipts are expected to fluctuate between fiscal years due to the nature of receipts processed.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

FISCAL YEAR 2019

The Board did not incur any significant Lapse Period spending during Fiscal Year 2019.

FISCAL YEAR 2018

General Revenue Fund - 001

Ordinary and Contingent Expenses

The Board did not receive appropriations for this line item until late in the fiscal year. Therefore, the Board processed all expenditures during the Lapse Period.

STATE OF ILLINOIS
ILLINOIS LABOR RELATIONS BOARD
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 998 of Public Act 100-0021 authorized the Board to pay its unpaid prior year costs incurred prior to July 1, 2018, using the Board's Fiscal Year 2018 appropriations. Article 27 of Public Act 100-0586 amended Public Act 100-0021 with a supplemental appropriation from the General Revenue Fund to the Board to meet its ordinary and contingent expenses incurred prior to July 1, 2018. The following chart shows the prior year costs paid by the Board using its Fiscal Year 2018 appropriations:

		FISCAL YEAR 2016 INVOICES	
		Paid From Fiscal Year 2018 Appropriations	
<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	3	\$ 23,195
		3	\$ 23,195

		FISCAL YEAR 2017 INVOICES	
		Paid From Fiscal Year 2018 Appropriations	
<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	32	\$ 110,423
		32	\$ 110,423

STATE OF ILLINOIS
 ILLINOIS LABOR RELATIONS BOARD
AVERAGE NUMBER OF EMPLOYEES
 For the Two Years Ended June 30, 2019

(NOT EXAMINED)

The following table, prepared by the Board, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<u>Division</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Executive Director	1	1	1
General Counsel	1	1	1
Chief Fiscal Officer	1	1	1
Personnel Officer	1	1	1
Administrative Law Judges	5	4	5
Investigators	3	3	3
Administrative and Clerical	2	2	2
Total Average Full-Time Employees	<u>14</u>	<u>13</u>	<u>14</u>