

****Please check this link/thread regularly for updated news.****

WJAR Channel 10 7/25/08 Click or Cut/Paste the following link and then the video tab to see the news story:

<http://www.turnto10.com/northeast/jar/news.apx.-content-articles-JAR-2008-07-25-0008.html>

Providence Journal:

[Rhode Island news](#)

Union vote to reject contract offer puts state budget in doubt

01:00 AM EDT on Sunday, July 27, 2008

BY STEVE PEOPLES

Journal State House Bureau

PROVIDENCE — On paper, the State of Rhode Island has a balanced budget.

But just 27 days into the budget year, there are signs that bureaucratic delays and a recent rebellion by rank-and-file union members may knock the state's 2008-09 spending plan out of whack, further weakening Rhode Island's economic health.

It was no secret that the budget passed before the state's part-time General Assembly recessed last month was based on rosy scenarios.

To be balanced, it required the aggressive implementation of unprecedented changes to the state's health-care system. It assumed the state's economy wouldn't sink further into recession. And it required state government's unionized work force to voluntarily concede tens of millions of dollars in salary and benefit reductions.

All three are now in question.

Most notably, Rhode Island's largest state employee union announced last week it had rejected a contract that would have saved the state more than \$10 million this year by delaying pay raises and increasing employee health-care contributions. The savings are included in the state budget.

"I certainly think that we have problems," said Stephen Alves, chairman of the Senate Finance Committee, referring to recent no votes by three independent unions and Council 94, American Federation of State, County & Municipal Employees. "However, I have great faith that the heads of those unions, along with the governor, will come to terms to achieve those savings and realize the situation we're in."

While Alves is optimistic, the adoption of a new labor agreement in the next four days (the time frame needed to meet budget projections) faces major challenges.

First, Governor Carcieri is digging in his heels. He has refused to discuss the situation publicly, but issued a statement Friday declaring that he's done negotiating with Council 94, the union that represents roughly one-third of state government's work force.

Second, Council 94 members are just as entrenched. While its leaders want to negotiate, last week's vote was not close. Nearly 94 percent of rank-and-file members rejected the four-year deal brokered by Carcieri's office and key labor union leaders.

And third, all unions with state contracts have a "parity clause" that ensures they have equal deals. There are 13 independent unions aside from Council 94. At least seven of them have already voted to ratify the same four-year contract.

If Council 94 receives a better deal, the other unions — even those who have already voted yes — get a better deal as well, something that would jeopardize millions of dollars more in budgeted savings.

The parity clause "makes it a little more challenging," acknowledged Council 94 executive director Dennis Grilli. "Any union ... would be eligible to receive any greater wages or benefits that we negotiate."

The Council 94 no vote has thrust into public view a division among organized labor, which generally draws its strength through solidarity. Some state workers have a deal, while others do not. And Council 94 members shot down a deal that was worked out by key labor leaders generally thought to speak for the labor movement.

The Carcieri administration crafted the deal with Grilli, National Education executive director Robert A. Walsh, and AFL-CIO secretary-treasurer George Nee.

"The results of this vote can lead me to only one or two conclusions," Carcieri said in Friday's statement. "Either the representatives of Council 94 who were part of this agreement have not been negotiating in good faith, or that there is an internal power

struggle between the union heads within Council 94 that undercut the vote. In either case, there is no basis for further discussions.”

CARCIERI’S NEXT move is unclear.

He said he’ll announce a course of action this week, but there are few options that would immediately address the budgetary implications of the labor dispute.

The governor’s chief legal counsel, Kernan F. King, said last week that Carcieri can act unilaterally to force changes on the unions that rejected the deal. King wouldn’t say what action the governor may take, and Carcieri’s office has refused to answer specific questions.

But any unilateral move to cut benefits or lay off staff would certainly bring legal action by Council 94.

Grilli and Council 94 President Michael Downey disagree on the fairness of the contract proposal, but both said they wouldn’t hesitate to fight unilateral action in court.

In fact, Council 94 already plans to file an unfair labor practice with the state Labor Relations Board next week, simply for Carcieri’s refusal to negotiate, according to Grilli.

The union argues that Carcieri is compelled by law to negotiate. Labor leaders say that previous rounds of closed-door bargaining constitute “discussions,” not formal negotiations.

King said, however, that the governor isn’t compelled to do anything. In what was believed to be an unprecedented move, the administration issued contract termination letters last month to state unions, like Council 94, whose contracts expired July 1.

In King’s view, that means Council 94 and the smaller unions that voted no are currently working without a contract. Therefore, the governor isn’t bound by traditional bargaining rules, according to King.

But state law outlines a process for contract disputes.

Should the governor and a union fail to reach an agreement after 30 days of negotiations, either side may request nonbinding mediation. Should mediation fail to produce a result, they could then move to arbitration, which is non-binding on issues related to salary and benefits.

“We may argue with the governor’s office about what the next step is ... but it will be a continuation of the process under the statutory language,” said Walsh of the NEA. “I don’t want any of our folks to be losing sleep over the weekend based on what they hear or read. I understand that tensions are running high and people are nervous.”

CHERYL LASSY was among the handful of Council 94 members who voted for the new deal.

“This contract wasn’t the greatest but it’s better than not having a contract at all, because we have jobs and a lot of people out there don’t have jobs at all,” said Lassy, an assistant administrative officer at the Department of Transportation and an 18-year veteran of state service. “Look, you’re not going to get any better than this with the governor that we have.”

Lassy is confused about whether she currently has a contract and wonders whether her job is in jeopardy.

Ronald Bonsante is also confused about his status, but says there was no job security in the new contract anyway. He heads the Department of Children, Youth and Families union, Local 2876, one of 24 local unions that make up Council 94.

As part of the deal, the governor agreed to rescind layoff notices for hundreds of workers he sought to replace with private contractors.

“What’s to stop him from sending out new notices?” Bonsante said. “He’s been balancing the budget off our backs since he got into office.”

The agreement also gave the governor more flexibility to replace state workers with private contractors by weakening the state’s “privatization” law.

Other highlights include: pay raises of zero, 2.5 percent, 3 percent and 3 percent during each of the next four years; a one-day pay reduction in the current year that employees can recoup as a paid leave day; and escalating increases in the percentage of the premium the employees will be required to pay for their health insurance.

The shift in health-care costs outraged many Council 94 members who are among the lower-paid workers — janitors, laborers and clerical staff — in the state’s work force. Council 94 President Downey is opposed to requiring members to pay a percentage of premium, as opposed to a percentage of salary, for health care.

Neither Downey, nor the presidents of Council 94’s local unions, were part of the negotiating team that worked out the agreement with the governor’s office. Only Grilli, the council’s executive director, was on the team.

“As soon as I heard what their final product was I told the union and everybody I came into contact with that I didn’t agree. I’m president of the council,” Downey said. “I’ve said to my own people and the AFL-CIO, I would never sign this.”

Walsh, who was among labor’s three main negotiators, said they did the best they could.

“I’m pretty up front with my folks. No one was jumping up and down saying this was a great deal. We said it was the best deal we could get in these economic times. I hope I’m wrong. That would be terrific,” he said.

Meanwhile, the governor’s statements and the state’s weakening economy suggest that Carcieri won’t sweeten the deal by choice.

Rhode Island’s unemployment rate grew to 7.5 percent last month — 2 points above the national average. And the Ocean State is among 11 states in the country — and the only one in New England — that economists say is officially in a recession.

Further, state leaders are struggling to implement sweeping Medicaid changes in time to save \$67 million this year, as outlined in the state budget. The state has yet to submit the plan to federal regulators, although it’s supposed to be in place by Oct. 1.

“The state’s financial status is not improving,” Carcieri said. “In fact, there are signs that the national economic slowdown, with high energy prices, may prolong the weak economy in Rhode Island. As governor, I am obligated by law to balance our state’s budget and will do so.”

With reports from Journal staff writer Cynthia Needham

speoples@projo.com

Rhode Island news

Council 94 files labor complaint against Carcieri

01:00 AM EDT on Tuesday, July 29, 2008

BY STEVE PEOPLES

Journal State House Bureau

PROVIDENCE — Rhode Island’s largest state employees’ union has formally accused Governor Carcieri of violating state law by refusing to negotiate a new contract, the latest move in an escalating labor dispute that threatens tens of millions of dollars in taxpayer savings.

The clash centers on a key legal question: have the two sides already “negotiated” or simply “discussed” a new deal?

The controversy will be investigated by the state Labor Relations Board, which received the complaint yesterday from the state's dominant public employees' union, Council 94, American Federation of State, County & Municipal Employees.

The issue has broad implications for Rhode Island's finances and the salary and benefits of more than 10,000 state workers.

The governor thought he had secured a deal with labor unions to save \$35 million to \$40 million this year alone. But Council 94's rank-and-file rejected the agreement last week, exposing a divide within organized labor in the state and throwing Carcieri's budget plans out of whack.

Because state labor law requires a formal "collective bargaining" process, union leaders argue that the Republican governor must return to the bargaining table to negotiate a new deal.

Carcieri has refused.

"If it walks like a duck, quacks like a duck, looks like a duck, it's a duck," said Carcieri communications director John Robitaille. "They can try to play silly games with semantics if they so choose, but as far as the governor is concerned, we negotiated in good faith for a long period of time, and it's incredulous that they could be making these statements right now."

Both sides acknowledge there was a series of closed-door meetings — as many as 30 — between January and mid-June that produced a memorandum of settlement outlining a four-year contract that included no pay increase in the first year and increased employee health-care contributions.

The memorandum was signed June 20 by top Carcieri officials and two Council 94 leaders — state Vice President Johnathan Braddock and Executive Director Dennis Grilli.

Grilli, who joined other Council 94 leaders in California this week for AFSCME's national convention, maintains the meetings that led to the settlement were not negotiations.

"What we agreed to in the beginning of these talks back in January was that they were considered discussions, not negotiations," he said late last week. "Everybody understood that if they didn't produce an agreement, that wouldn't preclude us from going through formal negotiations."

An e-mail exchange obtained by The Journal reveals that the governor's office was trying to arrange formal negotiations with Council 94 the same time that Carcieri officials were holding meetings with union leaders.

An e-mail sent May 20 by Carcieri negotiator Michael F. Kraemer urges Grilli to meet later that month to negotiate. Ironically, Kraemer makes the same argument for meeting that labor leaders are making now:

“Council 94 has a contractual obligation to meet with the state, as well as a statutory obligation,” Kraemer wrote. “Refusing to meet and bargain in good faith is an unfair labor practice under Rhode Island law.”

The timing of Council 94’s formal complaint is unclear.

The state Labor Relations Board will first hold a hearing to determine whether sufficient evidence exists to issue a complaint against the governor. If so, the board will initiate a formal hearing process.

Either side can appeal the ultimate finding to Superior Court.

Time is of the essence. The new contract, as outlined in the settlement, was supposed to take effect by tomorrow. Robitaille dismissed the rationale behind Council 94’s argument as “insanity.” Further, he said it wouldn’t stop the governor from taking unilateral action against union members who rejected the contract.

Council 94, which is a collective of 24 local unions, represents 4,100 employees, roughly one-third of the state’s work force. The rest are represented by 13 independent unions. So far, at least seven have voted to ratify the new four-year deal. Three have joined Council 94 in voting no.

“There are some things the governor can do and he is reviewing those things right now as we speak,” Robitaille said. “I know that the governor’s goal in all of this is to get a signed agreement and to balance the budget. That’s what he’s focused on and he will take whatever steps he can lawfully take to make that happen.”

Robitaille would not be more specific. He said the governor would likely outline a course of action later in the week.

Council 94 President Michael Downey said he refused to join other Council 94 leaders in signing the settlement because it required members to pay a percentage of their health-care premiums, instead of a percentage of their salary. The change disproportionately hurts lower paid workers, according to a union analysis.

Over the course of the four-year deal, an employee who makes \$40,000 would gain a total of \$938, taking into account the increased health-care costs and a cumulative 8.5 percent pay hike. A worker who makes \$80,000 would gain \$4,248 over the four years, however.

“I never agreed to this in my life. The president of the council never signed anything,” Downey said. “I would never sign this.”

speoples@projo.com

WPRI Channel 12/Fox 64 Coverage “State Contract Dispute Heats Up”:

<http://www.wpri.com/Global/category.asp?C=133354>

ABC Channel 6 WLNE story featuring Council 94, Local 2448 member Ricahrd Coia:

<http://www.abc6.com/news/rhodeisland/26072334.html>

Rhode Island news

Carcieri hikes health-care payments

01:00 AM EDT on Friday, August 1, 2008

By Cynthia Needham

Journal State House Bureau



Governor Carcieri announces his plan at a State House news conference yesterday.

The Journal / Connie Grosch

PROVIDENCE — The simmering labor dispute between Governor Carcieri and the state’s largest employee union erupted yesterday as the governor issued an executive order forcing members of Council 94 and other unions who rejected the contract offer to pay the same health-care co-share increases as those who have agreed to the settlement.

Union officials slammed the governor’s demands as “scare tactics” and vowed to go to court this morning to request an injunction stopping Carcieri from imposing the changes.

The governor’s order comes just a week after Council 94, American Federation of State, County & Municipal Employees — a collective of 24 smaller unions representing more

than 4,000 state employees — overwhelmingly voted down the plan, calling it unfair to the lowest-paid workers.

That rejection and the order that now follows have sweeping implications for Rhode Island's ability to balance its budget in an already precarious fiscal year.

Carcieri has flatly refused to return to the bargaining table, calling the deal his “best and final offer.” But that contract was to have saved the state \$10 million this year by delaying pay raises and increasing employee health-care contributions. Without it, the state will fall far short of the savings it was counting on to help erase a \$425-million budget deficit.

“Because of their unwillingness to be a part of the solution, and knowing that I am duty bound both constitutionally and by statute to balance the budget, I am forced to take immediate and unilateral actions to fulfill my responsibilities,” the governor said yesterday in his first substantive remarks on the contract.

He called the executive order “far less severe” than the alternative of layoffs and shutdown days.

The plan forces workers covered under the umbrella of Council 94's contract to pay a percentage of their health-care premiums, instead of paying health-care costs based on a percentage of their salary, as they have previously done. The change would mean substantial increases for state workers, especially those with families, starting in next week's paycheck.

But Carcieri's order stops short of a rumored plan to halt the practice of deducting union dues from Council 94 members' paychecks. He also elected not to force union officials who are regular state employees to return to their everyday jobs and stop conducting union business on state time.

The governor said he reserves the right to take either action if the stalemate continues.

Dennis R. Grilli, Council 94's executive director, immediately denounced Carcieri's actions yesterday as ratcheting up anxiety in an already difficult situation.

“While we want to have a contract that is fair to Rhode Island taxpayers and some of the lowest paid state employees, Council 94 will not be bullied, coerced, or intimidated,” Grilli said.

The union plans to send its lawyers to court this morning, asking a judge to stop the governor from imposing the changes on the members. Grilli said it remains unclear whether the union will need to file a new unfair labor practice suit, or whether the one filed earlier this week accusing Carcieri of violating state law can be amended. Union lawyers were still working through a game plan last night.

The state Labor Relations Board will also hold a hearing to determine whether sufficient evidence exists to issue a complaint against the governor.

Carcieri maintains that Council 94 is no longer operating under the bounds of a valid bargaining agreement and therefore has no contractual rights, leaving him on solid legal ground. In an unprecedented move, the administration issued letters in June officially terminating the recent union contract, which expired July 1.

“The executive order is still a huge violation of contract law,” said Council 94 lobbyist James Cenerini. “Taking terms not agreed upon and unilaterally trying to impose them on people who have not voted for a contract is a way of trying to stuff it down their throats.”

Council 94 and Carcieri do agree that this dispute has now officially entered “uncharted territory,” where questions are plentiful and answers are few.

The last time Council 94 members rejected a contract was under the Almond administration in 1996, when union leaders and state officials solved the problem by returning to the table.

National Education Association Rhode Island executive director Robert A. Walsh, who helped broker the deal, said last night reopening talks seems the fastest and least expensive way to resolve the current impasse.

“Even if a deal gets rejected, you normally go back to the bargaining table,” Walsh said. “The only way to get an agreement is if they sit down and talk.”

But the governor says his administration has already fulfilled its duty to conduct negotiations. Through dozens of meetings over the course of six months, he said, he and union leaders brokered whatever everyone felt was a fair deal given the state’s tight economy.

The fact that 94 percent of the Council 94 membership then rejected the agreement, throwing the state’s savings plan out of whack was a sign of obvious infighting within the union, Carcieri said yesterday.

Meanwhile, non-union employees in the executive branch, the lieutenant governor’s office, the secretary of state’s office and the general treasurer’s office have all agreed to accept the terms of the much-disputed agreement.

The attorney general’s office and the legislature, however, have thus far refused to go along with that plan. Spokesmen for both departments said they have traditionally piggybacked on the Council 94 deal and thus plan to await the results of the current dispute before committing to any agreement.

Beyond the health-care increases, the four-year agreement gives no cost-of-living increases in the first year, but an 8.5-percent increase over the final three years. Though

Council 94 as a whole rejected the deal, at least 7 of the state's 13 independent unions have voted in favor of it.

cneedham@projo.com

projoEXPRESS

Projo 7 to 7 News Blog

Carcieri puts off order to unions to share health costs

4:55 PM Fri, Aug 01, 2008 / Permalink

Mike McKinney Email

PROVIDENCE -- Governor Carcieri is postponing his executive order that compels members of the largest state employees union and other unions to pay healthcare co-share increases, lawyers said this afternoon after meeting in chambers with a judge.

Following Carcieri's announcement yesterday, Council 94, the largest state employees union, vowed to seek an injunction in court. Today, the union filed a request for temporary restraining order.

The governor's administration agreed to postpone putting in place the order at least until next week so that Superior Court Judge Patricia Hurst can have time to consider union and administration arguments on the union's request.

The order followed what has been a mounting dispute with labor. A week earlier, Council 94, American Federation of State, County & Municipal Employees -- a collective of 24 smaller unions representing more than 4,000 state employees -- easily rejected the proposed contract the governor's administration wanted.

The contract the administration supports is meant to save the state \$10 million this year by putting off pay raises and raising employee health-care contributions.

A hearing before Hurst is slated for Wednesday at 2 p.m.

-- projo.com staff writer Michael P. McKinney, with reports from Journal staff writer Journal staff writer Scott MacKay and Journal staff reports