

Illinois State Fair Absence

ISEA Retirees has truly enjoyed visiting with members and having a display table within the Senior Building for many years, but we will be absent from the IL State Fair this year.

ISEA Retirees Board of Directors Election

ISEA Retirees will hold an election for current board members whose terms expire at the end of 2024. These directors whose terms expire and are seeking reelection are Directors John Hartnett, Rudy Kink and Philip Novak. Also serving on the ISEA Retirees Board are Directors John Coady, John Mundstock and David Thompson.

To be eligible to serve, you must be a member in good standing with the Association, have been an ISEA Retirees member for four consecutive preceding years, and must not be a member of a competing retired public employees organization or association. ISEA Retirees asks those members who meet the criteria and are interested in serving as a Board of Director to fill out the nomination form complete with a biographical paragraph or history of yourself and return it by July 31, 2024. The elections will take place by October 31, 2024. If any questions, you may call ISEA Retirees at: (217) 698-6070.

Phone 217/698-6070 Fax 217/698-6079

2060 W. Iles Ave - Suite D
Springfield, IL 62704



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Nomination Form

I wish to serve on the Board of Directors.

Name: _____

Address: _____

Telephone Number: (____) _____

Membership began in the year: _____

Your History: (Please include a biological paragraph or history of yourself.)

Return the form to:

ISEA Retirees
Attention: Nominations Committee
2060 West Iles - Suite D
Springfield, IL 62704

Retirees Today

Illinois State Employee Association Retirees

Rudy J. Kink, Jr., Executive Director
John P. Coady, President
John Mundstock, Secretary of the Board
Philip Novak, Director
John Hartnett, Director
David Thompson, Director
Summer 2024

Folk Hero Lawyer for State Retirees

By John Coady ISEA Retirees Board President

Folk Hero

There may be no bigger folk hero for Illinois state employee retirees than Springfield Attorney Don Craven. In the two most significant Illinois Supreme Court state retiree decisions in the last ten years, twenty-two attorneys are listed in the high court's decisions as representing a state retiree group or an individual state retiree. The only attorney listed in both cases is Donald M. Craven of Springfield, Illinois.

Anniversaries of Court Decisions

In this anniversary year of the 2014 *Kanerva* case and with next year as the same decennial anniversary milestone for the 2015 *Pension Reform Litigation* case, I sat with Don in his office to get his reflections on those cases, their impact, and his thoughts on what the future may hold for state retirees. Don indicated his most vigorous efforts were in the crucial trial courts that set the stage for proper consideration by the Illinois Supreme Court.

Kanerva Case

Don explained that the *Kanerva* case arose from the state abruptly imposing health insurance premiums on retirees and withholding those amounts from monthly benefits.

Prospect of no fees

Undertaking representation of individual retirees in the *Kanerva* insurance premiums case came with financial risk to Don and his law firm, together with Springfield attorney John Myers, who was also heavily involved in the *Kanerva* litigation from its beginning. Folks who had retired from state employment were in no position to advance attorney's fees and costs. A defeat in the courts would conclude with the law firms losing money. To make matters worse, informed legal observers believed the case was certain to be a loser for state retirees.

Why represent state retirees?

When asked what motivated him to risk financial loss by taking on state retirees' cases against the State of Illinois, Don was quick with his answer. "Both of my parents were members of the Illinois Retirement System. It was not fair to them to lose what had been promised. Yet as regretful as the situation was for them, they would have financially survived. But I live in Springfield. I knew – and to this day I still know – many state retirees, and I knew the impact in both retirees' cases could financially devastate families."

Kanerva ruling

The Illinois Supreme Court in a 6-1 decision was clear in the *Kanerva* case that "health insurance premium subsidies for retirees is a benefit of membership in a pension or retirement system" within the meaning of the Pension Protection Clause of article XIII, section 5, of the Illinois Constitution and for that reason the state's payment of retirees' health insurance premiums could not be "diminished or impaired."

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Impact of *Kanerva*

State retirees who had been promised they would never be assessed all or a portion of health insurance premiums were constitutionally protected to enforce that promise. The payments collected would have to be refunded, and no more premiums could be assessed. [John's note: to be clear, the ruling was about premiums of retirees only - not deductibles or co-pays, not the premiums of dependents, and not the Medicare premiums the federal government now imposes on many retirees.]

Pension Reform Case

Given the victory in the *Kanerva* insurance premiums case, asking clients for retainer fees paid in advance of the *Pension Reform* case became feasible for Don's office. Don recalled that the *Pension Reform* case resulted from legislation with so-called pension reforms that required additional years of employment before retirement eligibility, that capped and reduced amounts of retirement benefits, and, most egregiously, that "jettisoned" state retirees' flat 3% annuity increases.

Pension Reform ruling

The Illinois Supreme Court in a 7-0 decision vindicated state retirees' protection in the Illinois Constitution that provided, "Membership in any pension or retirement system of the State¹/₄ shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired." Provisions requiring longer years of employment were stricken, as were caps and reductions of pension benefits. The fixed 3% annuity increase was reinstated.

State's financial woes were not to be on backs of retirees

Don said that he is particularly proud about the court's language in the decision that addressed the state's claim its current financial woes should trump any past promises made to retirees. He pulled up a copy of the opinion on his computer and quoted Justice Karmeier's majority opinion, "Crisis is not an excuse to abandon the rule of law. It is a summons to defend it. How we respond is the measure of our commitment to the principles of justice we are sworn to uphold." With a calculator, Don estimated the savings to retirees over the 10 years since the decision was issued has been many millions of dollars.

Don's gratitude

Don expressed gratitude to the literally hundreds and hundreds of state retirees and their dependents who expressed their gratitude for his successful legal efforts on their behalf. He said, "I was overwhelmed."

Don on the future

As Don looked to the future for state retirees, he urged vigilance of the state government. He commented that if no one is on guard, the government will erode rights, liberties, and benefits previously given. He summarized it, "If no one is watching, it will all go away." He continued, "This is the reason for the proliferation of laws that require notice of meetings and of proposed actions, as well as grants access to those meetings and to government documents."

Don's closing comments

Finally, Don commended state retiree associations and unions for their efforts in advocating for state retirees and their families, as well as tirelessly working to preserve and strengthen financial benefits, healthcare, and retiree-related services.

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My thoughts

To undertake litigation despite not knowing if any financial compensation would result and to move ahead anyway because of the conviction that the government should not be allowed to break its healthcare and monetary promises to its employees for their retirement years - all speaks the highest of any attorney. Those are the kind of attorneys who, like Don Craven, are regarded as a folk hero lawyers.

ISEA Retirees is proud of its decision to retain Don Craven in the Pension Reform case and to offer modest financial assistance in the Kanerva case. The association is also indebted to co-counsel Mike Reagan of Ottawa who served as primary counsel for the association in the Pension Reform case before the Illinois Supreme Court.

Capitol Update by Jessica Nardulli

2024 End of Session

The 2024 Illinois state legislative session – the second year of the 103rd General Assembly – ended in a dramatic fashion, which was not reflective of the session as a whole. Typically, the second year of any general assembly is less eventful than the first, as members campaign for their primaries (March 19) and then re-focus ahead to the general election in November. Lawmakers are less likely to do big things – particularly on taxes – if an election is coming up. While not always an iron-clad rule, legislative sessions are usually quieter during even-numbered years.

One issue was targeted for reform early in the session. During the Governor's State of the State Address, he announced his primary legislative effort would be to expand healthcare access and affordability. Contentious debates over reproductive rights and insurance regulations highlighted ideological divisions within the legislature. Significant changes were made to prior authorization and step therapy. Providers state this gives quicker and greater access to services for patients, by eliminating barriers to care and prescription drugs - although it is apparent these changes will come at an increase in costs for payers (employers and patients) when fully enacted in 2026 as they remove the ability of insurance carriers to use these cost control measures.

Environmental policy also emerged with bipartisan legislation. Illinois passed the Safety and Aid for the Environment in Carbon Capture and Sequestration Act (SB 1289) after weeks of intense negotiations. The bill includes some of the strongest carbon capture and sequestration (CCS) protections in the nation. The initiative is timely given that multiple corporations are currently targeting Illinois for carbon waste disposal. CCS projects have already been proposed across the state despite a lack of state and codified federal regulations. Companies have proposed injecting CO2 underground through 22 wells in six Illinois counties and CO2 pipelines have been proposed in 23 counties. The Illinois Clean Jobs Coalition (ICJC) and Coalition to Stop CO2 Pipelines engaged with stakeholders to draft the CCS protections bill.

Ultimately, the budget proved to be the most contentious item this year, as, counter to the typical rule, the General Assembly tackled revenue enhancements during an election year. The frustration felt by rank-and-file lawmakers led the General Assembly to miss their self-imposed deadline. While May 24 has long been on the calendar as the General Assembly's adjournment date, lawmakers have until the end of May before there is a three-fifths majority vote needed to pass a budget with an immediate effective date. The Senate remained in Springfield through Sunday, May 26, while the House adjourned after an all-nighter in the early hours of Wednesday, May 29. Despite holding 78 seats in the House, it took Democrats three tries to reach the 60 votes needed to approve more than \$1.1 billion in revenue increases, including a tax hike on sportsbooks and businesses, to balance the \$53.1 billion spending plan for fiscal year 2025. The spending plan passed the House 65-45 and the Senate 38-21.

In all, the General Assembly passed 466 measures to the Governor for his consideration. The legislature has 30 days to present a bill to the Governor, and the Governor has 60 days after receiving the bill to sign, veto, or issue an amendatory veto. The General Assembly will not return to Springfield until the Fall Veto Session. Dates have not yet been announced.