

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

For the Two Years Ended June 30, 2011

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

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AGENCY OFFICIALS

EDUCATIONAL LABOR RELATIONS BOARD

Chairman	Lynne O. Sered
Executive Director	Victor Blackwell
Fiscal Officer	Cindy Handy
General Counsel	Helen Higgins Kelly

Agency offices are located at:

One Natural Resource Way
Springfield, IL 62702

160 North LaSalle Street
Suite N-400
Chicago, IL 60601



ILLINOIS EDUCATIONAL LABOR RELATIONS BOARD

April 11, 2012

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

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 Educational Labor Relations 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 Educational Labor Relations Board compliance with the following assertions during the two-year period ended June 30, 2011. Based on this evaluation, we assert that during the year(s) ended June 30, 2010 and June 30, 2011, the Educational Labor Relations Board has materially complied with the assertions below.

- A. The Educational Labor Relations 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 Educational Labor Relations 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 Educational Labor Relations 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 Educational Labor Relations 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.
- E. The money or negotiable securities or similar assets handled by the Educational Labor Relations Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Internet Address: <http://www.state.il.us/agency/ielrb>

160 North LaSalle Street, Suite N-400 | Chicago, Illinois 60601-3103 | Telephone: 312/793-3170 | Facsimile: 312/793-3369
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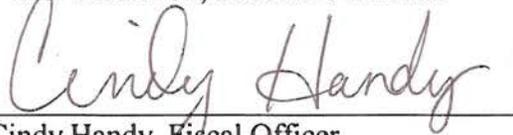
TTY: 1-800/526-0844 (Relay)

Yours very truly,

Educational Labor Relations Board

A handwritten signature in black ink that reads "Victor E. Blackwell". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Victor Blackwell, Executive Director

A handwritten signature in black ink that reads "Cindy Handy". The signature is cursive and somewhat compact.

Cindy Handy, Fiscal Officer

A handwritten signature in blue ink that reads "Helen Higgins Kelly". The signature is highly stylized and cursive, with a large, decorative flourish at the end.

Helen Higgins Kelly, General Counsel

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORTS

The Independent Accountants' 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 Findings</u>	<u>Current Report</u>	<u>Prior Report</u>
Repeated findings	2	4
Prior recommendations implemented or not repeated	1	2
	3	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (STATE COMPLIANCE)

11-1	9	Failure to employ required staff	Significant Deficiency and Noncompliance
11-2	10	Inadequate segregation of duties	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A.	11	Nonpayment of revolving funds
B.	11	Untimely processing of fair share cases and payments
C.	11	Voucher processing weaknesses

EXIT CONFERENCE

A formal exit conference was waived by Cindy Handy, Fiscal Officer, in a correspondence dated March 26, 2012. Responses to the recommendations were provided by Cindy Handy, Fiscal Officer, in a correspondence dated March 30, 2012.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the Educational Labor Relations Board's (Board) compliance with the 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, 2011. The management of the Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

- 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.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination 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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2011. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 11-1 through 11-2.

Internal Control

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Board's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as findings 11-1 and 11-2. A *significant deficiency over compliance* is a deficiency, or 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.

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

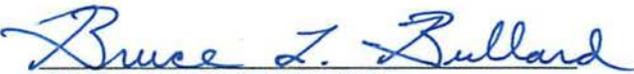
The Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Board's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2011 and 2010 Supplementary Information for State Compliance Purposes, except for the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2009 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board management, and the Educational Labor Relations Board and is not intended to be and should not be used by anyone other than these specified parties.


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

April 11, 2012

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-1. **FINDING** (Failure to employ required staff)

The Educational Labor Relations Board (Board) did not employ the minimum number of staff as required by the Educational Labor Relations Act (Act).

The Board did not employ the required minimum number of attorneys and investigators. The Act (115 ILCS 5/5(f)) requires the Board to employ a minimum of 8 attorneys and 5 investigators. As of June 30, 2011 the Board employed 6 attorneys and 2 investigators.

Board management stated they lack funding to employ the required number of attorneys and investigators.

Failure to employ the required number of attorneys and investigators is noncompliance with the Act. (Finding Code No. 11-1)

RECOMMENDATION

We recommend the Board comply with the Act's requirements for attorneys and investigators or seek legislative remedy to the statutory requirements.

BOARD RESPONSE

115 ILCS 5/5(f) states that the requirement for hiring is, "subject to the annual appropriation" by the General Assembly. To date, no funds have been appropriated to hire additional staff.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2011

11-2. **FINDING** (Inadequate segregation of duties)

The Educational Labor Relations Board (Board) had an inadequate segregation of duties in the areas of payroll, expenditure control, State property, and receipt processing.

During our testing, we noted the following:

- One person had the authority to prepare and approve vouchers, maintain accounting records, enter transactions into the accounting system, and perform monthly reconciliations.
- One person had the authority to approve all property purchases, tag all inventory, maintain the property records, and complete the quarterly reports of State property.
- One person had the authority to prepare payroll, make adjustments to payroll, approve payroll, and distribute payroll stubs.
- One person had the authority to prepare receipts, deposit receipts, and maintain the receipts ledger.

Good business practices require the Board maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls.

Board management stated they were unable to maintain adequate segregation of duties due to the limited number of Board employees.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 11-2, 09-3, 07-2)

RECOMMENDATION

We recommend the Board implement procedures to ensure they maintain effective internal control over the record keeping and accounting duties concerned with procurement, expenditures, property control, payroll, and receipts.

BOARD RESPONSE

The inadequate segregation of duties finding continues because the Board has no authorized headcount or funding to hire an assistant fiscal officer or accountant.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)
For the Two Years Ended June 30, 2011

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Nonpayment of revolving funds)

During the prior period, the Board failed to pay Facilities Management, Statistical Services, and Telecommunications invoices totaling \$45,303 for FY09.

During the current period, our sample testing showed that the Board paid all revolving fund invoices as required. (Finding Code No. 09-1)

B. **FINDING** (Untimely processing of fair share cases and payments)

During the prior period, the Board did not timely issue Recommended Decision and Orders (Orders) or make fair share payments.

During the current period, our sample testing showed Orders were issued timely. In addition, during the period, there were no problems with final order payments as the Board no longer collects and disburses the fees for fair share objectors. Those fees are now collected and disbursed by the objectors' designated labor unions. (Finding Code No. 09-2)

C. **FINDING** (Voucher processing weaknesses)

During the prior period, the Board approved vouchers late and did not pay the required interest on vouchers. In addition, the Board did not maintain documentation of the date invoices were received and vouchers were not signed and/or dated by the receiving officer.

During the current period, our sample testing showed the Board improved its controls over voucher processing and vouchers contained documentation of the date received and were signed and dated by the receiving officer. In addition, our sample testing also showed the Board timely approved vouchers and paid the required interest. (Finding Code No. 09-4)

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts

- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Agency Functions and Planning Program

- Average Number of Employees

- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2011

Fourteen Months Ended August 31, 2011

P. A. 96-0956	Appropriations (Net After Transfers)	Expenditures Through 6/30/11	Approximate Lapse Period Expenditures 7/01 - 8/31/11	Approximate Total Expenditures	Approximate Balances Lapsed
Appropriated Fund					
General Revenue Fund - 001					
Lump Sum: Operating Expenses	\$ 999,200	\$ 899,556	\$ 76,530	\$ 976,086	\$ 23,114
Total General Revenue Fund	<u>\$ 999,200</u>	<u>\$ 899,556</u>	<u>\$ 76,530</u>	<u>\$ 976,086</u>	<u>\$ 23,114</u>
Non-Appropriated Fund					
Fair Share Trust Fund - 996					
Fair Share Trust Fund		\$ 10,957	-	\$ 10,957	
Total Fair Share Trust Fund		<u>\$ 10,957</u>	<u>-</u>	<u>\$ 10,957</u>	
GRAND TOTAL, ALL FUNDS	<u>\$ 999,200</u>	<u>\$ 910,513</u>	<u>\$ 76,530</u>	<u>\$ 987,043</u>	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from State Comptroller records and have been reconciled to the Agency's records.
 Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.
 Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2010

Fourteen Months Ended August 31, 2010

P.A. 96-0042	Appropriations (Net After Transfers)	Expenditures Through 6/30/10	Lapse Period		Total Expenditures	Balances Lapsed
			7/01 - 8/31/10	Expenditures		
Appropriated Fund						
General Revenue Fund - 001						
Personal Services	\$ 781,700	\$ 721,950	\$ 31,752	\$	\$ 753,702	\$ 27,998
State Contributions to Social Security	59,800	52,367	2,294		54,661	5,139
Lump Sum: Operating Expenses	210,300	153,141	23,560		176,701	33,599
Total General Revenue Fund	\$ 1,051,800	\$ 927,458	\$ 57,606	\$	\$ 985,064	\$ 66,736
Non-Appropriated Fund						
Fair Share Trust Fund - 996						
Fair Share Trust Fund		\$ 59,068	-	\$	59,068	
Total Fair Share Trust Fund		\$ 59,068	-	\$	59,068	
GRAND TOTAL, ALL FUNDS		\$ 986,526	\$ 57,606	\$	\$ 1,044,132	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from State Comptroller records and have been reconciled to the Agency's records.

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

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

	Fiscal Year		
	2011	2010	2009
General Revenue Fund - 001	P.A. 96-0956	P.A. 96-0042	P.A. 95-0733 P.A. 96-0004
Appropriations (Net of Transfers)	\$ 999,200	\$ 1,051,800	\$ 1,120,650
<u>Expenditures</u>			
Personal Services	\$ -	\$ 753,702	\$ 792,135
State Contribution to State Employees' Retirement System	-	-	166,832
State Contributions to Social Security	-	54,661	56,725
Contractual Services	-	-	58,898
Travel	-	-	13,949
Commodities	-	-	2,287
Printing	-	-	142
Equipment	-	-	3,607
Electronic Data Processing	-	-	881
Telecommunications	-	-	612
Operation of Automotive Equipment	-	-	2,298
Lump Sum: Operating Expenses	976,086	176,701	-
Total Expenditures	\$ 976,086	\$ 985,064	\$ 1,098,366
Lapsed Balances	\$ 23,114	\$ 66,736	\$ 22,284
Non-Appropriated Fair Share Trust Fund - 996			
Expenditures	\$ 10,957	\$ 59,068	\$ -
Total Expenditures	\$ 10,957	\$ 59,068	\$ -
GRAND TOTAL - ALL FUNDS			
Total Expenditures	\$ 987,043	\$ 1,044,132	\$ 1,098,366
Salaries paid from the Comptroller's Executive Salary Appropriation:			
Board Chairman	\$ 99,560	\$ 104,358	\$ 104,358
Four Board Members	358,225	375,704	375,704
Total Expenditures from Comptroller's Executive Salaries Appropriation	\$ 457,785	\$ 480,062	\$ 480,062

Note 1: Fiscal Year 2011 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2011

	Equipment
Balance at July 1, 2009	\$ 283,212
Additions	888
Deletions	(31,722)
Net Transfers	(299)
Balance at June 30, 2010	\$ 252,079
Balance at July 1, 2010	\$ 252,079
Additions	6,157
Deletions	(331)
Net Transfers	(22,500)
Balance at June 30, 2011	\$ 235,405

Note: The above schedule has been derived from Agency records which have been reconciled to property records submitted to the Office of the Comptroller.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>General Revenue Fund - 001</u>			
Jury Duty	\$ 30	\$ 62	\$ -
Copies	3	92	13
Phone Call Reimbursements	-	-	-
Refunds	-	-	-
	<hr/>	<hr/>	<hr/>
Total General Revenue Fund	<u>\$ 33</u>	<u>\$ 154</u>	<u>\$ 13</u>
<u>Fair Share Trust Fund - 996</u>			
Fair Share Trust Fees	\$ -	\$ 345	\$ 40,977
Interest	922	1,506	4,655
	<hr/>	<hr/>	<hr/>
Total Fair Share Trust Fund	<u>\$ 922</u>	<u>\$ 1,851</u>	<u>\$ 45,632</u>
Total Receipts	<u><u>\$ 955</u></u>	<u><u>\$ 2,005</u></u>	<u><u>\$ 45,645</u></u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>General Revenue Fund - 001</u>			
Receipts per Board Records	\$ 33	\$ 154	\$ 13
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 33</u>	<u>\$ 154</u>	<u>\$ 13</u>
 <u>Fair Share Trust Fund - 996</u>			
Receipts per Board Records	\$ 922	\$ 1,851	\$ 45,632
Add: Deposits in Transit, Beginning of Year	-	33,437	29,100
Less: Deposits in Transit, End of Year	-	-	(33,437)
Interest Earned	<u>(922)</u>	<u>(1,506)</u>	<u>(4,655)</u>
Deposits Recorded by the Comptroller	<u>\$ -</u>	<u>\$ 33,782</u>	<u>\$ 36,640</u>

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

Significant variances in expenditures were determined to be changes of \$10,000 and at least 20% between fiscal years, and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2010

General Revenue Fund (001)

Personal Services and State Contributions to Social Security

The decrease in personal services and State contributions was due to the Board receiving a lump sum appropriation for all expenditures in FY11.

Lump Sum: Operating Expenses

The increase was due to the Board receiving a lump sum appropriation in FY11 for all of its expenditures.

Fair Share Trust Fund (996)

Fair Share Trust Fund

The decrease was due to the distribution of backlogged fair share fees in FY10 from previous periods. Beginning in FY10, the Board stopped collecting and disbursing fair share fees, so the only disbursements from the fair share fund related to prior period cases resulting in less expenditures each subsequent year.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

General Revenue Fund (001)

State Contribution to SERS, Contractual Services, and other line items

The decrease was due to the Board receiving a lump sum appropriation in FY10 for all items except personal services and State contributions to social security.

Lump Sum: Operating Expenses

The increase was due to the Board receiving a lump sum appropriation in FY10 for the majority of its line item expenditures.

Fair Share Trust Fund (996)

Fair Share Trust Fund

The increase was due to the issuance of backlogged fair share fees from prior years.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2011

Significant variances in receipts were determined to be changes of \$10,000 and at least 20% between fiscal years, and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2011 AND 2010

There were no significant variances in receipts between fiscal years 2011 and 2010.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2009

Fair Share Trust Fund (996)

Fair Share Trust Receipts

The decrease in fair share receipts between the fiscal years was due to the Board no longer collecting fees for fair share cases. Beginning in FY10, the objector's designated labor union collected and distributed the fair share fees.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2011

Significant lapse period spending was determined to be at least 20% of total expenditures, and is explained below.

FISCAL YEAR 2011

There was no significant lapse period spending in FY11.

FISCAL YEAR 2010

There was no significant lapse period spending in FY10.

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2011

AGENCY FUNCTIONS AND PLANNING PROGRAM

Board Functions

The Illinois Educational Labor Relations Board (Board) was created on January 1, 1984 to administer the Illinois Education Labor Relations Act (115 ILCS 5/1 et seq). The Act sets forth the rules, regulations, and procedures for labor relations and collective bargaining between public educational employers and educational employees in Illinois. The Act affords public educational employees the right to organize, to select a labor organization to represent them, and the right to bargain with their educational employer through their chosen labor representative.

The Board's primary statutory duties include the following:

1. Investigating representation petitions seeking the certification or decertification of collective bargaining representatives of public school employees, and conducting hearings and elections upon such petitions;
2. Processing majority interest petitions which seek certification with a showing of majority support;
3. Investigating and processing petitions to modify or clarify bargaining units and the certification of bargaining units, including conducting hearings and issuing decisions on such petitions;
4. Investigating all charges alleging unfair labor practices filed by either a representative Union, an individual or by a school district;
5. Rendering determinations on all charges of unfair labor practices after investigation and hearing, and investigating and adjudicating disputes concerning compliance with Agency decisions and orders;
6. Acting as neutral mediators and conducting mediation sessions to assist parties in resolving disputes before the Board;
7. Providing panels of private mediators and arbitrators to all parties covered by the Act to assist in resolving collective bargaining impasses and grievance disputes; and
8. Investigating and adjudicating disputes concerning fair share fees assessed to educational employees by employee representatives.

The Board consists of a chairperson and four members who are appointed by the Governor with the advice and consent of the Senate. The current members as of June 30, 2011 are:

- Lynne O. Sered, Chairman
- Gilbert F. O'Brien
- Michael Prueter
- Ronald Ettinger
- Michael K. Smith

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF OPERATIONS
 For the Two Years Ended June 30, 2011

AGENCY FUNCTIONS AND PLANNING PROGRAM (CONTINUED)

The Board regulates approximately 450,000 Statewide educational employees, about 1,500 bargaining units and 37 separate unions. The Board’s jurisdiction over educational labor matters encompasses over 1,100 separate public educational institutions including primary, middle, and high schools, community colleges and universities.

Planning Program

The Board does not have a formal long-range planning program; however, they meet monthly to deliberate cases and vote to issue its Opinions and Orders on the cases. They also address planning issues such as budgeting, personnel, and evaluating the efficiency and effectiveness of current policies and procedures. Monthly case reports, quarterly review of final decisions and a monthly review of the budget are part of the Board’s agenda.

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Paid from Illinois Educational Labor Relations Board Appropriation:			
Executive Director	1	1	1
Technical Advisors	0	1	1
Investigators and Supervisors	9	8	6
Administrative and Clerical	<u>2</u>	<u>2</u>	<u>4</u>
Total average full-time employees	<u><u>12</u></u>	<u><u>12</u></u>	<u><u>12</u></u>
Paid from Comptroller's Executive Salaries Appropriation:			
Board Chairman	1	1	1
Board Members	<u>4</u>	<u>4</u>	<u>4</u>
Total average Board members	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>5</u></u>

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2011

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

The types of cases processed by the Board fall essentially into three categories:

- 1) Representation Cases
- 2) Mediation Cases
- 3) Unfair Labor Practice Cases

Representation Cases

Representation cases involve processing and issuing opinions regarding questions of representation including the conducting of orderly elections.

<u>Cases Filed</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Petition to Determine Representative	29	24	26
Petition to Decertify Representative	2	6	3
Petition - Representation (Employer)	0	2	2
Petition to Determine Unit	32	22	31
Voluntary Recognition Petition	0	0	3
Unit Clarification Petition	20	26	26
Amended Certification Petition	1	3	8
Total Cases Filed	<u>84</u>	<u>83</u>	<u>99</u>

Disposition of Cases Filed

Certification of Representative	7	9	4
Certification of Voluntary Recognition	0	0	1
Certification of Results	2	1	1
Elections Conducted	15	17	13
Withdrawn	4	12	16
Majority Interest Petition Order of Certification	48	33	39
Executive Dir. Decision & Order	19	32	24
Admin. Law Judge Recommended Decision & Order	1	3	3
Mediations	3	3	5
Pending Investigations	10	16	31
Total Cases	<u>99</u>	<u>126</u>	<u>137</u>

STATE OF ILLINOIS
 EDUCATIONAL LABOR RELATIONS BOARD
ANALYSIS OF OPERATIONS
 For the Two Years Ended June 30, 2011

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (CONTINUED)

Mediation Cases

Mediation cases involve situations in which the parties engaged in collective bargaining have reached an impasse and may petition the Board to initiate mediation. The Board may also, on its own motion initiate mediation during this period.

Strikes

The Illinois Educational Labor Relations Act affords educational employees the right to strike under certain limited circumstances as delineated in Section 13 of the Act. The Board attempts to resolve potential strike issues through mediation and its Adjudicatory processes. There were four strikes during the 2009-2010 fiscal year and two strikes during the 2010-2011 fiscal year.

Unfair Labor Practice Cases

Unfair labor practice cases involve charges alleging that the conduct of an employer and/or a union constitute conduct proscribed by the Educational Labor Relations Act. Charges may be filed by an employer, an individual, or a labor organization. Once a charge has been filed, it is assigned to an investigator. Upon conclusion of the investigation, the Executive Director can either dismiss the charge or issue a complaint and set the matter for hearing if a voluntary settlement has not been reached by the parties.

The following unfair labor practice case statistics were furnished by Board personnel and are not examined:

<u>Cases Filed</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Unfair Labor Practice Charge			
Against Employer	150	184	104
Unfair Labor Practice Charge			
Against Union	31	56	27
Unfair Labor Practice Charge			
Contesting Fair Share Fee	82	99	116
Total Cases Filed	<u>263</u>	<u>339</u>	<u>247</u>

STATE OF ILLINOIS
EDUCATIONAL LABOR RELATIONS BOARD
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SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (CONTINUED)

Unfair Labor Practice Cases (Continued)

<u>Disposition of Cases</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Withdrawn Pursuant to Settlement Agreement	83	114	112
Complaints Issued	106	44	39
Withdrawn	69	69	69
Executive Director's Recommended Decision and Order	60	105	62
Administrative Law Judge Recommended Decision and Order	35	43	32
Cases Mediated	38	43	57
Investigations Pending	94	92	48
Total Cases	<u>485</u>	<u>510</u>	<u>419</u>
<u>Board Activity</u>			
Board Opinions and Orders Issued	27	19	19
Board Final Orders Issued	61	156	90
Total Cases Processed	<u>88</u>	<u>175</u>	<u>109</u>
<u>Average Cost Per Case Filed</u>			
Representation Cases	84	83	99
Unfair Labor Practice Cases	263	339	247
Total Representation and Unfair Labor Practice Cases	<u>347</u>	<u>422</u>	<u>346</u>
Total Expenditures	<u>\$ 976,539</u>	<u>\$ 985,064</u>	<u>\$ 1,098,366</u>
Average Expenditure per Case	<u>\$ 2,814</u>	<u>\$ 2,334</u>	<u>\$ 3,174</u>