

SUPREME COURT OF ILLINOIS

American Federation of State, County & Municipal Employees,
Council 31 v. Illinois State Labor Relations Board, State Panel

216 Ill. 2d 569 (Ill. 2005) · No. No. 99074 · Decided October 6, 2005

SUMMARY

The Illinois Supreme Court reviewed whether the Illinois Department of Corrections was a joint employer of health-care workers employed by a private contractor at state correctional facilities. The court held that the Department was not a joint employer under the Illinois Public Labor Relations Act because it lacked meaningful control over essential terms and conditions of employment. The court also declined to decide the federal preemption issue concerning potentially concurrent jurisdiction under the National Labor Relations Act.

CASE DETAILS

COURT	Supreme Court of Illinois
WRITING FOR THE COURT	Justice Freeman
JURISDICTION	Illinois
DECIDED	October 6, 2005
DOCKET	No. 99074
DISPOSITION	reversed
PROCEDURAL POSTURE	AFSCME sought administrative review of the Illinois State Labor Relations Board's dismissal of its representation/certification petition and related unfair labor practice charge. The appellate court set aside the Board's decision, and the Illinois Supreme Court granted leave to appeal.
STANDARD OF REVIEW	Questions of law are reviewed de novo; agency factual findings are reviewed under the manifest-weight-of-the-evidence standard; and mixed questions of law and fact are reviewed for clear error. The court treated joint-employer status as a mixed question of law and fact and reviewed the Board's decision under the clearly erroneous standard.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Illinois Department of Central Management Services, on behalf of the Illinois Department of Corrections, Wexford Health Sources, Inc. v.

TOPICS

labor law unfair labor practices administrative law judicial review of agency action federalism

PRACTICE AREAS

labor law administrative law employment law unfair labor practices

QUESTIONS PRESENTED

1. Whether the Illinois State Labor Relations Board clearly erred in determining that the Illinois Department of Corrections was not a joint employer of Wexford's bargaining-unit employees under the Illinois Public Labor Relations Act.
2. Whether DOC's contract-compliance monitoring and prison-security authority constituted sufficient control over the employees' essential terms and conditions of employment to establish joint-employer status.
3. Whether the Board properly dismissed AFSCME's related unfair labor practice charge after determining that DOC was not the employees' employer under the Illinois Act.
4. Whether federal labor-law preemption barred the Illinois Board from exercising jurisdiction.

HOLDINGS

1. The Board did not clearly err in finding that DOC was not a joint employer of Wexford's employees because DOC did not share or co-determine meaningful control over their essential terms and conditions of employment.
2. DOC's authority to issue stop orders and enforce prison security and safety rules did not constitute control over employment for purposes of determining joint-employer status under the Illinois Labor Relations Act.
3. Because DOC was not a joint employer under the Illinois Act, the Board properly dismissed the related unfair labor practice charge.
4. The court declined to address the federal-preemption issue because the parties agreed that it was unnecessary to resolve the appeal.

KEY QUOTATIONS

“The test for the existence of joint employers is whether “two or more employers exert significant control over the same employees—where from the evidence it can be shown that they share or co-determine those matters governing essential terms and conditions of employment.”” (at 578-79)

“We agree with the reasoning outlined in the above federal cases and hold that the Board did not clearly err in finding that the control that DOC may exert over Wexford employees with respect to prison security and

safety does not rise to the level of ‘control’ for purposes of determining employer status under the Illinois Labor Relations Act.” (at 585)

“The Board’s determination that the DOC is not a joint employer of the Wexford bargaining unit employees was not clearly erroneous. For the foregoing reasons, the judgment of the appellate court is reversed and the decision of the Board is confirmed.” (at 590)

FACTUAL BACKGROUND

The Illinois Department of Corrections contracted with Wexford Health Sources, Inc., a private corporation, to provide medical services at DOC facilities. Wexford hired and employed the healthcare workers, negotiated their collective-bargaining agreement with AFSCME, and controlled their wages, benefits, scheduling, evaluations, discipline, and termination. DOC personnel monitored compliance with the vendor contracts and enforced facility security rules, including the ability to issue stop orders barring access to a facility. AFSCME sought certification under Illinois public-sector labor law by asserting that DOC and Wexford were joint employers, despite already representing the employees under the National Labor Relations Act.

PROCEDURAL HISTORY

AFSCME filed a petition seeking to represent Wexford employees under the Illinois Public Labor Relations Act, alleging that the Illinois Department of Corrections was their joint employer, and filed a related unfair labor practice charge against Wexford. After a hearing, the Board adopted the ALJ’s finding that the DOC was not a joint employer and dismissed both matters. On direct administrative review, the appellate court reversed the Board, finding the DOC to be a joint employer. The Illinois Supreme Court reversed the appellate court and confirmed the Board’s decision.

DISPOSITION

reversed

CASES CITED

- AFM Messenger Service, Inc. v. Department of Employment Security, 198 Ill. 2d 380, 390, 395 (2001)
- Branson v. Department of Revenue, 168 Ill. 2d 247, 254 (1995)
- City of Belvidere v. Illinois State Labor Relations Board, 181 Ill. 2d 191, 204 (1998)
- Pullman-Standard v. Swint, 456 U.S. 273, 289 n.19 (1982)
- United States v. United States Gypsum Co., 333 U.S. 364, 395 (1948)
- Village of Winfield v. Illinois State Labor Relations Board, 176 Ill. 2d 54, 60 (1997)
- Orenic v. Illinois State Labor Relations Board, 127 Ill. 2d 453, 474-75 (1989)
- National Labor Relations Board v. Browning-Ferris Industries of Pennsylvania, Inc., 691 F.2d 1117, 1124 (3d Cir. 1982)
- American Federation of State, County & Municipal Employees v. Illinois State Labor Relations Board, 190 Ill. App. 3d 259, 264 (1989)
- Airborne Freight Co., 338 N.L.R.B. 597, 597 n.1 (2002)

- Elmhurst Park District, 16 Pub. Employee Rep. (Ill.) par. 2042, No. S-RC-00-097 (ISLRB General Counsel Aug. 30, 2000)
- Texas World Service Co. v. NLRB, 928 F.2d 1426, 1432 (5th Cir. 1991)
- TLI, Inc., 271 N.L.R.B. 798, 798-99 (1984), enforced mem., 772 F.2d 894 (3d Cir. 1985)
- Local 254, Service Employees International Union, 324 N.L.R.B. 743, 748 (1997)
- Hojnacki v. Klein-Acosta, 285 F.3d 544, 551 (7th Cir. 2002)
- Equal Employment Opportunity Commission v. North Knox School Corp., 154 F.3d 744, 748 (7th Cir. 1998)
- Lambertsen v. Utah Department of Corrections, 79 F.3d 1024, 1029 (10th Cir. 1996)

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