

March 12, 2013

Patrick J. O'Donnell
Clerk of the Legislature
Room 2018, State Capitol
Lincoln, Nebraska 68509

Dear Mr. O'Donnell:

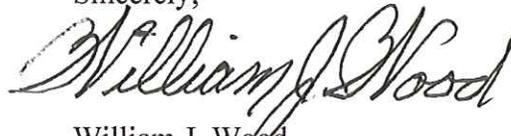
As per State Statute 81-1384, attached please find the prescribed report regarding the status of negotiations.

This was the fourteenth "round" of bargaining under the State Employees Collective Bargaining Act. I am pleased that we were able to reach voluntary agreements with all three of the unions with which we bargain, the State Law Enforcement Bargaining Council (SLEBC), and nine bargaining units within the Nebraska Association of Public Employees, Local 61 of the American Federation of State, County and Municipal Employees (NAPE/AFSCME), and the State Code Agencies Teachers Association (SCATA).

The contracts resulting from these negotiations represent compromise on the part of both the State and the unions, and I believe that they demonstrate the spirit of good faith, good will, and professionalism in which the parties conducted these negotiations. Our objective continues to be a desire to bargain in good faith.

I have hope that future collective bargaining will result in voluntary agreements with the representatives of all of the bargaining units with which we negotiate.

Sincerely,



William J. Wood
Chief Negotiator

WJW:gb

c: Carlos Castillo

Enclosure

EMPLOYEE
RELATIONS
REPORT

March 16, 2013

As required in Neb. Rev. Stat. 81-1384.

Note: This report focuses on labor relations issues concerning employees of agencies covered by the State of Nebraska Classified Personnel System. It does not address issues concerning the University of Nebraska, the State Colleges, the Nebraska Department of Education, or other "Constitutional" agencies.

ECONOMIC AGREEMENTS 2013-2015 LABOR CONTRACTS

I. NAPE/AFSCME:

A. WAGES

1. A voluntary agreement was reached with the nine bargaining units represented by NAPE/AFSCME for the period of July 1, 2013 through June 30, 2015. Approximately 10,100 employees will be impacted by this contract. All employees in each of the nine bargaining units will receive a pay increase of 2.25% on 7-1-13. These same employees will also receive a 2.25% pay increase on 7-1-14. The salary rates of all classifications in each of these nine bargaining units will be adjusted upward by 2.25% on 7-1-13, and by 2.25% on 7-1-14.
3. Special adjustments made in the nurse and other various classifications in previous years remain in the Labor Contract.
4. Agreement reached previously to continue shift differentials for all direct care staff in 24 hour facilities for 2nd and 3rd shifts and weekends and holidays to assist with lowering the high turnover rates in these facilities, remains in effect in the new Labor Contract.

B. INSURANCE

(Note: Insurance Provisions are identical for NAPE/AFSCME and SCATA.)

1. Health Insurance (for NAPE/AFSCME & SCATA): The Employer contribution toward any group health insurance option shall be the amount equal to seventy-nine percent (79%) of the total premium cost of the plan, option, and coverage chosen by the employee. The annual deductibles and annual out-of-pocket maximums, will change for the Regular PPO Plan as follows:

\$800 Annual deductible per person – In Network

\$1600 Annual deductible per family – In Network

\$2000 Annual out-of-pocket maximum per person – In Network

\$4000 Annual out-of-pocket maximum per family – In Network

For the Regular PPO Plan, the co-insurance provision, for most covered services, after deductible, remains at 80%. The co-payments for regular doctor office visits were changed to \$30 for each office visit; and to \$40 for specialty doctor office visits.

Prescription co-payments for the Regular PPO Plan remained in a three-tier formulary to include the following co-payments:

\$10.00 co-payment per 30 day supply of generic drugs;

\$25.00 co-payment for a 30 day supply of formulary brand name drugs; and a

\$40.00 co-payment for a 30 day supply of non-formulary brand name drugs.

Mail order is available for long-term maintenance drugs for a 180 day supply with a:

\$35.00 co-payment for generic drugs;
\$100.00 co-payment for formulary brand name drugs; and a
\$150.00 co-payment for non-formulary brand name drugs.

The premium for the Regular PPO Plan will not be increased during the period of July 1, 2013, through June 30, 2014.

2. Group health insurance benefits will be offered to retirees who retire on or after the effective date of this Contract until the age of sixty-five. The entire cost of such insurance is to be borne by the retiree.
3. Life Insurance: The Employer will provide a \$20,000 group life insurance policy for full-time employees covered by the NAPE/AFSCME and SCATA Labor Contracts. Optional life insurance will be made available to bargaining unit employees at the employee's cost.
4. Dental Insurance: The Employer offers group dental insurance to bargaining unit employees and their dependents, at employee cost, for NAPE and SCATA.
5. Long Term Disability Insurance: The Employer continues to offer group long term disability insurance for bargaining unit employees at employee cost, for NAPE and SCATA.
6. Vision: The Employer offers group vision insurance to all bargaining unit employees and their dependents, at employee cost.

II. SLEBC

A. WAGES

A voluntary agreement was reached with the State Law Enforcement Bargaining Council (SLEBC) for the period of July 1, 2013, through June 30, 2015. The SLEBC labor agreement covers law enforcement employees in the Nebraska State Patrol, State Fire Marshal's Office, and the Game and Parks Commission. Approximately 495 employees will be impacted by this contract.

The pay plan for law enforcement consists of 15 steps which will be adjusted based on the percentages listed below.

7-1-13 -- 1 % pay increase

7-1-14 -- 1 % pay increase

Employees will advance one step on July 1, 2013; and will advance one step on July 1, 2014, during the 2013-2015 Labor Contract. These increases for SLEBC bargaining unit members are equivalent to an average salary increase of 3.4% on 7-1-13 and 3.3% on 7-1-14.

B. INSURANCE

The SLEBC health insurance plan offers benefits similar to those offered under the NAPE/AFSCME Labor Contract. The State will pay 79% of the employee's health insurance premium, but this amount shall not exceed the State contribution for the State sponsored PPO health insurance plan. For bargaining unit members under SLEBC, the State will continue to offer an employer contribution toward dental insurance. The employer will provide a \$30,000 group life insurance policy for each full-time bargaining unit member, as well as, employer paid long term disability coverage. Additional life insurance will be made available to the bargaining unit members at their own expense.

C. OTHER BENEFITS

The State and SLEBC did not make any adjustments to sick leave, holidays, or vacation leave. SLEBC bargaining unit members earn 13.5 days of sick leave per year and have 11 paid holidays. Both of these amounts are below the levels of NAPE/AFSCME employees, but are closer to comparability.

III. SCATA

A. WAGES

A voluntary agreement was reached with the State Code Agencies Teachers Association (SCATA) for the period of July 1, 2013, through June 30, 2015. The SCATA labor agreement covers approximately 70 Teachers within state government. On 7-1-13, the base salary for teachers will be increased from \$31,491 to \$32,121; and on 7-1-14, the base salary for teachers will be increased to \$32,763. These increases are equivalent to a 3.64 % increase to all steps on the plan the first year, and a 3.42 % increase to all steps on the plan the second year.

B. INSURANCE

All insurance benefits are the same as under the NAPE/AFSCME Labor Contract.