

February 19, 2015

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 fifteenth "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: Larry Bare, Acting AS Director

Attachment

EMPLOYEE
RELATIONS
REPORT

March 16, 2015

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.

EMPLOYEE RELATIONS REPORT

BARGAINING SUMMARY

The State Employees Collective Bargaining Act - Neb. Rev. Stat. Sec. 81-1369 to 81-1388 (hereafter referred to as the Act) organized State employees covered by the State Personnel System into occupationally structured bargaining units for purposes of bargaining collectively over their wages, hours, and other terms and conditions of employment. This year was the sixteenth time the State negotiated labor contracts under the terms of the Act.

Bargaining on these 2015-2017 Labor Contracts began no later than the second Wednesday in September. Voluntary agreement was reached on December 31, 2014, concerning the labor contract for 2015-2017, with the Nebraska Association of Public Employees, Local 61 of the American Federation of State County and Municipal Employees (NAPE/AFSCME), which represents approximately 10,200 employees. This labor contract covers nine bargaining units and the membership voted to ratify the voluntary agreement.

During negotiations for a 2015-2017 labor agreement with the SCATA (State Code Agencies Teachers Association) which represents approximately 67 teachers in the Teachers' Bargaining Unit, a mediator assisted us in reaching agreement. Agreement was reached on January 7, 2015, and the membership voted to ratify the voluntary agreement.

Voluntary agreement was also reached concerning the labor contract for 2015-2017, with the SLEBC (State Law Enforcement Bargaining Council) where a mediator also assisted in reaching agreement. This bargaining unit represents approximately 472 employees. Agreement was reached on January 6, 2015, and the membership voted to ratify the voluntary agreement.

The State agreed to provide all full-time covered employees a 79% employer contribution toward the total health insurance premium. The State will continue to provide an employer paid \$20,000 life insurance policy on NAPE and SCATA covered employees. The health insurance provisions in the NAPE and SCATA labor contracts provide the following for the regular PPO Plan: coinsurance remains at 80%; co-payments for regular doctor office visits were changed to not exceed \$40; and co-payments for specialty doctor office visits were changed to not exceed \$50. A co-payment for Urgent Care Center visits was included, not to exceed \$75. Changes were made to the annual deductibles and annual medical out-of-pocket, along with changes to the co-payments for Tier 1, 2, and 3 drugs. An annual pharmacy out-of-pocket amount was also included along with changes to mail order drugs.

Under the SLEBC Labor Contract, the State will continue to offer employees: a 79% contribution toward the SLEBC sponsored health insurance plan or the State PPO plan, whichever is less, an employer contribution toward dental insurance, an employer paid long term disability insurance program, and an employer paid \$30,000 life insurance policy.

See pages 2, 3, 4, and 5 for a summary of the significant economic provisions negotiated with each of the three unions.

**ECONOMIC AGREEMENTS
2015-2017 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, 2015 through June 30, 2017. Approximately 10,200 employees will be impacted by this contract. All employees in each of the nine bargaining units, except employees in the classes listed below in A., B., and C., will receive a pay increase of 2.25% on 7-1-15, and the salary rates of all classifications in each of the nine bargaining units will be adjusted upward by 2.25%, except those classes listed in A., B., and C.

A. On July 1, 2015, all employees occupying the classifications of Motor Vehicle Driver Licensing Services Examiner I and Motor Vehicle Driver Licensing Examiner II shall receive a five and two tenths percent (5.2%) salary increase to their annual full-time equivalent salary base, and the hiring rate and the maximum rate of those classifications shall be increased by five and two tenths percent (5.2%).

B. On July 1, 2015, all employees occupying the classifications of State Patrol Evidence Technician shall receive a six and two tenths percent (6.2%) salary increase to their annual full-time equivalent salary base, and the hiring rate and the maximum rate of those classifications shall be increased by six and two tenths percent (6.2%).

C. On July 1, 2015, the hiring rates and maximum rates of pay for the following classes shall be adjusted upward by nineteen percent (19%), and the incumbents of those classifications shall have their salaries increased to at least the new hiring rate, but in no event shall an employee in these classes receive a salary increase of less than two and one quarter percent (2.25%) to their annual full time equivalent salary base.

IT Applications Developer	IT Data/Database Analyst/Lead
IT Applications Developer/Senior	IT Systems Programmer
IT Applications Developer/Lead	IT Systems Programmer/Senior
IT Data/Database Analyst	IT Systems Programmer/Lead
IT Data/Database Analyst/Senior	

2. All employees will receive a 2.4% pay increase on 7-1-16. The salary rates of all classifications in each of these nine bargaining units will be adjusted upward by 2.4% on 7-1-16.

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 bargaining unit member, for which the bargaining unit member is eligible. The annual deductibles and annual out-of-pocket maximums, will change for the Regular PPO Plan as follows:

\$1000 Annual deductible per person, not to exceed \$1200 in the second year of this labor contract – In Network

\$2000 Annual deductible per family, not to exceed \$2400 in the second year of this labor contract – In Network

\$4000 Annual medical out-of-pocket maximum per person, not to exceed \$4500 in the second year of this labor contract – In Network

\$8000 Annual medical out-of-pocket maximum per family, not to exceed \$9000 in the second year of this labor contract – 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 not exceed \$40 for each office visit; and to not exceed \$50 for specialty doctor office visits. A co-payment for Urgent Care Center visit is not to exceed \$75.

Prescription co-payments for the Regular PPO Plan remained in three-tiers with the following changes to co-payments:

\$5.00 co-payment per 30 day supply of Tier 1 drugs, not to exceed \$10 in the second year of this labor contract;

\$30.00 co-payment for a 30 day supply of Tier 2 drugs, not to exceed \$35 in the second year of this labor contract; and a

\$50.00 co-payment for a 30 day supply of Tier 3 drugs, not to exceed \$60 in the second year of this labor contract.

The annual pharmacy out of pocket maximum is \$2000 per individual, not to exceed \$2250 in the second year of this labor contract.

The annual pharmacy out of pocket maximum is \$4000 per family, not to exceed \$4500 in the second year of this labor contract.

Mail order is available for long-term maintenance drugs for a 90 day supply with a cost of two times the 30 day supply for each level of drugs.

The combination of pharmacy and medical out-of-pocket maximums will not exceed the limits set forth in the Patient Protection and Affordable Care Act.

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, 2015, through June 30, 2017. 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 472 employees will be impacted by this contract.

The pay lines for classifications covered by this bargaining unit consist of 15 steps. The pay lines in effect on June 30, 2015, will remain in effect for the period July 1, 2015 through June 30, 2016. Employees will advance two steps on their pay line on July 1, 2015. Employees who are on Step 14, Step 15, or above Step 15, on their pay line shall receive an increase equal to 3%.

On July 1, 2016, the minimum of each pay line shall be the minimum rate for the pay line in effect on June 30, 2016. The maximum rate for each pay line shall be set at the rate of the highest paid individual in that classification as of June 30, 2016. On July 1, 2016, employees shall be placed on the closest step that maintains their hourly rate of pay on June 30, 2016. If an employee's June 30, 2016, hourly rate places them in between steps, the employee shall be placed on the next highest step.

After placement on the pay line, each rate on each pay line shall be raised 3.4%. Employees shall receive the increased rate for their current step on July 1, 2016.

The increases for SLEBC bargaining unit members are equivalent to an average salary increase of 4.2% on 7-1-15 and 4.3% on 7-1-16.

B. INSURANCE

SLEBC offers its own health insurance plan. 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, 2015, through June 30, 2017. The SCATA labor agreement covers approximately 67 Teachers within state government. On 7-1-15, the base salary for teachers will be increased from \$32,763 to \$33,680; and on 7-1-16, the base salary for teachers will be increased to \$34,580. These increases are equivalent to a 2.8 % increase to all steps on the plan the first year, and a 2.67% 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.