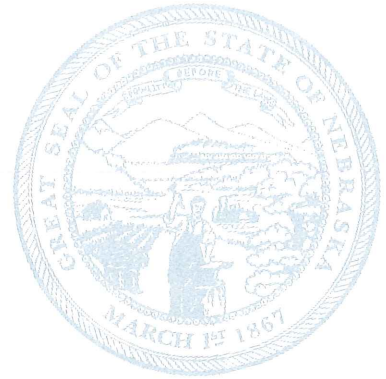


NEBRASKA

Good Life. Great Service.

DEPT. OF ADMINISTRATIVE SERVICES



Pete Ricketts, Governor

March 15, 2017

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 sixteenth "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: Byron Diamond, DAS Director

Attachment

William J. Wood, Chief Negotiator/Administrator

Department of Administrative Services | EMPLOYEE RELATIONS

P.O. Box 95061
Lincoln, Nebraska 68509-5061

1526 K Street, Ste. 120
Lincoln, Nebraska 68508

OFFICE 402-471-4104
FAX 402-471-3394

das.nebraska.gov

EMPLOYEE
RELATIONS
REPORT

March 16, 2017

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 2017-2019 Labor Contracts began no later than the second Wednesday in September. Voluntary agreement was reached, with the assistance of a mediator, on January 4, 2017, concerning the labor contract for 2017-2019, with the Nebraska Association of Public Employees, Local 61 of the American Federation of State County and Municipal Employees (NAPE/AFSCME), which represents approximately 9,880 employees. This labor contract covers nine bargaining units and the membership voted to ratify the voluntary agreement.

During negotiations for a 2017-2019 labor agreement with the SCATA (State Code Agencies Teachers Association) which represents approximately 63 teachers in the Teachers' Bargaining Unit, a mediator assisted us in reaching agreement. Agreement was reached on January 5, 2017, and the membership voted to ratify the voluntary agreement.

Voluntary agreement was also reached concerning the labor contract for 2017-2019, with the SLEBC (State Law Enforcement Bargaining Council) where a mediator also assisted in reaching agreement. This bargaining unit represents approximately 490 employees. Agreement was reached on January 6, 2017, and the membership voted to ratify the voluntary agreement.

The State agreed to provide all full-time covered employees under the NAPE and SCATA Labor Contracts 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 \$45; and co-payments for specialty doctor office visits were changed to not exceed \$55. A co-payment for Urgent Care Center visits remained, 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 remained along with mail order drugs.

Under the SLEBC Labor Contract, the State will now offer employees: an 83% 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
2017-2019 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, 2017 through June 30, 2019. Approximately 9,880 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 1% on 7-1-17, and the salary rates of all classifications in each of the nine bargaining units will be adjusted upward by 1% except those classes listed in A., B., and C.

A. On July 1, 2017, the minimum rate and maximum rate of pay for the State Patrol Communications Specialist class shall be adjusted to \$16.803 - \$23.746, and the incumbents of this classification shall have their salaries adjusted upward by the same dollar amount as the minimum rate is being adjusted, which is \$1.528.

B. On July 1, 2017, the minimum rate and maximum rate of pay for the Law Enforcement Instructor class shall be adjusted to \$23.138 - \$30.931.

C. On July 1, 2017, the minimum rate and maximum rate of pay for the following classes shall be adjusted to the amounts shown below:

	Minimum Rate	Maximum Rate
Parole Trainee	\$17.769	\$25.735
Parole Officer Senior	\$20.305	\$29.408
Parole Officer Specialized	\$22.878	\$33.134

2. All employees will receive a 1.5% pay increase on 1-1-19. The salary rates of all classifications in each of these nine bargaining units will be adjusted upward by 1.5% on 1-1-19.

A. On January 1, 2019, the following classifications shall have their minimum rates and maximum rates adjusted upward by three percent (3%) and the incumbents of those classifications shall have their salaries adjusted upward by the same dollar amount as the minimum rate is being adjusted.

DD Safety & Habilitation Specialist	Staff Care Technician I & II
Mental Health Security Specialist I & II	Development Technician I & II
Youth Security Specialist I & II	Children and Family Services Specialist
Staff Care Specialist	

3. Merit/Longevity Pay was included in this labor contract. It will be implemented whereby any bargaining unit member who attains one of the following continuous service anniversary dates during the fiscal year preceding 7-1-18, and is considered by the employing agency to have had at least satisfactory performance during the preceding five year period, shall have his/her annual full-time equivalent salary

base increased by one quarter of one percent on 7-1-18. This amount shall be added to his/her annual full-time equivalent salary base and shall be given after any other 7-1-18 pay increase(s).

5 years	25 years	45 years
10 years	30 years	50 years
15 years	35 years	55 years
20 years	40 years	60 years

4. Special adjustments made in the nurse and other various classifications in previous years remain in the Labor Contract.
5. 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:

\$1200 Annual deductible per person, not to exceed \$1400 in the second year of this labor contract – In Network

\$2400 Annual deductible per family, not to exceed \$2600 in the second year of this labor contract – In Network

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

\$8000 Annual medical 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 not exceed \$45 for each office visit; and to not exceed \$55 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;

\$35.00 co-payment for a 30 day supply of Tier 2 drugs, not to exceed \$40 in the second year of this labor contract; and a

\$55.00 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 and Accidental Death and Dismemberment 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, 2017, through June 30, 2019. 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 490 employees will be impacted by this contract.

On July 1, 2017, there will be one step movement on existing pay lines (step 15 does not move or receive an increase). There will be a one-time merit payment for those who score "satisfactory" on their most recent performance review:

1-5.99 years of service = \$50.00
6-9.99 years of service = \$400.00
10-14.99 years of service = \$725.00
15-19.99 years of service = \$1050.00
20 years or more = \$1,375.00

Shift Differential pay is new at \$.85 per hour and affects approximately 150 employees at the State Patrol. This continues both years of the Labor Contract.

On July 1, 2018, there will be one step movement on existing pay lines (step 15 does not move or receive an increase). There will be a one-time merit payment for those who score “satisfactory” on their most recent performance review:

- 1-5.99 years of service = \$50.00
- 6-9.99 years of service = \$400.00
- 10-14.99 years of service = \$725.00
- 15-19.99 years of service = \$1050.00
- 20 years or more = \$1,375.00

B. INSURANCE

SLEBC offers its own health insurance plan. The State will pay 83% 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.

On July 1, 2018, the State will implement a pilot program of a post-employment health plan, with no employer cost, whereby retiring bargaining unit members may deposit ¼ of their accumulated sick leave up to 400 hours.

C. OTHER BENEFITS

The State and SLEBC did not make any adjustments to sick leave, vacation leave, or holidays. 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, 2017, through June 30, 2019. The SCATA labor agreement covers approximately 63 Teachers within state government. On 7-1-17, the base salary for teachers will be increased from \$34,580 to \$34,960 and on 7-1-18, the base salary for teachers will be increased to \$35,730. These increases are equivalent to a 1.1% increase to all steps on the plan the first year, and a 2.2% 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.