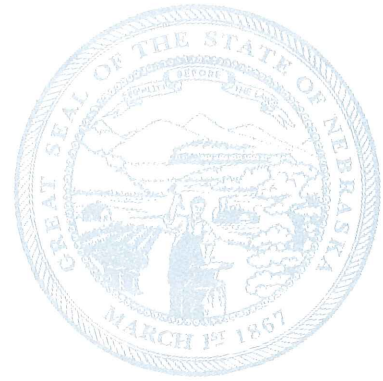


NEBRASKA

Good Life. Great Service.

DEPT. OF ADMINISTRATIVE SERVICES



Pete Ricketts, Governor

March 15, 2019

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 seventeenth "round" of bargaining under the State Employees Collective Bargaining Act. Detailed information on the status of negotiations on each of the four contracts is contained in the report. 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,

A handwritten signature in blue ink that reads "William J. Wood".

William J. Wood
Chief Negotiator

WJW:ch

cc: Jason Jackson, 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, 2019

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 seventeenth time the State negotiated labor contracts under the terms of the Act.

Bargaining on these 2019-2021 Labor Contracts began no later than the second Wednesday in September. Voluntary agreement was reached, with the earlier assistance of a mediator, on January 9, 2019, concerning the Labor Contract for 2019-2021, with the Nebraska Association of Public Employees, Local 61 of the American Federation of State County and Municipal Employees (NAPE/AFSCME), which represents approximately 7,667 employees. This Labor Contract covers eight bargaining units and the membership voted to ratify the voluntary agreement.

Agreement was reached on January 9, 2019, concerning the labor contract for 2019-2021, with the State Code Agencies Teachers Association (SCATA), which represents approximately 62 teachers in the Teachers' Bargaining Unit. The contract agreement has been ratified by the membership.

Voluntary agreement was not reached in bargaining a 2019-2021 Labor Contract with the Fraternal Order of Police, Lodge #88 (F.O.P. #88), despite the involvement of two mediators. The impasse was resolved by an Order issued by the Commission of Industrial Relations on March 1, 2019, setting new pay lines for the classifications involved. No current employee will see a reduction in wages as a result of this Order.

Voluntary agreement, on a majority of items, was also reached concerning the Labor Contract for 2019-2021, with the State Law Enforcement Bargaining Council (SLEBC) where a mediator also assisted in reaching agreement. This bargaining unit represents approximately 461 employees. Partial agreement was reached on January 10, 2019, on all items except two relating to holiday compensatory time, and the membership voted to ratify the partial voluntary agreement. The impasse was resolved by an order issued by the Commission of Industrial Relations on March 1, 2019, and is described further in the summary provided later in this report.

The State agreed to provide all full-time covered employees under the NAPE/AFSCME 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/AFSCME and SCATA covered employees. The health insurance provisions in the NAPE/AFSCME and SCATA labor contracts provide the following for the regular PPO Plan: coinsurance remains at 80%; co-payments for regular doctor office visits remained to not exceed \$45, and co-payments for specialty doctor office visits remained to not exceed \$55. A co-payment

for Urgent Care Center visits remained, not to exceed \$75. No changes were made to the annual deductibles and annual medical out-of-pocket, nor were any changes made to the co-payments for Tier 1, 2, and 3 drugs. An annual pharmacy out-of-pocket amount remained along with a mail order drug provision.

Implementation of the Commission of Industrial Relations Order in the FOP #88 case will require that the State premium contribution and plan design remain as specified for NAPE/AFSCME and SCATA. However, the Order provides that the State provide an employer paid \$36,000 life insurance policy.

Under the SLEBC Labor Contract, the State will continue to 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 \$40,000 life insurance policy.

See pages 3 through 8 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 eight bargaining units represented by NAPE/AFSCME for the period of July 1, 2019 through June 30, 2021. Approximately 7,667 employees will be impacted by this Contract. All employees in each of the eight bargaining units, except employees in the classes listed below in A., will receive a pay increase of 2% on 7-1-19. An additional increase of three tenths of one percent (0.3%) shall be available to those whose performance has been scored at least satisfactory by their agency for the past calendar year. These raises shall be calculated simultaneously.

A. On July 1, 2019, the minimum rate and maximum rate of pay for the following classes shall be adjusted to the amounts shown below. Incumbents of these classifications shall receive a minimum 5% increase or to the new hiring rate, whichever is higher. Increases to those employees at the top of the new pay line will not exceed 5% over the new maximum rate. Such adjustments shall be in lieu of any other increase, including the one provided in Section 11.2.

	Minimum Rate	Maximum Rate
Highway Maintenance Worker	\$16.300	\$22.600
Highway Maintenance Worker, Sr.	\$17.000	\$23.700
Highway Maintenance Crew Chief	\$19.250	\$25.450
Highway Construction Technician I	\$16.300	\$22.200
Highway Construction Technician II	\$17.750	\$24.500
Highway Construction Technician III	\$21.600	\$30.100
Highway Construction Technician IV	\$25.950	\$36.650

2. All employees in each of the eight bargaining units, except employees in the classes listed in 2.A. below, will receive a pay increase of 2% on 7-1-20. An additional increase of three tenths of one percent (0.3%) shall be available to those whose performance has been scored at least satisfactory by their agency for the past calendar year. These raises shall be calculated simultaneously.

A. On July 1, 2020, the minimum rate and maximum rate of pay for the following classes shall be adjusted to the amounts shown below. Incumbents of these classifications shall receive a minimum 2% increase or to the new hiring rate, whichever is higher. Increases to those employees at the top of the new pay line

will not exceed 5% over the new maximum rate. Such adjustments shall be in lieu of any other increase, including the one provided in Section 11.3.

	Minimum Rate	Maximum Rate
Highway Maintenance Worker	\$16.300	\$22.600
Highway Maintenance Worker, Sr.	\$17.550	\$24.450
Highway Maintenance Crew Chief	\$20.250.	\$28.000
Highway Construction Technician I	\$16.300	\$22.200
Highway Construction Technician II	\$18.750	\$25.900
Highway Construction Technician III	\$22.750	\$31.700
Highway Construction Technician IV	\$26.500	\$37.450

3. Except as noted above the minimum and maximum rate of pay for no classification shall be increased during the term of the Labor Contract. No longevity increases will be given.

B. INSURANCE

(Note: Insurance Provisions are identical for NAPE/AFSCME, SCATA and F.O.P.)

1. Health Insurance (for NAPE/AFSCME, SCATA & F.O.P): 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 remain as follows:

Not to exceed \$1400 Annual deductible per person – In Network

Not to exceed \$2600 Annual deductible per family– 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 remain at not to 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;

Not to exceed \$40 for a 30 day supply of Tier 2 drugs, and a

Not to exceed \$60.00 co-payment for a 30 day supply of Tier 3 drugs

The annual pharmacy out of pocket maximum shall not exceed \$2250.
The annual pharmacy out of pocket maximum shall not exceed \$4500 per family.

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/AFSCME, SCATA & F.O.P.
5. Long Term Disability Insurance: The Employer continues to offer group long term disability insurance for bargaining unit employees at employee cost, for NAPE/AFSCME, SCATA & F.O.P.
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 on wages, was reached with the State Law Enforcement Bargaining Council (SLEBC) for the period of July 1, 2019, through June 30, 2021. 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 461 employees will be impacted by this Contract.

On July 1, 2019, new pay lines shall be instituted, employees will be placed on the pay lines according to the next highest step above their current wage, and there will be one step movement (employees on Step 15 will not receive a step movement). 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

On July 1, 2019, a new pay line will be created for Game & Park Conservation Officer Lead Worker. This will mirror the State Patrol Trooper Performing Pilot Duties in its operation and management. The pay line will be set at 2.5% above the Game & Park Conservation Officer wage levels.

On July 1, 2020, the pay lines for State Patrol Troopers, Game & Parks Conservation Officers, State Patrol Troopers Performing Pilot duties, and Game & Parks Conservation Officer Lead Worker will be adjusted upwards by 3%. Incumbents of these classifications shall be placed on the new pay lines according to the next highest step above their current wage. All other classifications will maintain the pay lines established on July 1, 2019. There will be one step movement on existing pay lines (employees on Step 15 will not receive a step movement). 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 \$40,000 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.

As of December 1, 2018, the State implemented a pilot program of a Voluntary Employees Beneficiary Association (VEBA) plan, with no employer cost, whereby retiring bargaining unit members must deposit ¼ of their accumulated sick leave up to 400 hours. Absent further action of the parties, the pilot program shall end on June 30, 2021.

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. The State and SLEBC went to impasse regarding the Holiday Compensatory Time Bank. This issue received a ruling from the CIR wherein the use of a Holiday Compensatory Time Bank is to be ended on July 1, 2019, and the use of Holiday Compensatory Time will no longer count as hours worked for the calculation of overtime.

III. SCATA

A. WAGES

A voluntary agreement was reached with the State Code Agencies Teachers Association (SCATA) for the period of July 1, 2019, through June 30, 2021. The SCATA labor agreement covers approximately 62 teachers within state government. On 7-1-19, the base salary for teachers will be increased from \$35,730 to \$36,580 and on 7-1-20, the base salary for teachers will be increased to \$37,326. These increases are equivalent to a 2.4% increase to all steps on the plan the first year, and a 2.0% 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.

IV. F.O.P.

A. WAGES

A voluntary agreement was not reached with the F.O.P #88. The State's final offer was a 2% (2.3% with satisfactory performance) pay increase each year for all classes except Military Security Officers and Military Security Trainees, as a special adjustment had been agreed upon for those classes (see pay lines below). The State also proposed to adjust the pay lines 2% each year and to continue the insurance contribution at 79% of the total premium. The F.O.P. #88 requested limits on mandatory over-time. The parties didn't reach agreement despite the use of two mediators. The impasse was referred to the Commission of Industrial Relations, which entered its Order on March 1, 2019. The Order set individual pay lines for each classification as set out below. No current employee will have his/her wages reduced. The C.I.R. order did not require a second year wage adjustment.

Classification	Minimum	Maximum
Military Security Officer	\$16.804	\$23.746
Military Security Trainee	\$15.354	\$22.237

Classification	Minimum	Maximum
Corrections Corporal	\$18.44	\$25.27
Corrections Officer	\$17.00	\$24.41
Corrections Sergeant	\$20.60	\$30.57
Corrections Caseworker	\$19.23	\$27.35
Mental Health Securities Specialist I	\$13.29	\$20.37
Mental Health Securities Specialist II	\$16.16	\$26.46
Security Communications Specialist	\$15.92	\$24.51
Security Guard	\$12.18	\$19.40
Youth Security Specialist I	\$13.86	\$22.30
Youth Security Specialist II	\$16.01	\$25.99
Developmental Disabilities Safety and Habilitation Specialist No Change-Insufficient Matches.		

The C.I.R. determined the comparable employers are the States of: Iowa, Kansas, Wyoming, Wisconsin, Indiana, Arkansas, Oklahoma and that employees should be placed on the new pay lines using the compa-ratio method to keep their wages' relationship to the minimum and maximum rates the same as it is on the current pay lines.

B. INSURANCE

All insurance benefits are the same as under the NAPE/AFSCME Labor Contract, except employer paid life insurance which is \$36,000. Employer contribution to the health insurance premium remains at 79%.

C. OTHER

The C.I.R. declined to impose any restrictions on mandatory over-time. Observed holiday time will no longer count in the calculation as to when an employee goes into over-time status.