

NEBRASKA

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DEPT. OF ADMINISTRATIVE SERVICES



Pete Ricketts, Governor

March 16, 2021

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 eighteenth "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 black ink, appearing to read "Sean Davis".

Sean Davis
Chief Negotiator

Attachment

cc: Jason Jackson, DAS Director

SD: jtf

Sean Davis, Administrator

Department of Administrative Services | EMPLOYEE RELATIONS

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EMPLOYEE RELATIONS **REPORT**

March 16, 2021

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. §§ 81-1369 to 81-1388 (hereafter referred to as the Act) organized State teammates 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 eighteenth time the State negotiated labor contracts under the terms of the Act. Bargaining on these 2021-2023 Labor Contracts began no later than the second Wednesday in September.

Voluntary agreement was reached on October 21, 2020, concerning the Labor Contract for 2021-2023, with the Nebraska Association of Public Employees, Local 61 of the American Federation of State County and Municipal Employees (NAPE/AFSCME), which represents approximately 8,062 teammates. This Labor Contract covers eight bargaining units and the membership voted to ratify the voluntary agreement.

Voluntary agreement was reached on December 17, 2020, concerning the labor contract for 2021-2023, with the State Code Agencies Teachers Association (SCATA), which represents approximately 57 teachers in the Teachers' Bargaining Unit. The contract agreement has been ratified by the membership.

Voluntary agreement was reached on October 27, 2020, concerning the labor contract for 2021-2023, with the Fraternal Order of Police, Lodge #88 (F.O.P. #88), which represents approximately 1,599 teammates in the Protective Services Bargaining Unit. The contract agreement has been ratified by the membership.

Voluntary agreement was reached on November 19, 2020, concerning the labor contract for 2021-2023, with the State Law Enforcement Bargaining Council (SLEBC), which represents approximately 470 teammates in the Law Enforcement Bargaining Unit. The contract agreement has been ratified by the membership.

The State agreed to provide all full-time covered teammates under the NAPE/AFSCME, FOP, 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 teammates, and an employer paid \$36,000 life insurance policy on FOP covered teammates. 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.

Under the SLEBC Labor Contract, the State will continue to offer teammates: 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.

The remainder of this report consists of a summary of the significant economic provisions negotiated with each of the four unions. The administration has secured, for the first time, that all wage increases under the NAPE/AFSCME and FOP 88 Labor Contracts shall be tied to performance for the previous calendar year. This is an important step towards the administration's desire to emphasize performance management, reward top performers, and ensure that the state continues to deliver excellent customer service to Nebraska citizens and taxpayers.

**ECONOMIC AGREEMENTS
2021-2023 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, 2021 through June 30, 2023. Approximately 8,062 teammates will be impacted by this Contract. All teammates in each of the eight bargaining units, except employees in the classes listed below in A., will be placed on a 40 step pay plan on 7-1-21. Each pay plan utilizes the current classification Minimum Hourly Rate as Step 1, with each step up to Step 40 being a one percent (1%) increase over the previous step. Step 1 is at least \$12.00/per hour for every classification. As part of State Personnel's classification consolidation project, teammates in select job families/classifications will be reclassified and placed on the appropriate classification's 40 step pay plan. Teammates are placed on Step 1 or the nearest step above their current rate of pay as of June 30, 2021. On July 1, 2021, after placement on the appropriate pay plan, teammates whose performance has been scored satisfactory for the past calendar year will advance two steps on the pay plan (2%).
 - A. Nursing classifications outlined in Article 11.12, subject to the Nurse Matrix, shall not move to the 40 step pay plan, and shall remain at the current Minimum and Maximum Hourly Rates. Incumbents of these classifications whose performance has been scored satisfactory for the past calendar year will receive a two percent (2%) increase to their annual full-time equivalent salary base on July 1, 2021.
2. All teammates in each of the eight bargaining units, except teammates in the classes listed below in A., whose performance has been scored satisfactory for the past calendar year will advance one step on the pay plan (1%) on July 1, 2022.
 - A. On July 1, 2022, teammates in classifications outlined in Article 11.12, subject to the Nurse Matrix, whose performance has been

scored satisfactory for the past calendar year will receive a one percent (1%) increase to their annual full-time equivalent salary base

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
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

1. A voluntary agreement was reached with the State Law Enforcement Bargaining Council (SLEBC) for the period of July 1, 2021 through June 30, 2023. The SLEBC labor agreement covers law enforcement teammates in the Nebraska State Patrol, State Fire Marshal's Office, and the Game and Parks Commission. Approximately 470 teammates will be impacted by this Contract.

On July 1, 2021, all pay lines for SLEBC covered classifications will remain at 15 steps and will increase by three percent (3%). Incumbents of those classifications will remain on the numbered step they occupied as of June 30, 2021, while teammates on or above Step 15, or in between numbered steps on the pay line, will receive a three percent (3%) increase to their annual full-time equivalent salary base. On July 1, 2021 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= \$1375.00

2. On July 1, 2022, all pay lines for SLEBC covered classifications will remain at 15 steps and will increase by three and one-half percent (3.5%). Incumbents of those classifications will remain on the numbered step they occupied as of June 30, 2022, while teammates on or above Step 15, or in between numbered steps on the pay line, will receive a three and one-half percent (3.5%) increase to their annual full-time equivalent salary base. On July 1, 2022 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

1. 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.
2. The Voluntary Employees Beneficiary Association (VEBA) plan, which has no employer cost and requires retiring bargaining unit members to deposit a portion of their accumulated sick leave up to a set amount into the plan, was made permanent. The required levels of contributions were altered to be 45% of accrued sick leave with a cap at 600 hours whereas they had been at ¼ of accrued sick leave with a cap at 400 hours.

C. OTHER BENEFITS

1. 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 has agreed to create a bilingual pay benefit wherein teammates at the State Patrol who have qualifications determined by the Director may be eligible for an increase of two and

one-half percent (2.5%) to their base hourly rate of pay when performing bilingual duties under certain guidelines.

2. Agreement was reached on several items in Article 29 of the Labor Contract that improved the efficiency of the disciplinary process at the State Patrol and ensured that citizen complaints receive the same level of rigorous review as internal complaints. Unfortunately, agreement could not be reached on the state's proposed changes to the disciplinary process and the use of progressive discipline that would have allowed that there is zero tolerance for racial discrimination or dishonesty (Article 29.2.3). The state remains hopeful that agreement on such language can and will be reached in future negotiations.

III. SCATA

A. WAGES

1. A voluntary agreement was reached with the State Code Agencies Teachers Association (SCATA) for the period of July 1, 2021 through June 30, 2023. The SCATA labor agreement covers approximately 57 teachers within state government. On July 1, 2021 the base salary for teachers will be increased by one and one-half percent (1.5%) to \$37,886 from \$37,326. On July 1, 2022 the base salary for teachers will be increased by two and one one-hundredth of a percent (2.01%) to \$38,648.

B. INSURANCE

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

IV. F.O.P.

A. WAGES

1. A voluntary agreement was reached with the Protective Services Bargaining Unit represented by FOP 88 for the period of July 1, 2021 through June 30, 2023. Approximately 1,599 teammates will be impacted by this Contract. All teammates, except teammates in the classifications listed below in A., will be placed on a 7 step pay plan on July 1, 2021. On July 1, 2021 teammates at the Department of Health and Human Services are placed on Step 1 or receive an increase equal to the dollar amount that the minimum hourly rate for their respective

classification increased. On July 1, 2021, teammates at the Department of Correctional Services whose performance has been scored satisfactory for the past calendar year and who have not been subject to disciplinary action of disciplinary probation or greater will advance one step on their respective pay plan. Teammates at the Department of Correctional Services who are at or above Step 7 of their classification's pay plan on June 30, 2021, and whose performance has been scored satisfactory for the past calendar year and who have not been subject to disciplinary action of disciplinary probation or greater, will receive a two percent (2%) increase to their annual full-time equivalent salary base.

A. On July 1, 2021 all teammates in the classifications of Security Communications Specialist, Security Guard, Military Security Officer Trainee, and Military Security Officer, whose performance has been scored satisfactory for the past calendar year will receive a two percent (2%) salary increase to their annual full-time equivalent salary base.

2. All teammates at the Department of Correctional Services and the Department of Health and Human Services whose performance has been scored satisfactory for the past calendar year and who have not been subject to disciplinary action of disciplinary probation or greater will advance one step on their respective pay plan. Teammates at the Department of Correctional Services who are at or above Step 7 of their classification's pay plan on June 30, 2021, and whose performance has been scored satisfactory for the past calendar year and who have not been subject to disciplinary action of disciplinary probation or greater, will receive a two percent (2%) increase to their annual full-time equivalent salary base.

A. On July 1, 2022 all teammates in the classifications of Security Communications Specialist, Security Guard, Military Security Officer Trainee, and Military Security Officer, whose performance has been scored satisfactory for the past calendar year will receive a two percent (2%) salary increase to their annual full-time equivalent salary base.

B. INSURANCE

1. All insurance benefits are the same as under the NAPE/AFSCME Labor Contract, except employer paid life insurance which is \$36,000.