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## Deal reached on labor board

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LINCOLN — Compromises, like the mythical phoenix, often rise from the ashes in the Nebraska Legislature.

Just when it appeared that a marathon of meetings would be fruitless, State Sen. Steve Lathrop of Omaha announced Wednesday night that interests representing state business groups, public employee unions and employers had agreed on a compromise to reform the State Commission of Industrial Relations.

The deal, which state senators will debate Thursday, would maintain collective bargaining and retain the CIR as the decider of labor disputes involving public employee unions.

But it also would slightly ratchet down the compensation the CIR could order in good economic times. During recessions, the compensation would be ratcheted down even further.

The compromise also would require the CIR to consider pensions and other benefits to public workers in deciding the prevalent wage.

"It preserves, in a real sense, collective bargaining," said Lathrop, a leading Democrat in the Legislature. "Everyone is giving up something in this. Mostly it's the employees who are giving."

The amendment to Legislative Bill 397 would head off a showdown with Republican Gov. Dave Heineman over the explosive issue of collective bargaining, which inspired massive pro-labor protests in states such as Wisconsin and Ohio.

Lathrop and a Greater Omaha Chamber of Commerce official said the proposal would head off any initiative petition drives seeking voter approval to end labor rights.

"We've always wanted to deal with this legislatively," said Wendy Boyer, a vice president with the Greater Omaha Chamber of Commerce. Such a petition drive isn't needed now, she said.

A state employees union official said that state workers "should be in fairly good shape" and that a legislative compromise avoids "the great unknown" of a vote on an initiative petition.

"We don't like the agreement, but we don't want it to turn into a situation like Wisconsin, where workers have absolutely no protection," said Julie Dake Abel, head of the Nebraska Association of Public Employees.

A deal reportedly was nearly dead earlier in the evening, after daylong meetings behind closed doors and an 11-hour negotiating session in the back room of a Louisville, Neb., bank.

But bleary-eyed lawmakers and lawyers with business and labor groups kept going — urged on by Lathrop and Sen. Mike Flood, the Speaker of the Legislature — and reached a compromise about 9 p.m. Wednesday.

Among the key components:

— The CIR would no longer order wages adjusted to a midpoint when compared with similar public employers. Instead it would allow them to fall within a range of 98 percent to 102 percent during good times and 95 percent to 100 percent during a recession. If teacher salaries, for example, were at 96 percent of comparable districts, they would be ordered up only to 98 percent unless a school board decided to go higher.

— If compensation was found to be more than 5 percent higher or lower than the 98 percent to 102 percent range, it would be lowered or raised gradually, over three years, until it reached the low end, 98 percent, or the high end, 102 percent. The three-year adjustment period would replace a complicated "wage freeze." The adjustment period would provide greater cost containment for government, a key goal of the chamber groups.

— Public disclosure and a public vote would be required on the last, best offer by a union and a government employer before a case could be taken to the CIR. That means, for example, that a city council, as well as a union, would have to take public votes to reject a final offer. If either side approved a final offer, a trip to the CIR would be avoided. The business groups had sought greater transparency. They also wanted every government entity to be treated the same, from schools to cities, state government to state universities, which would occur under the compromise.

— The CIR wouldn't be required to compare public compensation with private sector compensation. Business groups had sought such a comparison, but obtaining the private data proved unworkable, Lathrop said.

Omaha Sen. Brad Ashford, a former CIR judge, said including pensions and other benefits as part of the compensation comparisons would put more pressure on Omaha firefighter and police unions to consider moving away from defined-benefit pensions, a move most private employers have already taken.

The recession component, Ashford said, gives some recognition that during hard times, public employers couldn't provide wage hikes if the private sector wasn't.

Lathrop, who led months of negotiations on a CIR proposal, said the final sticking point was finding a way to provide more cost containment for public employers while not adopting steps "punitive" to public workers.

The deal came together after a marathon attempt failed to forge a compromise at a quiet location, away from the hubbub of the State Capitol.

Flood, a Norfolk lawyer, attempted Tuesday to do what he has done on other controversial issues: get warring parties together at one location, away from Lincoln, and continue working as long as it takes to hammer out a compromise.

But after 11½ hours of sometimes heated discussions Tuesday into early Wednesday in a meeting room of a Louisville bank, managed by State Sen. Dave Pankonin, the parties adjourned without a resolution. Disagreement remained on several issues.

"When it's 12:45 a.m. and you don't have a deal, you have to go to bed and get some sleep," Flood said.

But after more meetings Wednesday morning and afternoon, the tide shifted in the evening, said Flood, who credited Lathrop for his hard work.

"He's a tough cookie," Flood said.

Lathrop has tackled other controversial issues during his legislative career, such as the troubled Beatrice State Developmental Center and stem-cell research. But the CIR issue, he said, required much more time and energy.

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