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Labor court bill passes

By [Paul Hammel](#)
WORLD-HERALD BUREAU

LINCOLN -- State lawmakers gave final approval Wednesday afternoon to one of the biggest issues of the 2011 session -- revamping of a state labor court that decides disputes between public employee unions and their employers.

Legislative Bill 397, introduced by Omaha Sen. Steve Lathrop, passed 48-0. It was the product of months of sometimes testy negotiations between representatives of unions, the state's municipalities and Nebraska's leading business groups.

It requires the Nebraska Commission of Industrial Relations to consider more factors -- including pension and health-care benefits -- when weighing what compensation is fair for a teacher, professor, or worker for state, county or state government.

The CIR, under a final compromise, must arrive at a wage that is within 98 percent to 102 percent of the prevalent wage paid for similar jobs. That change, business and management groups have said, will give government more flexibility in managing their labor costs and should slow the growth of wages.

Unlike Ohio or Wisconsin where collective bargaining rights were severely curtailed, Nebraska's public employees retained most of their rights to bargain on issues of wages, benefits and working conditions.

After initially threatening to veto the bill, Gov. Dave Heineman has promised to sign LB 397 into law after provisions sought by the Omaha, Lincoln and state chambers of commerce were included.

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CIR bill passage a 'good balance'

By Adam Klinker
Recorder Editor

Lathrop

After months of meetings and negotiations on the Nebraska Commission of Industrial Relations, the Nebraska Legislature last week reached a compromise on the future of the body that governs disputes between public entities and their employees.

State Sen. Steve Lathrop, who represents Ralston and was the main architect of Legislative Bill 397, said the final, long hours of debate — including at least two sessions that stretched into the wee hours of the morning — on the measure were worth it to get a workable solution for the CIR.

"We got it done," Lathrop said. "It really was a perfect solution. We've recognized the contributions of our public employees and their rights to collective bargaining, but we've also respected that the cities and counties needed more clarity in how the CIR functions."

Working with public employees on one side and the League of Nebraska Municipalities and the Nebraska Association of County Officials on the other, Lathrop and his select committee including himself, Sen. Brad Ashford of Omaha and Sen. Dennis Utter of Hastings, began preparation for the CIR debate at the close of the 2010 legislative session.

Since then, days, weeks and months of work and hearings have gone into charting a new course for the CIR, which had come under fire for recent rulings that seemed to have no basis in state statute.

Lathrop agreed that the statutory elisions of the CIR posed major problems for cities, given that a reliance on case law and court opinion can be unpredictable in trying to settle labor disputes.

"There's no question we needed more predictability," he said. "And so we're going to see more rules set in statute."

In the 11th hour of debate, the Nebraska Chamber of Commerce inserted itself into the proceedings and threatened to cause an overhaul of work that had already been done.

Gov. Dave Heineman also chimed in that he felt Lathrop's LB 397 did not go far enough towards creating an equitable and lasting solution.

Lathrop said he appreciated the concerns raised and he said he and the Legislature as a whole made every effort to address concerns from both the Chamber and the governor's office.

"We worked with as many concerns as we could," he said. "We had a lot of work already done at that point and I think we had a good bill at that point. But for the most part, the Chamber can be happy with the changes we've made here."

Among facets of the bill:

Y 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.

Y 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.

Y 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.

Y 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.

The passage of LB 397 staves off a situation like that which erupted in Wisconsin earlier this year when the state effectively shut off the collective bargaining option for state employees.

Lathrop said the new laws governing the CIR in Nebraska should provide a lasting compromise that ensures Nebraska is not faced with a similar solution.

"I think we struck a very good balance," he said.

— *World-Herald News Service contributed to this report.*

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