

**Subcommittee on Employee Relations
Legislative Coordinating Commission
Monday, June 14, 2004
10:00 a.m.
Room 112 State Capitol**

Present:

Sen. Linda Scheid
Sen. David Gaither
Sen. Steve Kelley
Sen. Betsy Wergin
Rep. Chris DeLaForest
Rep. Bill Haas
Rep. Jim Knobloch
Rep. Michael Paymar

Excused:

Sen. Sandra Pappas
Rep. Kent Eken

Senator Scheid called the meeting to order at 10:10 a.m. She announced that the meeting was being digitally recorded for the first time with the LCC's new equipment.

Approval of Minutes

Senator Gaither moved approval of the minutes from the March 19, 2004, meeting.
MOTION APPROVED.

Review/Approve Arbitration Awards/Collective Bargaining Agreements

Mr. Paul Larson, Deputy Commissioner, Department of Employee Relations (DOER) updated the subcommittee on AFSCME Council 6, Correctional Guards Unit contract negotiation. For the first time, the Corrections Officers, Unit 8, negotiated their agreement separately, through binding interest arbitration, from the other five AFSCME units. The arbitrated issues were: 1) Across-the-board increase in the second year; 2) Inequity adjustments; 3) Changes in eligibility for early retirement incentives; and 4) Health and dental insurance. The arbitrator issued his award on May 14th. The cost of the increases is approximately \$1,297,000 for FY 04-05. Mr. Larson, Ms. Amy McKee, Principal Labor Relations Representative at DOER, and Ms. Jill Pettis, Compensation Manager at DOER, stood for questions.

Representative Haas moved adoption of SER-1, the resolution approving the arbitration awards/collective bargaining agreements for AFSCME Council 6 and Unit 8 as well as the Minnesota Law Enforcement Association (MLEA).

Discussion ensued regarding ratification. Mr. Hubinger indicated that the contracts would be ratified in the next legislative session or in a Special Session if the Governor adds this issue to the agenda. Representative Haas indicated it might be a good idea for the subcommittee to contact the Governor to make him aware that it would be beneficial to deal with the contracts if a Special Session is called. Senator Scheid clarified that adopting SER-1 makes the contracts effective now.

Mr. Larson also reviewed the negotiation process for MLEA's arbitration award regarding across-the-board increases, which was granted June 2, 2004. The cost of the increases is approximately \$1,083,000 for FY 04-05.

Senator Scheid invited anyone from the audience to testify. There being no further testimony, the vote was taken on the Haas motion to adopt SER-1. **MOTION APPROVED.**

Review/Approve Compensation Plan for the Higher Education Services Office

Ms. Susan Heegaard, Director of HESO, and Ms. Mary Lou Dresbach, Director of Human Resources, came before the subcommittee to submit its compensation plan for unrepresented employees, which had been reviewed and approved by DOER. Ms. Heegaard also requested the subcommittee to approve establishment of a Deputy Director position. She felt adding this position would provide good management for the agency and allow her to focus on her main functions relating to policy and providing advice to the Governor. Ms. Heegaard requested that the subcommittee approve the position now with the possibility that it might be filled depending on the outcome of their strategic planning process this summer in determining if the position is necessary or not. Discussion ensued.

Senator Scheid stated that the SER would probably meet again in August or September. She suggested that it might be more appropriate for Ms. Heegaard to come back at that time, after the strategic planning process, to request approval of the Deputy Director position, if necessary.

Senator Kelley moved approve SER-2, amending it to exclude the proposed new salary range for the Deputy Director position. **MOTION APPROVED.**

*** Representative Haas requested a note be made in the minutes indicating that the issue pertaining to the HESO Deputy Director position be taken up at the next meeting.**

Update on Contract Negotiations

Mr. Larson provided an update on the Minnesota Nurses Association (MNA), which has filed for binding interest arbitration. An arbitrator had not been selected yet.

The Minnesota Government Engineers Council of 850 engineers rejected the current offer and it is expected they will file to move to interest arbitration. Mr. Larson stood for questions.

Mr. John Shabatura, Associate Vice Chancellor for Labor Relations at MnSCU, reported on the Inter Faculty Organization, representing approximately 3,000 employees. MnSCU has negotiated agreements with two of the three IFO groups. They met with IFO at the Bureau of Mediation Services on June 11th with proposals for a settlement, but no agreement was reached. The main issue that is being debated is the new health insurance plan that went into effect in January 2004 after MnSCU could not reach an agreement with IFO and cancelled the previous health insurance plan. It was taken to court and a temporary restraining order was issued against MnSCU for unfair labor practice and they were urged to renegotiate. MnSCU has been working with DOER to reinstate the 100% health care coverage. IFO offered to go to interest arbitration, but the state declined as IFO is a non-essential unit. Mr. Shabatura stood for questions. Discussion ensued.

Review/Discuss Legislation Providing for a Subcommittee on 95% Salary Cap Study

Senator Scheid announced that a working group would be created to head the 95% salary cap study. They would hold two to three meetings between now and next January. The working group would include not only the groups mentioned in legislative language, but also outside entities who would like to provide input. Representative Knobloch stated that the Coalition on Greater Minnesota Cities should be included. Senator Wergin requested that the Minnesota Rural Counties Coalition also be invited to participate. Senator Scheid stated that a distribution list would be compiled and meeting notices would be sent out to anyone willing to participate in the working group.

Ms. Laura Offerdahl, Intergovernmental Relations Representative from the League of Minnesota Cities (LMC), provided their May edition of LMC's *Minnesota Cities* magazine, which featured an article entitled, "The Consequences of Compensation Limits." Ms. Offerdahl handed out a memo offering the Association of Metropolitan Municipalities (AMM) and LMC's assistance in completing the compensation study and provided information regarding the data and surveys they would be able to contribute.

Senator Scheid thanked Ms. Offerdahl for LMC's interest in participating in the study. The next meeting will be held in August or September. If and when a working group meeting is scheduled, everyone will receive notice.

Representative Haas moved to adjourn. There being no further business, the subcommittee adjourned at 11:25 a.m.

Senator Linda Scheid, Chair