

## Subcommittee on Employee Relations Legislative Coordinating Commission



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Representative Debra Hilstrom  
Representative Joyce Peppin  
Representative Ryan Winkler

**DATE:** August 18, 2014

**TO:** Members of the Subcommittee

**FROM:** Greg Hubinger

**RE:** Contract summary

### Minnesota Nurses Association

The State and the Minnesota Nurses Association (MNA) were unable to reach a negotiated settlement for the collective bargaining agreement for the current biennium. Because this bargaining unit is considered essential under PELRA, the issues at impasse were referred to arbitration. The arbitration hearing was held in May, the record closed in June, and Arbitrator Jay Fogelberg issued his decision on July 23, 2014. A copy of the arbitration award is available at: [http://www.ser.leg.mn/contracts/14-15/MNA\\_arbitration\\_award\\_7232014.pdf](http://www.ser.leg.mn/contracts/14-15/MNA_arbitration_award_7232014.pdf)

This bargaining unit represents approximately 760 registered nurses. Most are employed at the Departments of Human Services, Corrections, Health, and the Veterans' Homes.

### Arbitrated Issues

Three issues were referred to arbitration.

**Additional steps.** The Nurses Association proposed adding an additional step in each year to the top of each salary range, while eliminating the bottom step in each range. A step is about 4.0% of salary. The Association argued the new steps were needed to ensure competitive wages for nurses when compared to other unionized hospitals. The Association also argued the additional steps were needed to reduce turnover rates. The State argued that the comparisons to acute care hospitals are inappropriate, and that the appropriate comparisons are nursing positions in nursing homes and clinical settings. The State also contended there was not a significant turnover problem. The arbitrator accepted the State's position.

**Shift differential.** The Nurses Association proposed increasing the shift differential from the current rate of \$0.70 per hour to \$1.25 for rotating to the evening shift or working straight evening shifts. The Association also proposed increasing the current rate from \$0.70 per hour to \$2.00 for rotating to the night shift or working the night shift. The Nurses Association argued that the shift differential is considerably less than that provided to nurses by hospitals. The State argued that the shift differential for other bargaining units is \$0.65 per hour, and that there has not been a problem retaining nurses with the current differential. The arbitrator accepted the State's position.

**Continuing education funding.** The Nurses Association proposed that Advanced Practice Nurses with continuing education requirements be provided an additional \$1,500 per year for courses necessary to maintain their licenses. The Association argued that many of the courses required for licensure cost between \$400-\$500. The State argued that there are free training courses available that cover some of these requirements. The arbitrator indicated the burden is on proposing party to provide clear and convincing evidence of the need and reasonableness of the proposed change, which the arbitrator did not think had been met. He accepted the State's position.

### **Negotiated Provisions**

A copy of the collective bargaining agreement is available at: [http://www.ser.leg.mn/contracts/14-15/Draft2013-2015\\_Nurses\\_Contract.pdf](http://www.ser.leg.mn/contracts/14-15/Draft2013-2015_Nurses_Contract.pdf)

Items settled through negotiations included:

1. 3.0% across the board increases effective July 1, 2013 and July 1, 2014.
2. Nurses will continue to receive merit increases on their anniversary dates. These increases average 4.0%. Approximately 48% of nurses are below the maximum of their salary ranges and so they are eligible for these increases.
3. Continue the student loan repayment reimbursement program. The reimbursement is up to the discretion of the Appointing Authority. The debt must have been incurred within 15 years, payments cannot exceed \$5,000 per calendar year, nor exceed \$25,000 total per nurse. The nurse must have been employed for at least one year, work at least half time, and remain employed for at least one year after receiving a reimbursement payment. For Advanced Practice Registered Nurses, the maximum annual payment is increased to \$6,000, with a total of \$30,000 to any one nurse. This program is continued through June 30, 2017.
4. Increase the maximum amounts nurses may be reimbursed for meals while in travel status, similar to that of the other contracts and plans.
5. Continue the voluntary weekend shift bonus of \$100 for nurses who are requested and then volunteer to work weekend shifts available within 14 days. This program is in effect through June 30, 2017.
6. Continue the charge nurse differential of \$1.50 per hour and the officer of the day differential of \$1.75 per hour.

**Other provisions**

7. Eliminate requirement that newly appointed nurses work six months before being eligible to take vacation leave. Provide a credit of 40 hours of vacation leave at initial appointment, which is reduced by the amount of leave taken.
8. Continue the Achievement Award program. A nurse may receive a one-step increase, or if the employee is at the maximum of their salary range, a lump sum of 4% of salary or \$1,500, whichever is less. No more than 35% of eligible nurses may receive an award.
9. Continue the employer and employee match of \$150 per year to deferred compensation, and the amount that employees contribute to the health care savings plan at \$100 per month.

**Settlement Cost Sheet**

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the Nurses Association agreement will be 4.85% this biennium. The cost of these increases will add 6.90% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.)

Please let me know if you have any questions or need additional information.

Attach: settlement sheet

# STATE EMPLOYEE SALARY SETTLEMENTS

## FY 14-15 ESTIMATED COSTS

LCC Subcommittee on Employee Relations

August 18, 2014

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO NEXT BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
	7/1/2013	1/1/2014	7/1/2014	1/2/2015					
AFSCME, Council 5	3.00%		3.00%		\$1,695,445,000	\$75,743,000	4.47%	6.37%	\$107,999,847
AFSCME, Unit 8, Correctional Guards	3.00%		3.00%		\$274,922,000	\$10,640,000	3.87%	5.25%	\$14,433,405
AFSCME, Unit 25, Radio Communications Oper	3.00%		3.00%		\$7,317,000	\$398,000	5.44%	7.37%	\$539,263
MN Association of Professional Employees	3.00%		3.00%		\$2,128,007,000	\$101,239,000	4.76%	6.87%	\$146,194,081
Middle Management Association	3.00%		3.00%		\$571,882,000	\$26,448,000	4.62%	6.56%	\$37,515,459
MN Government Engineering Council	3.00%		3.00%		\$186,379,000	\$8,519,000	4.57%	6.48%	\$12,077,359
Minnesota Nurses Association	3.00%		3.00%		\$137,607,000	\$6,674,000	4.85%	6.90%	\$9,494,883
MN Law Enforcement Association									
State Residential Schools Education Assoc	3.00%		3.00%		\$34,116,000	\$1,142,000	3.35%	4.09%	\$1,395,344
State University Inter Faculty Organization									
MN State University Assoc of Admin & Service Faculty	2.4%		2.6%		\$114,202,188	\$4,577,001	4.01%	6.33%	\$7,228,999
Minnesota State College Faculty	3.0%			3.0%	\$792,314,713	\$30,611,798	3.86%	6.85%	\$54,273,558
Personnel Plan for MnSCU administrators									
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan	3.00%		3.00%		\$7,301,000	\$488,000	6.68%	10.68%	\$779,747
Managerial Plan	3.00%		3.00%		\$321,726,000	\$16,993,000	5.28%	7.65%	\$24,612,039
Commissioners Plan (4)	3.00%		3.00%		\$203,555,000	\$11,138,000	5.47%	8.16%	\$16,610,088
Office of Legislative Auditor									
MnSure Compensation Plan									
<b>TOTAL</b>					<b>\$6,474,773,901</b>	<b>\$294,610,799</b>	<b>4.55%</b>	<b>6.69%</b>	<b>\$ 433,154,071</b>

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.

- (1) Includes all funds, including higher education agencies. Includes across the board salary increases, steps, FICA, insurance & pension.
- (2) Percent of new money needed over base.
- (3) This percentage reflects the annualized cost of the increases granted during the biennium.  
This figure depicts all of the costs of the contract, including "tails."
- (4) Groups within plan follow lead of comparable bargaining units.