

Platte Chat

*An ongoing conversation about how to best preserve free enterprise,
personal responsibility and limited government in Nebraska*



The following is a summary overview of our recent policy study, "A Right to Decide."

LB 397 is neither significant nor meaningful reform.

The Commission on Industrial Relations Is an Antiquated Relic

The statutory scheme that created the Commission on Industrial Relations (CIR) is antiquated and needs reform that favors the taxpayer. LB 397 does not favor the taxpayer because it gives the CIR greater authority and provides no additional transparency.

Comparability Defies Common Sense

LB 397 Creates Confusion: LB 397 establishes different standards to determine comparability depending on the type of employer. This makes a complex process even more complex and creates the potential for disparate impacts based solely on the type of employer. For example, in LB397, the CIR is supposed to compare public utilities based on a radius or concentric circle analysis to ensure the comparison best reflects the local labor market but this analysis does not apply to any other employer classification.

Ability to Pay: Only school districts are permitted to present evidence of an inability to pay -not cities and counties.

LB 397 Subjects Private Business to Intrusive Subpoenas

Because the CIR retains its subpoena power, LB 397 could force private businesses to disclose documents relating to wages, health benefits, pensions and retirement in an attempt to compare public to private employers. For example, because Omaha has few in-state public employers for its comparison array of clerical employees, the CIR may compare Omaha with Mutual of Omaha or First National Bank and would have subpoena authority over all relevant employee records.

LB 397 Opens the Door to Mandatory Collective Bargaining

LB 397 could make any staffing issue a mandatory subject of collective bargaining. The recent Omaha Fire case made a distinction between purely managerial staffing issues and staffing issues related to "safety". The F.D.'s rationale, taken from a NLRB case, was that all staffing issues related to safety. Although the CIR ruled against the F.D., codifying that all staffing related to safety is mandatory could create future problems.

LB 397 Rewards Failing Teachers

LB 397 further undermines the authority of school districts to assign teachers to underserved or "academically underachieving" schools by *requiring* districts to negotiate incentive pay for new and existing teachers. This could provide up to a 20 percent raise to the teachers who created the circumstances for the "underachieving" designation in the first place.

LB 397 Does Not Cut Spending

LB 397 allows the CIR to create an hourly rate value based on insurance premiums and pension values to adjust wage rates. Only wages for new employees or demoted employees may be diminished, wages for existing employees can only be frozen until they are below comparability - i.e. they can never be diminished.

[CLICK HERE](#) to download a full copy of "The Right to Decide"

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