



Labor Contract Negotiation Q & A

How many Lane County employees are represented by AFSCME Local 2831?

There are a total of 582 employees represented by AFSCME Local 2831. These employees work in areas throughout the organization including Assessment & Taxation, Children & Families, County Administration, County Counsel, District Attorney's Office, Health & Human Services, Information Services, Justice Courts, Lane Workforce Partnership, Management Services, Public Works, Sheriff's Office, and Youth Services.

- The average salary for all Lane County AFSCME employees is approximately \$42,000. AFSCME represents a broad range of position types, including clerical and administrative support positions and information technology programmer analysts.
- AFSCME employees receive ten (10) paid holidays each year and are entitled to paid time off for both vacation and sick leave.
- The current health plan for AFSCME employees costs the County \$14,400 per employee per year.

When did negotiations begin?

Lane County and AFSCME Local 2831 began negotiations in May 2008. For more detailed information go to

<http://www.lanecounty.org/documents/NegotiationsTimeline.pdf>

What is the County's final offer?

Wages: The County proposal would provide employees with a 3.9 percent Cost-of-Living Adjustment (COLA) for the fiscal year that began July 1, 2008. The 3.9 percent is based on the previous year's Consumer Price Index (CPI) for the Portland-Salem OR-WA area. The CPI is the measurement used nationally to determine whether living costs are going up, staying steady, or decreasing.

For the second and third years of the contract, the County proposes to increase AFSCME employee wages according to the CPI, except that there is both a "floor" and a "ceiling" as to what the increase will be. For example, the floor is set at 2 percent, so

even if the actual CPI falls below that level, employees will still receive a 2 percent increase in pay. The ceiling is 3 percent. Currently the national CPI rate is (-)1.0 percent and the CPI for western cities below 1,500,000 population is (-)1.6 %.

Benefits: Health care coverage may be the primary issue in the current bargaining dispute. The County's proposal calls for AFSCME employees to be covered under the same health insurance plan provided to approximately 475 other County employees. Lane County has a total of eight employee groups – seven unions and one non-represented employee group. The Standard Plan is used by four employee groups: three unions and non-represented employees, including supervisors, managers, department directors, and elected officials. This offer assures AFSCME employees will have parity.

There are two major differences between AFSCME's current plan and the Standard Plan being offered by the County:

- While the maximum out-of-pocket for the Standard plan is higher than the AFSCME plan, it has to be in order to cost the County less in premiums. Since the Standard plan pays 100 percent for all medical services, it is unlikely that most employees will ever reach that maximum. Of the approximately 475 employees currently on the Standard plan, only 9 have met the maximum, and they met that maximum by making claims for services that aren't fully covered, such as chiropractic care or physical therapy.
- The other issue that has been raised is the prescription drug coverage because unlike the AFSCME plan that has a \$400 annual cap per covered individual for prescriptions, the Standard plan has no maximum out-of-pocket. The County's plan provides a prescription drug "formulary", which means that all drugs are categorized into three groups. Generic drugs cost only \$15, brand name drugs cost \$30, and specialty or newly developed drugs cost no more than \$35 under the formulary; there is also a mail order benefit for maintenance prescriptions that provides three months worth of prescription drugs for a two month payment.
- Employees do not pay a monthly premium under either plan and still maintain 100 percent medical coverage.

You can compare medical plans at

<http://www.lanecounty.org/documents/MedicalPlanComparisons.pdf>

Why does the County want AFSCME to change benefit plans?

The Standard plan will save the County hundreds of thousands of dollars each year over the long term. If health care costs continue to grow at the same rate they've grown for the past four years, in just six years the County will save \$1,000 per employee per year on the Standard plan.

How much of the County's budget is spent on wages and benefits?

Wages and benefits represent a significant cost to the County. For example, in the current Fiscal Year 08-09 Budget:

Permanent Wages:	\$77,084,089
Benefits Total:	\$51,972,498
Total Personal Services:	\$129,056,587

Over the last four years, health care costs have increased by an average of 10 percent annually.

How much federal Secure Rural Schools funding did Lane County receive?

In October, Secure Rural Schools funding was secured through HR 1424, the Emergency Economic Stabilization Act of 2008. The estimated impact of federal timber payments on Lane County's General Fund and Road Fund is:

- Fiscal Year 2008-09: \$13.5 million General Fund, \$18.5 million Road Fund
- Fiscal Year 2009-10: \$12.2 million General Fund, \$16.6 million Road Fund
- Fiscal Year 2010-11: \$11.0 million General Fund, \$14.9 million Road Fund

This bill steps down payments over four years, from 100 percent to 70 percent by the latter part of 2011. It places additional restrictions and oversight on how some of the money is allocated by counties for services on federal forestlands.

In Fiscal Year 2011-12 a new formula will be used to determine the amount counties will receive. This formula is based upon historic timber payments, average income levels and acreage of federal land. The County anticipates the final year to be no more than 50 percent of the amount received in Fiscal Year 2006-07 or an estimated \$7.5 million for the General Fund and \$10.3 million for the Road Fund.

If we have federal funding, why can't Lane County agree to AFSCME's bargaining demands?

The Fiscal Year 2008-09 Adopted Budget uses a combination of one time funding (a result of a Road Fund for General Fund exchange) from the cities of Eugene and Springfield and the expenditure of cash reserves to provide the current level of service.

As a result of the use of this one time cash, the current level of service is not sustainable beyond Fiscal Year 2009-2010.

The Board and County Administrator have both expressed the desire to stabilize services and avoid, to the extent possible, continual cuts and future “cliffs” requiring extensive service reductions.

When was the last salary study conducted?

In 2006, Lane County hired an outside consultant to conduct a compensation and classification study of non-represented or “non-rep” classifications.

What was the result of the classification and compensation study?

Consultant Fox Lawson & Associates determined salaries for many of the County’s non-rep classifications had fallen below market. Many positions were more than 20 percent below market.

As a result of this professional study, a new classification and compensation (“class and comp”) plan was implemented in July 2007 to reflect the conclusions of the class and comp study.

Overall, the implementation and first full year of the new class and compensation plan for non-reps resulted in an average increase for all non-reps of 4.5 percent.

The first year’s net cost for implementation of the new non-rep plan was \$233,400 including statutory benefit costs.

How does this compare with what has occurred with other employee groups?

As a part of the last contract negotiated with the AFSCME nurses, the County made market adjustments to base salary and has proposed similar adjustments for information technology employees.

Additionally, during the last contract negotiations with the Lane County Peace Officers’ Association, market adjustments were made for deputy sheriff officers after market studies showed that the County’s deputies were considerably below market.